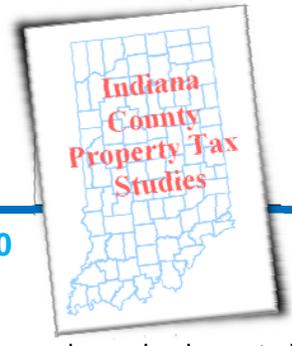


2010 Property Tax Report

Brown County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Brown 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 Brown 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 Brown County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	347	9.2%	48	1.3%
No Change	26	0.7%	0	0.0%
Lower Tax Bill	3,388	90.1%	3,713	98.7%
Average Change in Tax Bill	-9.1%		-63.5%	
Detailed Change in Tax Bill				
20% or More	32	0.9%	36	1.0%
10% to 19%	37	1.0%	3	0.1%
1% to 9%	278	7.4%	9	0.2%
0%	26	0.7%	0	0.0%
-1% to -9%	2,094	55.7%	12	0.3%
-10% to -19%	1,180	31.4%	18	0.5%
-20% to -29%	53	1.4%	55	1.5%
-30% to -39%	23	0.6%	159	4.2%
-40% to -49%	16	0.4%	300	8.0%
-50% to -59%	7	0.2%	555	14.8%
-60% to -69%	5	0.1%	842	22.4%
-70% to -79%	4	0.1%	1,366	36.3%
-80% to -89%	2	0.1%	351	9.3%
-90% to -99%	3	0.1%	31	0.8%
-100%	1	0.0%	24	0.6%
Total	3,761	100.0%	3,761	100.0%

Note: Percentages may not total due to rounding.

The average homeowner saw a 9.1% tax bill decrease from 2009 to 2010.

98.7% of homeowners saw lower tax bills in 2010 than in 2007.

Homestead taxes in 2010 were still 63.5% lower than they were in 2007, before the property tax reforms.

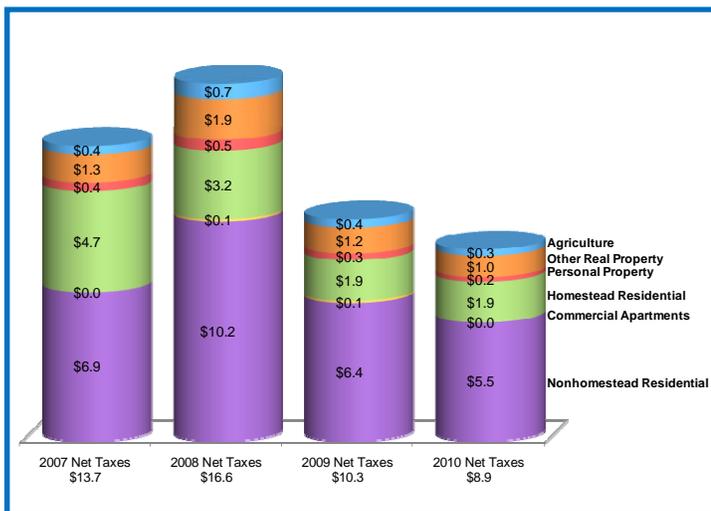
87.1% of homeowners saw tax decreases of between 1% and 19% from 2009 to 2010.

The largest percentage of homeowners have seen between a 60% and 79% decrease in their tax bills from 2007 to 2010.

Brown County Overview

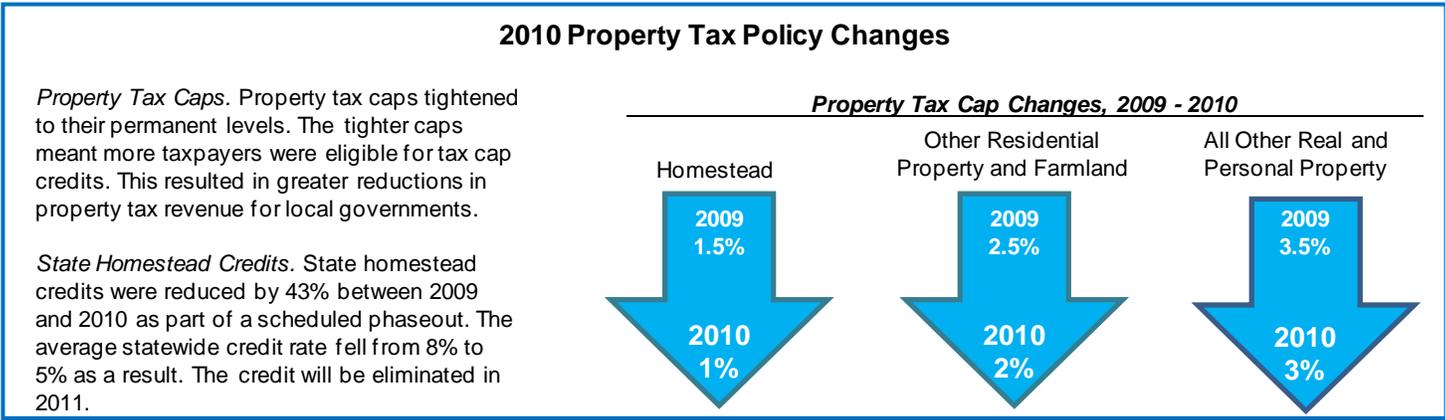
The larger-than-average decline in homeowner tax bills was mainly due to declines in property tax levies. Levies fell 13.0% in Brown County in 2010, compared to a state average increase of 2.4%. The levy decline was due almost entirely to a \$1.9 million drop in the Brown County School Corporation's debt service levy. Local homestead property tax credit rates fell in Brown County in 2010, due to a decline in the local income tax revenues that fund these credits. Brown County tax rates were too low, and the local homestead credit too high, for any homeowners to be eligible for tax cap credits.

