

**Parke County
Property Tax Overview
The Effects of the 2006 Trending on
Real Property Gross Assessed Values**

The information in this paper came from an Excel spread sheet supplied by William Yates, a Programmer/Analyst with Appraisal Research Corporation, 101 East Sandusky Street, Findlay, Ohio 45840 Tel. (419) 423-2454 ext 271. **See the attached copy at the bottom of this paper.** This Company does appraisals for Parke County under contract from the County Assessor.

In 2006 Parke County underwent a state mandated re-valuing of real property called "Trending". This was not an appraisal, as no assessor came out to look at the property, but was undertaken to reflect the increased market value of the property. This action increased the total County Gross Assessed Valuation to \$1,182,732,700 from \$952,145,683 the year before, an overall 24.2% increase. (These figures do not include the Exempt category). These numbers are the GROSS ASSESSED VALUE before any exemptions or credits are taken.

Real Estate Property is assessed in seven different categories for property tax purposes: (A)gricultural, (R)esidential, (C)ommercial, (I)ndustrial, (U)tilities, (M)ineral, and (E)xempt. These are the keys to the Class Code column on the spreadsheet. The biggest two, Agricultural and Residential make up almost 95% of the Gross Assessed Value and therefore are of the greatest interest to most taxpayers. Where were the greatest increases?

First, notice that both Ag and Res. have four categories of property: Appraised Land, Appraised Improvements, Homestead Land and Homestead Improvements. Under Ag this divides the productive farmland and buildings from the (Homestead) land and house that the farmer lives in. They are treated very differently for tax purposes. This is also true of residential property. If the owner lives in the property and it is the primary residence, it is eligible for the Homestead Exemption and Tax Credits. Rentals and seasonal homes do not get this reduction. Let's examine the changes in the eight categories more closely.

The Ag Appraised Land did not change from 2006 to 2007. The Average Use Value had been set by the Indiana Department Of Local Government

Finance at \$880/acre, and did not change in 2007. The Use Vales are projected to increase to \$1140/acre for 2008 and \$1250/acre in 2009. The Appraised Improvements (buildings) increased by \$47 million, a 38.7% increase.

Looking at Ag Homesteads, the Land Value changed very little, but again the Improvements (houses) went up \$30 million, a 39.8% increase. Overall, Ag Land and Improvements went up 15.9% to \$341,684,500 and Ag Homestead Land and Improvements up 32.5% to \$122,634,400.

Now look at Residential Appraised Land and Appraised Improvements. These are houses that are not owner occupied or are seasonal homes. Here the Land went up by almost \$14.6 million, 21.3%, and the Improvements \$85 million, 36.7%. Overall a 33.2% increase to a total of \$400,769,200.

Finally, the Residential Homestead Land went DOWN \$1.3 million, -3.5%, but Improvements went up \$45.9 million, 27.2%, an overall increase of 21.9% to \$248,473,200.

Summary of Increases

	<u>Agricultural</u> \$ millions	<u>Residential</u> \$ millions
Appr. Land	very little chg.	\$14.6, 21.3%
Appr. Imp.	<u>\$47, 38.7%</u>	<u>\$85, 36.7%</u>
Land+Imp.	\$47, 15.9%	\$99.6, 33.2%
Hostd. Land	very little chg.	\$-1.3, -3.5%
Hostd. Imp.	<u>\$30, 39.8%</u>	<u>\$45.9, 27.2%</u>
Land+Imp.	\$30, 32.5%	\$44.6, 21.8%

The Indiana Department of Local Government Finance later mandated that Commercial and Industrial properties also must be "Trended" and those results are shown on lines 5 and 10 of the worksheet. Commercial increased by 14.9% to \$56,977,000 and Industrial 16% to \$11,253,600, almost all increases were in the Improvements (buildings).

Exempt Properties are not taxed. These are churches, schools, non-profit, municipal and state owned buildings, and city, county and state parks, etc.

The Gross Assessed Value of all taxable Parke County properties is \$1,182,732,700. Here are the major components and their percent of the total:

Ag Land and Imp.	\$341,684,500	28.9%
Ag Homesteads	\$122,634,400	10.4%
Res. Non-Hstd	\$400,769,300	33.9%
Res. Homesteads	\$248,473,200	21.0%
Commercial	\$ 56,977,000	4.8%
Industrial	\$ 11,253,600	0.9%

Appraisal Research Corporation Spreadsheet

DataSet	Class Code	Appraised Land	Appraised Improvements	Homestead Land	Homestead Improvements
2005 Pay 2006	A	173,156,193	121,537,900	17,360,900	75,186,800
2006 Pay 2007	A	173,053,200	168,631,300	17,459,900	105,138,500
2005 Pay 2006	C	13,435,010	35,485,400	259,300	408,400
2006 Pay 2007 Retrended	C	13,319,300	43,657,700	-	-
2006 Pay 2007	C	13,284,600	35,931,000	-	-
2005 Pay 2006	E	26,597,930	16,046,000	-	-
2006 Pay 2007	E	26,707,900	18,559,500	-	-
2005 Pay 2006	I	1,867,900	7,827,900	-	-
2006 Pay 2007 Retrended	I	1,864,100	9,389,500	-	-
2006 Pay 2007	I	1,864,100	7,801,100	-	-
2005 Pay 2006	M	170,640	-	-	-
2006 Pay 2007	M	170,600	-	-	-
2005 Pay 2006	R	68,523,980	232,305,100	37,644,800	166,285,400
2006 Pay 2007	R	83,157,900	317,611,300	36,328,200	212,145,000
2005 Pay 2006	U	850,900	9,800	-	-
2006 Pay 2007	U	842,500	134,300	-	-

This document was prepared 2/10/08 by the Parke County Non-Partisan Committee on Political Education from information supplied by Appraisal Research Corporation, 101 East Sandusky Street, Findlay, Ohio. For more information call Dave Burns, Secretary, at 344-1502.