

# 2010 Property Tax Report

## Franklin County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Franklin 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 Franklin 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 Franklin County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	5,183	91.8%	549	9.7%
No Change	103	1.8%	19	0.3%
Lower Tax Bill	361	6.4%	5,079	89.9%
<b>Average Change in Tax Bill</b>	<b>8.4%</b>		<b>-15.7%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	239	4.2%	197	3.5%
10% to 19%	1,819	32.2%	91	1.6%
1% to 9%	3,125	55.3%	261	4.6%
0%	103	1.8%	19	0.3%
-1% to -9%	258	4.6%	762	13.5%
-10% to -19%	37	0.7%	1,733	30.7%
-20% to -29%	16	0.3%	1,129	20.0%
-30% to -39%	14	0.2%	694	12.3%
-40% to -49%	9	0.2%	349	6.2%
-50% to -59%	6	0.1%	124	2.2%
-60% to -69%	5	0.1%	84	1.5%
-70% to -79%	4	0.1%	54	1.0%
-80% to -89%	6	0.1%	41	0.7%
-90% to -99%	1	0.0%	29	0.5%
-100%	5	0.1%	80	1.4%
<b>Total</b>	<b>5,647</b>	<b>100.0%</b>	<b>5,647</b>	<b>100.0%</b>

The average homeowner saw an 8.4% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 15.7% lower than they were in 2007, before the property tax reforms.

89.9% of homeowners saw lower tax bills in 2010 than in 2007.

87.5% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

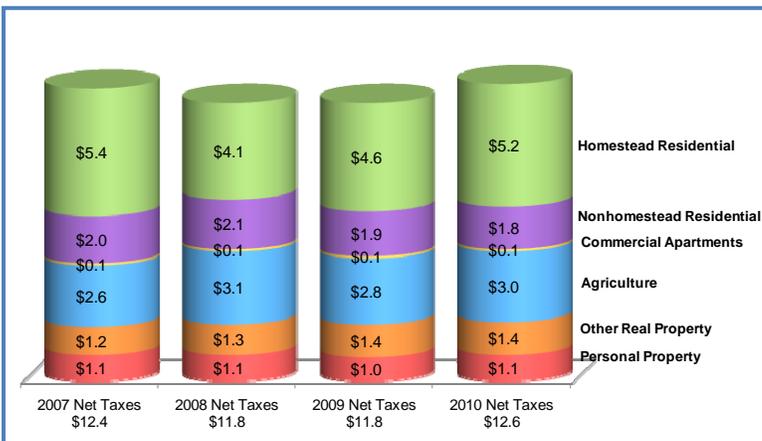
The largest percentage of homeowners have seen between a 10% and 29% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

### Franklin County Overview

The larger-than-average increase in homeowner tax bills had two main causes. Property tax levies increased 5.0% in Franklin County in 2010, more than the state average increase of 2.4%. This was mainly due to increases in the Franklin and Batesville School Corporation levies. Homeowners in Franklin County benefitted less from tax caps than did homeowners in the average Indiana county. Franklin County tax rates were too low for homeowners to be eligible for tax cap credits. Franklin County does not provide local homestead credits.

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



Net tax bills for all taxpayers increased 6.3% in Franklin County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 14.9% decrease in tax bills. This large decrease was due mainly to significant assessed value reductions for the largest 3 of 14 total apartment parcels. Nonhomestead residential property (mostly small rental residences) saw a 2.3% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 2.7% and 5.4% increase, respectively, in tax bills in 2010. This was mainly because of the increase in Franklin County property tax levies. Commercial and industrial property did not benefit from the tightened tax caps because Franklin County's tax rates were not high enough for this type of property to qualify for tax cap credits.

Agricultural business property saw a 6.2% increase in tax payments in 2010 because of the Franklin 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 Franklin County in 2010 amounted to 0.0% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was due to the lower-than-average tax rates in Franklin County. All district tax rates were less than \$2, so no properties subject to the 2% and 3% caps were eligible for circuit breaker credits. Neither Franklin County 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  
Franklin County Total \$3,054**

1%	2%	3%	Elderly
\$3,054	\$0	\$0	\$0
100.0%	0.0%	0.0%	0.0%

The Franklin County Community and Batesville Community School Corporations saw the largest revenue losses from the tax caps in 2010 at \$634 each. As a percentage of their total levies, no unit lost more than 0.1% from the circuit breakers.

