

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

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

Spencer County has no cross-county units.

**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 \$1.4 million, or 4.61%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the County unit (\$524,575), the North Spencer County School Corp (\$485,936), and the South Spencer County School Corp (\$247,631).

Spencer County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$4,897,426	\$5,004,328	\$106,902	2.18%
Children Psychiatric Residential Treatment	1,203	-0-	-1,206	-100.00%
Health	149,172	183,228	34,056	22.83%

Spencer 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	\$253,834	\$596,465	\$342,631	134.98%

Total County levy increased by \$524,575 or 8.10%.

Grass Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire Equipment Debt	\$0	\$23,669	\$23,669	-%

Township unit received order for new equipment debt in 2007. The first payments became due in 2008. Total Township levy increased by \$24,951 or 52.01%.

Ohio Township

	<u>Pay 2007</u>	<u>Pay 2008</u>		<u>%</u>

<u>Fund</u>	<u>Certified Levy</u>	<u>Certified Levy</u>	<u>\$ Change</u>	<u>Change</u>
Township Assistance Loan	\$49,490	-0-	-\$49,490	-100.00%
Total Township levy decrease of \$44,492 or 14.84%.				

#### North Spencer 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	\$4,087,607	\$4,396,992	\$309,385	7.57%
School Pension Debt	325,615	256,667	-68,948	-21.17%
School CPF	1,606,293	1,832,130	225,837	14.06%
Bus Replacement	129,048	72,732	-56,316	-43.64%

Total School levy increase of \$485,936 or 5.55%.

#### South Spencer 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	\$5,049,356	\$4,957,209	-\$92,147	-1.82%
Debt Service	1,222,829	1,529,692	303,863	24.85%
School Pension Debt	881,728	826,202	-55,526	-6.30%
Bus Replacement	139,601	198,344	58,743	42.08%

Total School levy increase of \$247,631 or 2.40%.

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. Utilities gross assessed value data was not available for Pay 2007. Therefore, this property class has been excluded from this analysis.

<u>Class</u>	<u>% Increase</u>
Agriculture	12.54%
Industrial	6.20%
Commercial	-5.42%
Residential	3.16%
Exempt	26.51%
Utility	12.28%

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	23.88%	25.07%
Industrial	11.90%	11.79%
Commercial	8.10%	7.14%
Residential	44.22%	42.56%
Exempt	7.22%	8.53%
Utility	4.68%	4.90%

As can be seen from the analysis, a shift from residential, industrial and commercial property to agricultural, exempt, and utility property occurred. This shift was approximately 2.73%.

### 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>
CARTER TOWNSHIP	12.60%	8.73%	-3.44%	-1.57%	-0.39%	-11.21%
DALE TOWN	5.79%	2.37%	-3.23%	-1.65%	-0.22%	-12.59%
SANTA CLAU TOWN-CARTER TOWNSH	9.63%	5.89%	-3.41%	-1.75%	-0.46%	-11.73%
CLAY TOWNSHIP	13.96%	10.02%	-3.45%	-1.56%	-0.43%	-10.98%
SANTA CLAU TOWN-CLAY TOWNSHIP	6.07%	2.45%	-3.41%	-1.75%	-0.47%	-11.69%
GRASS TOWNSHIP	18.98%	16.53%	-2.06%	0.09%	1.44%	-8.73%
CHRISNEY TOWN	11.33%	6.72%	-4.14%	-2.74%	-1.28%	-13.24%
HAMMOND TOWNSHIP-NORTH	15.70%	11.93%	-3.26%	-1.37%	-0.10%	-11.51%
HAMMOND TOWNSHIP-SOUTH	14.85%	11.86%	-2.60%	0.03%	1.26%	-10.10%
GRANDVIEW TOWN	0.64%	-0.86%	-1.49%	0.85%	2.31%	-10.96%
HARRISON TOWNSHIP	9.79%	6.03%	-3.42%	-1.50%	-0.35%	-10.94%
SANTA CLAU TOWN-HARRISON TOWN	5.77%	2.14%	-3.43%	-1.80%	-0.49%	-11.78%
HUFF TOWNSHIP	13.68%	9.77%	-3.43%	-1.51%	-0.37%	-10.91%
JACKSON TOWNSHIP	7.49%	3.97%	-3.27%	-1.35%	-0.19%	-10.99%

GENTRYVILLE TOWN	7.09%	2.83%	-3.98%	-2.61%	-1.26%	-12.65%
LUCE TOWNSHIP	9.13%	6.19%	-2.70%	-0.35%	0.85%	-10.24%
OHIO TOWNSHIP	5.54%	2.35%	-3.02%	-0.47%	0.78%	-10.36%
ROCKPORT CITY	5.51%	2.30%	-3.04%	-1.45%	0.35%	-14.08%
Average	9.88%	4.61%	-3.16%	-1.24%	0.04%	-11.21%

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.

### Assessment Status

According to DLGF staff, real property and sales data are in compliance with departmental and statutory requirements, and auditor data will not be available until after certification is complete. Until review is completed, it is not possible to say whether the data is compliant with departmental and statutory requirements.

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	8.6%	12.2%	36.7%	28.2%	11.1%	3.1%
Industrial	4.6%	25.8%	41.5%	12.3%	12.3%	3.1%
Residential	1.2%	35.7%	53.3%	7.4%	1.6%	0.8%
Agricultural	0.8%	18.1%	18.2%	49.9%	12.6%	0.3%
Exempt	1.9%	35.1%	26.3%	20.5%	14.5%	1.8%
Utility	4.7%	25.9%	18.8%	22.4%	22.4%	5.9%
Overall	1.4%	28.5%	38.9%	23.8%	6.6%	0.8%

### TIF Neutralization Worksheets

The County has 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 not reviewed for numerical accuracy but for logical analysis and completeness.