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



Net tax bills for all taxpayers decreased 12.7% in Brown County from 2009 to 2010. This was larger than the statewide reduction of 1.4%. In 2010, apartment owners saw a 41.7% decrease in tax bills. This large decrease was due to both a large assessment reduction for one parcel and to the levy reductions for almost all taxing units in the county. The levy reductions also affected nonhomestead residential property (mostly small rental residences), which saw a 14.1% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 13.1% and 23.9% decrease, respectively, in tax bills in 2010. This was mainly because of the decrease in Brown County property tax levies. Residential, commercial and

industrial property did not benefit from the tightened tax caps because Brown County's tax rates were not high enough for these types of property to qualify for tax cap credits. Agricultural business property saw a 17.6% decrease in tax payments in 2010 because of the Brown County tax levy decreases, even with the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



Tax Cap Credits

Tax cap credits in Brown County in 2010 amounted to 0% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was due to Brown County having tax rates too low for taxpayers to qualify for the caps in any category except for the low-income elderly circuit breaker. The Brown County School Corporation saw the highest revenue loss from the tax caps in 2010 at \$72.

**2010 Circuit Breaker Credits by Cap Category
Brown County Total \$139**

1%	2%	3%	Elderly
\$0	\$0	\$0	\$139
0.0%	0.0%	0.0%	100.0%

The Effects of Recession

In Brown County the recession affected the economy, though less than in most Indiana counties. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.7% in December 2007 to 8.7% in July 2009. Job losses and income declines contributed to an 8.9% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined slightly in Brown County in 2010.

Brown County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	843,569,140	866,607,530	2.7%
Other Residential	578,871,400	594,844,600	2.8%
Ag Business/Land	37,576,500	37,389,600	-0.5%
Business Real/Personal	166,493,660	162,806,575	-2.2%
Total	\$1,626,510,700	\$1,661,648,305	2.2%

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 Brown County, the gross assessed value of business real and personal property fell 2.2% in 2010, and total gross assessed value in Brown County rose 2.2%. This was 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.

Brown County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	18,863,071	21,155,418	11,955,145	10,406,768	12.2%	-43.5%	-13.0%
State Unit	32,020	32,881	0	0	2.7%	-100.0%	
Brown County	5,459,429	6,111,733	3,619,191	3,756,529	11.9%	-40.8%	3.8%
Hamblen Township	42,352	41,949	41,042	39,632	-1.0%	-2.2%	-3.4%
Jackson Township	47,737	47,009	46,236	44,740	-1.5%	-1.6%	-3.2%
Van Buren Township	27,569	79,078	69,573	66,999	186.8%	-12.0%	-3.7%
Washington Township	81,309	81,967	75,771	72,912	0.8%	-7.6%	-3.8%
Nashville Civil Town	365,358	365,058	362,659	346,257	-0.1%	-0.7%	-4.5%
Brown County School Corporation	12,182,319	13,716,805	7,104,159	5,443,504	12.6%	-48.2%	-23.4%
Brown County Public Library	450,950	460,333	423,226	425,084	2.1%	-8.1%	0.4%
Hamblen Township Fire Protection Dist	39,277	84,341	79,065	77,513	114.7%	-6.3%	-2.0%
Brown County Solid Waste Mgt Dist	134,751	134,264	134,223	133,598	-0.4%	0.0%	-0.5%

Brown 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	CREDIT Residential	LOIT Homestead	LOIT Residential	
07001	Hamblen Township	0.8139	--	4.8383%	--	--	--	60.2012%	--	0.2845
07002	Jackson Township	0.8219	--	4.8383%	--	--	--	60.2012%	--	0.2873
07003	Van Buren Township	0.8541	--	4.8383%	--	--	--	60.2012%	--	0.2986
07004	Washington Township	0.8275	--	4.8383%	--	--	--	60.2012%	--	0.2893
07005	Nashville Town	1.1065	--	4.8383%	--	--	--	60.2012%	--	0.3868
07006	Hamblen Fire District	0.8541	--	4.8383%	--	--	--	60.2012%	--	0.2986

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.

Brown 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>	0	0	0	139	139	10,406,768	0.0%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	0	0	0	139	139	10,406,768	0.0%
Brown County	0	0	0	50	50	3,756,529	0.0%
Hamblen Township	0	0	0	0	0	39,632	0.0%
Jackson Township	0	0	0	1	1	44,740	0.0%
Van Buren Township	0	0	0	0	0	66,999	0.0%
Washington Township	0	0	0	2	2	72,912	0.0%
Nashville Civil Town	0	0	0	7	7	346,257	0.0%
Brown County School Corporation	0	0	0	72	72	5,443,504	0.0%
Brown County Public Library	0	0	0	6	6	425,084	0.0%
Hamblen Township Fire Protection Dist	0	0	0	0	0	77,513	0.0%
Brown County Solid Waste Mgt Dist	0	0	0	2	2	133,598	0.0%

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.