

2010 Property Tax Report

Clinton County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Clinton County between 2009 and 2010, with comparison to changes between 2007 and 2010. The report also shows the overall changes to property tax levies and property assessments since the recent property tax reforms have been implemented. Explanatory information is provided to highlight changes that are unique to Clinton County and those that have occurred throughout the state. Statewide averages are based on data from all counties except Lake and LaPorte.

Comparable Homestead Property Tax Changes in Clinton County

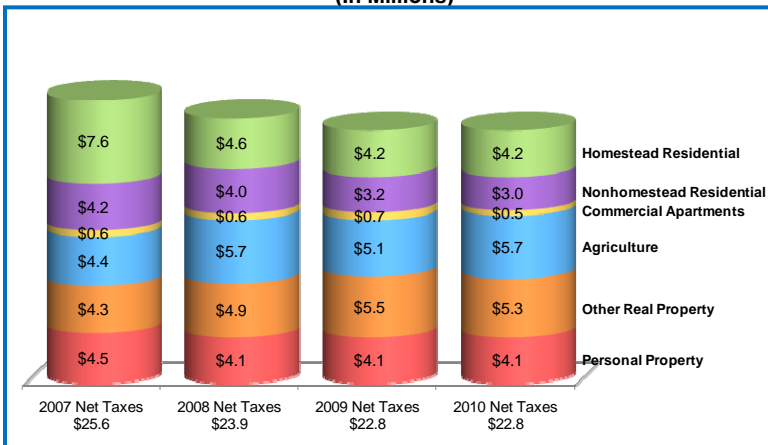
	2009 to 2010		2007 to 2010			
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total		
Summary Change in Tax Bill						
The average homeowner saw a 0.7% tax bill decrease from 2009 to 2010.	Higher Tax Bill	4,063	51.4%	121	1.5%	98.0% of homeowners saw lower tax bills in 2010 than in 2007.
	No Change	274	3.5%	34	0.4%	
	Lower Tax Bill	3,566	45.1%	7,748	98.0%	
Average Change in Tax Bill		-0.7%		-48.0%		
Detailed Change in Tax Bill						
Homestead taxes in 2010 were still 48.0% lower than they were in 2007, before the property tax reforms.	20% or More	263	3.3%	73	0.9%	40.9% of homeowners saw tax increases of between 1% and 9% from 2009 to 2010.
	10% to 19%	566	7.2%	18	0.2%	
	1% to 9%	3,234	40.9%	30	0.4%	
	0%	274	3.5%	34	0.4%	
	-1% to -9%	2,514	31.8%	47	0.6%	
	-10% to -19%	835	10.6%	80	1.0%	
	-20% to -29%	85	1.1%	316	4.0%	
	-30% to -39%	29	0.4%	987	12.5%	
	-40% to -49%	20	0.3%	1,909	24.2%	
	-50% to -59%	11	0.1%	2,546	32.2%	
-60% to -69%	14	0.2%	1,072	13.6%		
-70% to -79%	10	0.1%	251	3.2%		
-80% to -89%	9	0.1%	173	2.2%		
-90% to -99%	6	0.1%	110	1.4%		
-100%	33	0.4%	257	3.3%		
Total	7,903	100.0%	7,903	100.0%		

Note: Percentages may not total due to rounding.

Clinton County Overview

The decline in homeowner tax bills was slightly less than the state average of 2.1%. One reason was that property tax levies increased 3.3% in Clinton County in 2010, slightly more than the state average increase of 2.4%. The largest levy increases were in the Frankfort City general fund, the Clinton Central School Corporation debt service and capital projects funds, and the Frankfort School Corporation debt service fund. Another reason was that Clinton County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, because Clinton County offers substantial property tax relief funded by local income taxes.