### The Effects of Recession

In Franklin 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 5.6% in December 2007 to 10.1% in July 2009. Job losses and income declines contributed to a 4.9% drop in local income tax revenue. As a result, local income tax revenue used for property tax relief declined in Franklin County in 2010.

**Franklin County Gross Assessed Value by Property Type**

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	926,705,300	937,839,100	1.2%
Other Residential	121,203,300	122,007,900	0.7%
Ag Business/Land	225,639,300	230,177,700	2.0%
Business Real/Personal	214,669,100	214,479,670	-0.1%
<b>Total</b>	<b>\$1,488,217,000</b>	<b>\$1,504,504,370</b>	<b>1.1%</b>

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 Franklin County, the gross assessed value of business real and personal property fell 0.1% in 2010. Other assessment categories increased, and total gross assessed value in Franklin County rose 1.1%. 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.

**Franklin County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	18,183,897	20,140,844	12,128,545	12,739,280	10.8%	-39.8%	5.0%
State Unit	24,150	26,073	0	0	8.0%	-100.0%	
Franklin County	3,042,807	3,136,346	2,766,897	2,812,303	3.1%	-11.8%	1.6%
Bath Township	8,604	8,760	9,234	9,423	1.8%	5.4%	2.0%
Blooming Grove Township	12,310	12,678	13,785	14,267	3.0%	8.7%	3.5%
Brookville Township	40,404	41,280	43,661	45,789	2.2%	5.8%	4.9%
Butler Township	7,940	7,787	8,469	8,737	-1.9%	8.8%	3.2%
Fairfield Township	8,554	8,553	9,402	9,748	0.0%	9.9%	3.7%
Highland Township	13,274	13,364	14,352	14,847	0.7%	7.4%	3.4%
Laurel Township	15,236	15,790	17,253	17,722	3.6%	9.3%	2.7%
Metamora Township	14,931	15,015	16,282	16,737	0.6%	8.4%	2.8%
Posey Township	16,117	6,207	6,869	7,013	-61.5%	10.7%	2.1%
Ray Township	20,648	19,835	21,877	20,150	-3.9%	10.3%	-7.9%
Salt Creek Township	8,221	8,416	9,394	8,629	2.4%	11.6%	-8.1%
Springfield Township	16,084	16,559	17,847	18,396	3.0%	7.8%	3.1%
Whitewater Township	32,096	31,322	34,654	35,470	-2.4%	10.6%	2.4%
Batesville Civil City	457,023	494,151	472,543	494,112	8.1%	-4.4%	4.6%
Cedar Grove Civil Town	3,113	3,383	2,843	2,841	8.7%	-16.0%	-0.1%
Laurel Civil Town	28,684	30,458	32,431	33,825	6.2%	6.5%	4.3%
Mt. Carmel Civil Town	0	0	0	0			
Oldenburg Civil Town	120,190	121,053	117,690	129,322	0.7%	-2.8%	9.9%
Brookville Civil Town	499,927	494,482	525,302	569,974	-1.1%	6.2%	8.5%
Franklin County Community School Corp	9,402,754	10,811,711	5,171,994	5,504,281	15.0%	-52.2%	6.4%
Batesville Community School Corp	3,342,308	3,625,431	1,725,543	1,876,654	8.5%	-52.4%	8.8%
Union County School Corp	347,333	478,175	347,272	341,391	37.7%	-27.4%	-1.7%
Whitewater Valley Community Library	468,269	469,170	495,019	494,181	0.2%	5.5%	-0.2%
Batesville Public Library	121,230	129,690	128,565	130,253	7.0%	-0.9%	1.3%
Southwest Franklin Co. Fire Terr	0	0	0	0			
Southeastern Indiana Solid Waste Mgt Dist	111,690	115,155	119,367	123,215	3.1%	3.7%	3.2%

