

Crawford County, Indiana 2006 Pay 2007 Budget Order

Per the DLGF, Crawford County did not complete a reassessment to adjust to market in 2002. The County put on a 78% adjustment factor for all properties in the County and left that adjustment factor on for all subsequent years. Because properties in the County have been intentionally undervalued for several years, the adjustment factor required for the 2006 trending update would have been as high as 500 - 600% for some properties. Meetings have taken place between the DLGF and elected and local officials to reach a compromise on how to update the County's assessed values for trending. For 2006 Pay 2007, the County put on a 100% adjustment factor for all properties in the County. The County has hired an outside firm to complete a reassessment in 2007 Pay 2008. The first step in the reassessment process is that the County will have to update its plat maps, as no properties under 5 acres had previously been platted. DLGF officials have met with the County to provide a timeline for the reassessment.

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 factors or excessive 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 increase in tax levy for Pay 2007 on a county-wide basis was just over \$202,000, or 2.10%. Levies for the county-wide school corporation and the county taxing unit are the primary drivers of changes in tax rates. Crawford County Community School Corporation's levy makes up 52.5% of the total levy for all taxing units in the County, and the county unit's levy makes up 38.8%.

The largest levy increase was due to the issuance of new school pension bonds by the school corporation. This debt issuance resulted in a new levy of \$482,982. The school corporation's Transportation fund levy also increased by \$137,776. The school corporation received an appeal for \$100,356 of the Transportation levy increase. The following changes reduced the impact of these levy increases.

1. The school corporation decreased its Bus Replacement fund levy by \$100,570.
2. The school corporation decreased its Capital Projects fund levy by \$152,670.
3. A county welfare loan rolled off, resulting in a levy decrease of \$374,892.
4. The English and Whiskey Run Fire Protection Districts also both experienced debt roll off, resulting in a total levy decrease of \$26,847.

Minimal total levy growth was also due to minor increases in the other taxing units, with many units experiencing small decreases for some funds. Jennings Township had an approved excess levy appeal for \$6,300 but still exceeded the allowed controlled levy growth rate by 2.27%. Liberty Township had an approved excess levy appeal for \$5,306 but also exceeded the allowed controlled levy growth rate by 1.75%.

Crawford County is a CAGIT county, and, in CAGIT counties, controlled levies grow at a rate higher than non-CAGIT counties. Therefore, all units in the County are within allowable controlled levy growth.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are not available for the County at this time. Net Assessed Value changes are detailed in the table in the next section.

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 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>
Alton Town	18.73%	-9.76%	-9.17%	-7.65%	-0.38%
Boone Township	10.81%	-9.76%	-9.08%	-7.65%	-0.38%
Carefree Town	-22.81%	-9.33%	-9.33%	-7.10%	0.11%
English Town	1.40%	-8.46%	-7.73%	-6.38%	1.40%
Jennings Township	16.08%	-9.33%	-8.58%	-7.10%	0.11%
Johnson Township	10.07%	-9.78%	-9.08%	-7.67%	-0.61%
Johnson Township-English Fire	10.84%	-10.00%	-9.36%	-7.99%	-0.92%
Leavenworth Town	8.84%	-9.00%	-8.26%	-6.76%	0.79%
Liberty Township	16.33%	-9.44%	-8.73%	-7.22%	0.22%
Marengo Town	14.78%	-9.24%	-8.58%	-7.02%	1.07%
Milltown Town	17.84%	-12.03%	-11.72%	-10.28%	-2.54%
Ohio Township	-0.25%	-9.65%	-8.94%	-7.54%	-0.49%
Patoka Township	24.36%	-10.10%	-9.46%	-8.09%	-1.00%
Sterling Township	9.07%	-9.92%	-9.27%	-7.91%	-0.82%
Union Township	11.62%	-9.99%	-9.35%	-7.98%	-0.90%
Whiskey Run Township	18.38%	-11.10%	-10.60%	-9.42%	-2.83%
Average	10.38%	-9.81%	-9.20%	-7.74%	-0.45%

Downward pressure on tax rates came from increases in Assessed Value due to trending.

Upward pressure on tax rates came from the increased Homestead Deduction and decreased Homestead Credit rate as well as increases in tax levies and the elimination of the inventory tax.

While the table above shows an average NAV increase of over 10%, this average is likely skewed toward businesses due to the inventory deduction. NAV increases were likely higher than 10% for homestead or residential properties. A higher residential NAV reduces the impact of the increase in the homestead deduction, yielding an increase in net taxes due for homestead property owners. In addition, as shown in the table above, average net homestead tax rates remained nearly flat while net tax rates for non-homestead properties decreased by an average of almost 9%. This can be attributed to the decrease in the Homestead Credit rate.

Assessment Status

As previously mentioned, a reassessment of the County will occur in 2007 pay 2008. The DLGF is still determining whether or not the County will be held to data compliance standards because of the issues with unplatted land.