Comparison of Net Property Tax by Property Type (In Millions)



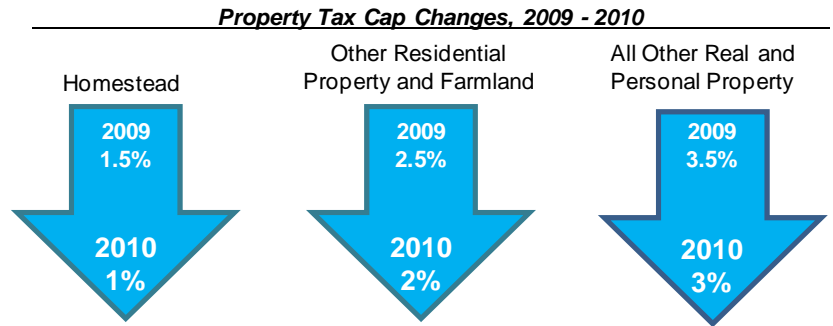
Net tax bills for all taxpayers decreased 0.4% in Clinton County from 2009 to 2010. This was slightly higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 32.1% decrease in tax bills. This large decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw a 5.9% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 2.9% and 0.6% decrease, respectively, in tax bills in 2010. This was mainly because of the tightening of the tax caps from 3.5% to 3%.

Agricultural business property saw a 10.8% increase in tax payments in 2010 because of the Clinton County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.

2010 Property Tax Policy Changes

Property Tax Caps. Property tax caps tightened to their permanent levels. The tighter caps meant more taxpayers were eligible for tax cap credits. This resulted in greater reductions in property tax revenue for local governments.

State Homestead Credits. State homestead credits were reduced by 43% between 2009 and 2010 as part of a scheduled phaseout. The average statewide credit rate fell from 8% to 5% as a result. The credit will be eliminated in 2011.



Tax Cap Credits

Tax cap credits in Clinton County in 2010 amounted to 7.9% of the total property tax levy. The statewide average was 6.3%. The Clinton County percentage loss was only slightly higher than average. Many properties in the 2% cap category received credits. This category includes rental housing, which tends to be in cities and towns where tax rates usually are above \$2 per \$100 assessed value. If the rate exceeds the tax cap, rental housing would be eligible for tax cap credits. Most commercial apartments were located in Frankfort City where the tax rate was \$3.67, so apartments received a large amount of circuit breaker credits. Since the tax rate exceeded \$3 in the town of Colfax and in Frankfort City, many commercial and industrial properties in the 3% tax cap category qualified for circuit breaker credits. Neither Clinton County net tax rates nor home values were high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category
Clinton County Total \$2,244,586**

1%	2%	3%	Elderly
\$21,394	\$1,329,481	\$887,074	\$6,637
1.0%	59.2%	39.5%	0.3%

Clinton County, Frankfort City, and the Frankfort Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Colfax lost the most at 20.6%, followed by Frankfort City and the Frankfort Airport at 18.8%, each. Losses were greatest for units that overlapped the municipalities of Colfax and Frankfort, because these tax districts had the highest tax rates.

The Effects of Recession

In Clinton County the recession has had an effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.7% in December 2007 to 11.1% in July 2009. Job losses and income declines contributed to a 0.4% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Clinton County in 2010.

Clinton County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	934,413,800	930,875,300	-0.4%
Other Residential	162,952,800	162,499,200	-0.3%
Ag Business/Land	367,891,100	381,967,500	3.8%
Business Real/Personal	638,055,936	642,956,981	0.8%
Total	\$2,103,313,636	\$2,118,298,981	0.7%

In addition, the recession reduced new construction, so less new property was added to assessment roles. The recession also reduced some property values, which affected assessed values through annual trending. Lower assessed values may result in higher tax rates for local taxpayers. In those instances where taxpayers' bills are limited by the caps, the higher rates may result in higher circuit breaker credits, causing increased revenue losses for local governments.

In Clinton County, the gross assessed value of business real and personal property increased 0.8% in 2010. Other assessment categories except for Ag Business and Land decreased, and total gross assessed value in Clinton County rose 0.7%. This was slightly higher than the state average increase of 0.6%.

The tables on the following pages illustrate 2007 – 2010 levy comparisons, 2010 tax rates and credit rates, and 2010 circuit breaker losses by taxing unit.

