

**Vigo County, Indiana**  
**2007 Pay 2008 Budget Order**

An analysis of the data with the 2007 Pay 2008 Budget Order for Vigo County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Vigo County has two cross-county units. Vigo is the major county unit for Clay-Owen-Vigo Solid Waste District, which also crosses into Clay and Owen Counties.

Vigo County is the minor unit for the Busseron Conservancy District. Busseron originates in Sullivan County and also crosses into Greene County. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

**Changes in Local Tax Levies**

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$4.5 million or 3.62%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the Vigo County School Corporation (\$4,205,404). The largest total dollar decrease in levy was due to the County Unit (\$1,861,723).

Vigo County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$16,395,159	\$18,398,272	\$2,003,113	12.22%
Health	1,536,799	1,020,341	-516,458	-33.61%
Children's Psychiatric Res Treatment	-0-	172,735	172,735	-%
Park and Recreation	1,497,293	867,691	-629,602	-42.05%

Vigo County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$6,265,716	\$3,285,980	-2,979,736	-47.56%

Total County levy decreased by \$1,861,723 or 6.31%. Children's Psych increased levy after using cash balances in 2007. Welfare increased use of cash balances in 2008.

Fayette Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire	\$16,347	\$23,612	\$7,265	44.44%

Total Township levy increased \$12,386 or 18.16%. Township received an excess levy appeal of \$5,592 for volunteer fire for 2008.

Pierson Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$1,004	\$13,579	\$12,575	1,252.5%
Fire	19,152	26,040	6,888	35.96%

Total Township levy increase of \$28,568 or 47.24%. Township received excess levy appeals for township assistance of \$5,000 and for volunteer fire of \$6,640 for 2008.

Vigo County School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$24,233,230	\$24,990,316	\$757,086	3.12%
Debt Service	6,739,793	8,190,846	1,451,053	21.53%
Capital Projects	12,863,286	14,075,883	1,212,597	9.43%
Bus Replacement	1,137,785	1,755,468	617,683	54.29%

Total School levy increase of \$4,205,404 or 8.47%. Bus Replacement levy increased to meet anticipated needs for replacement of aging fleet. Capital projects levied up to the maximum rate for 2008. No new debt recorded. Payments increased per schedule.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

**Changes in Real Property Gross Assessed Values**

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	15.58%
Mineral	4.70%
Industrial	5.53%
Commercial	10.30%
Residential	2.97%
Exempt	-34.47%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	6.53%	7.64%
Mineral	0.08%	0.09%
Industrial	6.50%	6.93%
Commercial	14.99%	16.72%
Residential	55.38%	57.67%
Exempt	16.52%	10.95%

As can be seen from the analysis, a shift from exempt property to agricultural, mineral, industrial, commercial, and residential property occurred. This shift was approximately 5.57%, with residential receiving 2.29% of the total.

### Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
FAYETTE TOWNSHIP	12.71%	14.65%	1.72%	3.68%	6.22%	-8.24%
TERRE HAUTE CITY- HARRISON TOWN	-1.63%	0.42%	2.08%	3.15%	5.85%	-11.40%
HONEY CREEK TOWNSHIP	4.84%	7.42%	2.46%	4.44%	6.76%	-7.87%
HONEY CREEK TOWNSHIP- SANITARY	6.41%	10.33%	3.68%	5.63%	7.80%	-4.67%
TERRE HAUTE CITY- HONEY CREEK T	0.68%	2.75%	2.05%	3.13%	5.82%	-11.33%
LINTON TOWNSHIP	17.76%	18.72%	0.81%	2.61%	5.09%	-9.48%
LOST CREEK TOWNSHIP	0.54%	1.94%	1.39%	3.30%	5.82%	-9.13%
LOST CREEK TOWNSHIP- SANITARY	2.67%	5.52%	2.78%	4.69%	7.06%	-5.53%
TERRE HAUTE CITY- LOST CREEK TO	3.86%	5.99%	2.05%	3.11%	5.81%	-11.38%
SEELYVILLE TOWN	-5.07%	-1.72%	3.53%	5.38%	7.79%	-5.94%
NEVINS TOWNSHIP	1.65%	3.01%	1.34%	3.22%	5.68%	-9.04%
OTTER CREEK TOWNSHIP	7.69%	9.03%	1.24%	3.12%	5.58%	-8.99%
OTTER CREEK TOWNSHIP- SANITARY	0.62%	3.28%	2.65%	4.53%	6.85%	-5.43%

TERRE HAUTE CITY- OTTER CREEK T PIERSON TOWNSHIP	129.51%	134.22%	2.05%	3.12%	5.68%	-11.38%
PRAIRIE CREEK TOWNSHIP	6.85%	7.86%	0.95%	2.74%	5.24%	-9.51%
PRAIRIETON TOWNSHIP	7.76%	8.92%	1.07%	2.80%	5.39%	-10.11%
RILEY TOWNSHIP	9.61%	14.10%	4.10%	6.44%	8.83%	-6.74%
RILEY TOWNSHIP- SANITARY	-1.50%	3.61%	5.19%	7.42%	9.64%	-3.60%
RILEY TOWN	-3.14%	1.35%	4.64%	6.79%	9.29%	-7.57%
SUGAR CREEK TOWNSHIP	2.13%	8.80%	6.52%	9.19%	12.45%	-2.88%
WEST TERRE HAUTE TOWN	-11.97%	-0.13%	13.45%	16.10%	19.45%	-1.31%
TERRE HAUTE CITY -- RILEY TOWN	9.70%	11.94%	2.04%	3.11%	5.81%	-11.37%
LINTON TOWNSHIP - SANITARY	-40.80%	-38.71%	3.54%	5.45%	7.63%	-4.81%
FAYETTE NEW GOSHEN FIRE	3.57%	5.21%	1.58%	3.49%	5.98%	-8.88%
Average	1.68%	3.62%	3.09%	4.85%	7.41%	-8.00%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate. Upward pressure on tax rates came from increases in tax levies, especially debt levies that don't benefit from PTRC.

The estimated reduction in net homestead tax bills for Vigo County is 39.77%.

### Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	Decrease	No Change	0 - 10% Increase	10 - 30% Increase	30 - 100% Increase	More Than Doubled
Commercial	3.8%	1.3%	38.5%	52.9%	2.4%	0.9%
Industrial	4.0%	0.2%	20.2%	71.3%	3.7%	0.6%
Residential	22.2%	5.0%	61.3%	9.1%	1.7%	0.6%
Overall	17.2%	6.1%	48.9%	22.5%	4.4%	0.8%

### TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.