## Franklin 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	
24001	Bath Township	1.5706	--	3.8177%	--	--	--	--	--	1.5106
24002	Blooming Grove Township	1.3210	--	3.8177%	--	--	--	--	--	1.2706
24003	Brookville Township	1.3067	--	3.8177%	--	--	--	--	--	1.2568
24004	Brookville Town	1.9666	--	3.8177%	--	--	--	--	--	1.8915
24005	Butler Township-East	1.1755	--	3.8177%	--	--	--	--	--	1.1306
24006	Butler Township-West	1.0512	--	3.8177%	--	--	--	--	--	1.0111
24007	Fairfield Township	1.3189	--	3.8177%	--	--	--	--	--	1.2685
24008	Highland Township	1.1838	--	3.8177%	--	--	--	--	--	1.1386
24009	Cedar Grove Town	1.2427	--	3.8177%	--	--	--	--	--	1.1953
24010	Laurel Township	1.3361	--	3.8177%	--	--	--	--	--	1.2851
24011	Laurel Town	1.8277	--	3.8177%	--	--	--	--	--	1.7579
24012	Metamora Township	1.3324	--	3.8177%	--	--	--	--	--	1.2815
24013	Posey Township	1.3123	--	3.8177%	--	--	--	--	--	1.2622
24014	Ray Township	1.1202	--	3.8177%	--	--	--	--	--	1.0774
24015	Batesville City	1.6522	--	3.8177%	--	--	--	--	--	1.5891
24016	Oldenburg Town	1.4323	--	3.8177%	--	--	--	--	--	1.3776
24017	Salt Creek Township-North	1.1825	--	3.8177%	--	--	--	--	--	1.1374
24018	Salt Creek Township-South	1.0582	--	3.8177%	--	--	--	--	--	1.0178
24019	Springfield Township	1.1890	--	3.8177%	--	--	--	--	--	1.1436
24020	Mt Carmel Town	1.1722	--	3.8177%	--	--	--	--	--	1.1274
24021	Whitewater Township	1.1859	--	3.8177%	--	--	--	--	--	1.1406
24022	Ray Township Fire Terr	1.1783	--	3.8177%	--	--	--	--	--	1.1333
24023	Salt Creek South Fire Terr	1.1235	--	3.8177%	--	--	--	--	--	1.0806
24024	Butler West Fire Terr	1.1161	--	3.8177%	--	--	--	--	--	1.0735
24025	Butler East Fire Terr	1.2404	--	3.8177%	--	--	--	--	--	1.1930
24026	Salt Creek North Fire Terr	1.2478	--	3.8177%	--	--	--	--	--	1.2002

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.

### Franklin 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>	3,054	0	0	0	3,054	12,739,479	0.0%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	3,054	0	0	0	3,054	12,739,479	0.0%
Franklin County	538	0	0	0	538	2,812,303	0.0%
Bath Township	6	0	0	0	6	9,423	0.1%
Blooming Grove Township	0	0	0	0	0	14,267	0.0%
Brookville Township	8	0	0	0	8	45,789	0.0%
Butler Township	0	0	0	0	0	8,737	0.0%
Fairfield Township	0	0	0	0	0	9,748	0.0%
Highland Township	0	0	0	0	0	14,847	0.0%
Laurel Township	0	0	0	0	0	17,722	0.0%
Metamora Township	0	0	0	0	0	16,737	0.0%
Posey Township	3	0	0	0	3	7,013	0.0%
Ray Township	7	0	0	0	7	20,150	0.0%
Salt Creek Township	2	0	0	0	2	8,629	0.0%
Springfield Township	0	0	0	0	0	18,396	0.0%
Whitewater Township	0	0	0	0	0	35,470	0.0%
Batesville Civil City	481	0	0	0	481	494,112	0.1%
Cedar Grove Civil Town	0	0	0	0	0	2,841	0.0%
Laurel Civil Town	0	0	0	0	0	33,825	0.0%
Mt. Carmel Civil Town	0	0	0	0	0	0	
Oldenburg Civil Town	0	0	0	0	0	129,322	0.0%
Brookville Civil Town	366	0	0	0	366	569,974	0.1%
Franklin County Community School Corp	634	0	0	0	634	5,504,281	0.0%
Batesville Community School Corp	634	0	0	0	634	1,876,654	0.0%
Union County School Corp	208	0	0	0	208	341,391	0.1%
Whitewater Valley Community Library	84	0	0	0	84	494,380	0.0%
Batesville Public Library	58	0	0	0	58	130,253	0.0%
Southeastern Indiana Solid Waste Mgt Dist	24	0	0	0	24	123,215	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.