Clinton County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	36,314,819	39,367,312	27,590,913	28,500,062	8.4%	-29.9%	3.3%
State Unit	35,046	37,395	0	0	6.7%	-100.0%	
Clinton County	6,445,665	6,464,597	6,364,215	6,347,643	0.3%	-1.6%	-0.3%
Center Township	299,715	312,984	323,043	330,647	4.4%	3.2%	2.4%
Forest Township	53,191	56,935	59,355	59,682	7.0%	4.3%	0.6%
Jackson Township	31,169	33,865	35,375	36,379	8.6%	4.5%	2.8%
Johnson Township	71,178	75,130	78,605	79,243	5.6%	4.6%	0.8%
Kirklintown Township	42,334	44,794	47,013	46,998	5.8%	5.0%	0.0%
Madison Township	44,491	48,483	50,742	50,438	9.0%	4.7%	-0.6%
Michigan Township	51,360	56,155	83,895	79,731	9.3%	49.4%	-5.0%
Owen Township	40,516	42,423	54,620	52,517	4.7%	28.8%	-3.9%
Perry Township	51,069	92,105	69,541	58,482	80.4%	-24.5%	-15.9%
Ross Township	54,876	58,191	59,453	60,304	6.0%	2.2%	1.4%
Sugar Creek Township	21,054	21,929	22,838	23,233	4.2%	4.1%	1.7%
Union Township	30,369	32,470	34,336	34,884	6.9%	5.7%	1.6%
Warren Township	23,840	26,340	27,746	28,166	10.5%	5.3%	1.5%
Washington Township	29,246	30,378	31,867	32,582	3.9%	4.9%	2.2%
Frankfort Civil City	5,441,368	5,511,010	5,380,460	5,609,915	1.3%	-2.4%	4.3%
Colfax Civil Town	172,341	191,571	199,855	206,285	11.2%	4.3%	3.2%
Kirklintown Civil Town	112,809	113,858	121,240	121,266	0.9%	6.5%	0.0%
Michigantown Civil Town	49,570	54,756	55,977	56,981	10.5%	2.2%	1.8%
Mulberry Civil Town	146,836	155,846	160,714	164,694	6.1%	3.1%	2.5%
Rossville Civil Town	174,559	175,827	186,254	188,729	0.7%	5.9%	1.3%
Clinton Central School Corp	3,831,521	3,983,347	1,469,660	1,968,381	4.0%	-63.1%	33.9%
Clinton Prairie School Corp	5,260,699	7,114,204	3,238,288	3,231,190	35.2%	-54.5%	-0.2%
Frankfort Community School Corp	10,015,300	10,379,593	6,368,418	6,647,638	3.6%	-38.6%	4.4%
Rossville Consolidated School Corp	2,263,418	2,617,020	1,399,846	1,290,488	15.6%	-46.5%	-7.8%
Colfax-Perry Township Public Library	137,775	138,855	143,640	148,499	0.8%	3.4%	3.4%
Frankfort Community Public Library	677,504	701,380	728,236	748,959	3.5%	3.8%	2.8%
Kirklintown Public Library	90,749	158,683	129,937	112,644	74.9%	-18.1%	-13.3%
Clinton County Contractual Public Lib	477,059	496,153	516,491	530,010	4.0%	4.1%	2.6%
Frankfort Airport	103,145	105,198	112,386	115,791	2.0%	6.8%	3.0%
Wildcat Creek Solid Waste Mgt Dist	35,047	35,837	36,867	37,663	2.3%	2.9%	2.2%

Clinton County Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates						Net Tax Rate, Homesteads
				State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
12001	Center Township	1.9004	--	4.8707%	--	29.7102%	--	--	10.7352%	1.0392
12003	Forest Township	1.3181	--	4.8707%	--	29.7102%	--	--	10.7352%	0.7208
12004	Jackson Township	1.5894	--	4.8707%	--	29.7102%	--	--	10.7352%	0.8691
12005	Johnson Township	1.3591	--	4.8707%	--	29.7102%	--	--	10.7352%	0.7432
12006	Kirclin Township	1.3585	--	4.8707%	--	29.7102%	--	--	10.7352%	0.7429
12007	Kirlin Town	2.2226	--	4.8707%	--	29.7102%	--	--	10.7352%	1.2154
12008	Madison Township	1.6330	--	4.8707%	--	29.7102%	--	--	10.7352%	0.8930
12009	Mulberry Town	2.2914	--	4.8707%	--	29.7102%	--	--	10.7352%	1.2530
12010	Michigan Township	1.3042	--	4.8707%	--	29.7102%	--	--	10.7352%	0.7132
12011	Michigantown Town	1.7780	--	4.8707%	--	29.7102%	--	--	10.7352%	0.9723
12012	Owen Township	1.5471	--	4.8707%	--	29.7102%	--	--	10.7352%	0.8460
12013	Perry Township	1.8033	--	4.8707%	--	29.7102%	--	--	10.7352%	0.9861
12014	Colfax Town	3.7790	--	4.8707%	--	29.7102%	--	--	10.7352%	2.0665
12015	Ross Township	1.5050	--	4.8707%	--	29.7102%	--	--	10.7352%	0.8230
12016	Rossville Town	1.9978	--	4.8707%	--	29.7102%	--	--	10.7352%	1.0925
12017	Sugar Creek Township	1.2463	--	4.8707%	--	29.7102%	--	--	10.7352%	0.6815
12018	Union Township	1.8776	--	4.8707%	--	29.7102%	--	--	10.7352%	1.0267
12019	Warren Township	1.2368	--	4.8707%	--	29.7102%	--	--	10.7352%	0.6763
12020	Washington Township	1.5702	--	4.8707%	--	29.7102%	--	--	10.7352%	0.8586
12021	Frankfort City	3.6769	--	4.8707%	--	29.7102%	--	--	10.7352%	2.0107

- Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.
- The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.
- The *State Homestead Credit* is the HEA1001-2008 special rate, which will be eliminated after 2010.
- The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.
- The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Clinton County 2010 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type				Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly			
<i>Non-TIF Total</i>	21,392	1,329,479	887,073	6,630	2,244,574	28,500,062	7.9%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	21,392	1,329,479	887,073	6,630	2,244,574	28,500,062	7.9%
Clinton County	2,769	170,727	113,765	1,184	288,444	6,347,643	4.5%
Center Township	256	15,314	10,397	90	26,057	330,647	7.9%
Forest Township	0	0	0	18	18	59,682	0.0%
Jackson Township	0	0	0	14	14	36,379	0.0%
Johnson Township	0	0	0	28	28	79,243	0.0%
Kirklin Township	2	0	0	0	2	46,998	0.0%
Madison Township	0	51	0	3	53	50,438	0.1%
Michigan Township	0	0	0	1	1	79,731	0.0%
Owen Township	0	0	0	0	0	52,517	0.0%
Perry Township	0	588	259	0	847	58,482	1.4%
Ross Township	2	0	0	0	2	60,304	0.0%
Sugar Creek Township	0	0	0	0	0	23,233	0.0%
Union Township	0	0	0	6	6	34,884	0.0%
Warren Township	0	0	0	7	7	28,166	0.0%
Washington Township	0	0	0	1	1	32,582	0.0%
Frankfort Civil City	10,315	619,681	420,704	2,226	1,052,925	5,609,915	18.8%
Colfax Civil Town	0	29,511	13,025	0	42,536	206,285	20.6%
Kirklin Civil Town	39	2	0	0	41	121,266	0.0%
Michigantown Civil Town	0	0	0	0	0	56,981	0.0%
Mulberry Civil Town	0	1,163	0	41	1,205	164,694	0.7%
Rossville Civil Town	29	0	0	0	29	188,729	0.0%
Clinton Central School Corp	27	1	0	274	303	1,968,381	0.0%
Clinton Prairie School Corp	0	15,894	6,309	387	22,590	3,231,190	0.7%
Frankfort Community School Corp	6,888	412,683	280,172	2,005	701,748	6,647,638	10.6%
Rossville Consolidated School Corp	47	0	0	0	47	1,290,488	0.0%
Colfax-Perry Township Public Library	0	3,436	1,517	0	4,953	148,499	3.3%
Frankfort Community Public Library	776	46,495	31,566	226	79,063	748,959	10.6%
Kirklin Public Library	8	0	0	0	8	112,644	0.0%
Clinton County Contractual Public Lib	4	130	0	66	201	530,010	0.0%
Frankfort Airport	213	12,790	8,684	46	21,733	115,791	18.8%
Wildcat Creek Solid Waste Mgt Dist	16	1,013	675	7	1,711	37,663	4.5%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.