

2009 HANCOCK COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

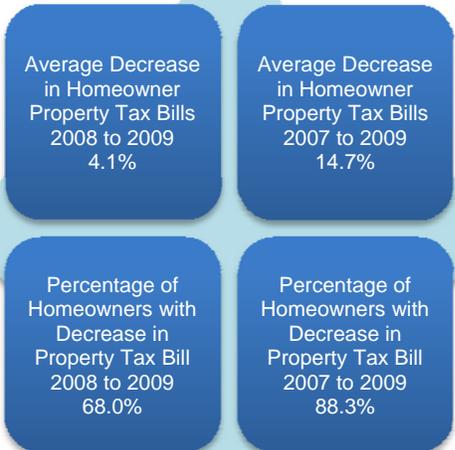


Legislative Services Agency

November 2009 (Updated)

In March 2008, the Indiana General Assembly enacted the most substantial property tax reforms in 35 years. Many of these reforms took effect for the first time in 2009. Property taxes for the school general fund, county welfare funds, and several smaller funds were eliminated and their costs taken over by the state. State property tax replacement credits and most state homestead credits were eliminated, with the money used to fund added state school and welfare costs. Homeowners received a new 35% deduction from their homestead assessments. Property tax caps limited tax bills to a fixed percentage of property assessments. These caps were 1.5% for homesteads, 2.5% for other housing and farmland, and 3.5% for all other property. Taxpayers with tax bills higher than these caps received added tax credits. Local governments did not collect the property tax amounts above the caps.

Details of Changes to Homeowner Property Tax Bills Hancock County



Change in Tax Bill	Change from 2008 to 2009		Change from 2007 to 2009	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
20% or More	472	2.6%	345	1.9%
10% to 19%	730	4.0%	293	1.6%
1% to 9%	4,636	25.3%	1,495	8.2%
0%	11	0.1%	10	0.1%
-1% to -9%	7,250	39.6%	4,301	23.5%
-10% to -19%	3,496	19.1%	6,097	33.3%
-20% to -29%	994	5.4%	3,804	20.8%
-30% to -39%	269	1.5%	1,179	6.4%
-40% to -49%	94	0.5%	329	1.8%
-50% to -59%	104	0.6%	126	0.7%
-60% to -69%	73	0.4%	105	0.6%
-70% to -79%	55	0.3%	75	0.4%
-80% to -89%	27	0.1%	43	0.2%
-90% to -99%	12	0.1%	21	0.1%
-100%	77	0.4%	77	0.4%
Total	18,300	100.0%	18,300	100.0%
Higher Tax Bill	5,838	31.9%	2,133	11.7%
No Change	11	0.1%	10	0.1%
Lower Tax Bill	12,451	68.0%	16,157	88.3%
Average Change in Tax Bill	-4.1%		-14.7%	

Note: Percentages may not total due to rounding.

Policy Changes with Offsetting Effects on Tax Bills. The interaction of multiple policy changes, plus local changes in levies and assessments, determine how tax bills change in each county. Eliminating the school general fund and county welfare levies reduced levies by 30.6% statewide. The new 35% supplemental homestead deduction reduced tax bills for homeowners, but also reduced taxable assessed value in each jurisdiction. Taxable assessed value fell 14.3% in Indiana as a whole. As a result of the lower assessed value, tax rates were not reduced by the full amount of the levy reductions. The elimination of the property tax replacement and homestead credits partially offset the drop in tax rates. The average property tax replacement credit statewide was 20.1% in 2008. Total state homestead credits averaged 39.5% statewide in 2008, and this rate fell to 7.2% in 2009. The circuit breaker tax caps reduced tax bills in places with high tax rates. Counties that adopted new local option income taxes delivered additional property tax relief. (Statewide averages are now based on 85 counties reporting.)

Factors Affecting Homeowner Tax Bills	Hancock County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-19.0%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-26.6%	-30.6%
State PTRC Percentage, 2008	19.3%	20.1%
Total State Homestead Credit, 2008	29.4%	39.5%
Total State Homestead Credit, 2009	6.4%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	No	

Note: State Average based on data for 85 counties available November 2009

Effects on County Tax Bills. Statewide, average homeowner tax bills fell by about 1% from 2008 to 2009. Homeowner tax bills in Hancock County decreased by 4.1%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were almost offset by the elimination of the property tax replacement credits and the state homestead credits. Hancock County did not adopt a local option income tax for property tax relief, and only a few Hancock County homeowners were eligible for the circuit breaker tax cap

credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Hancock County, as they were in almost all Indiana counties.

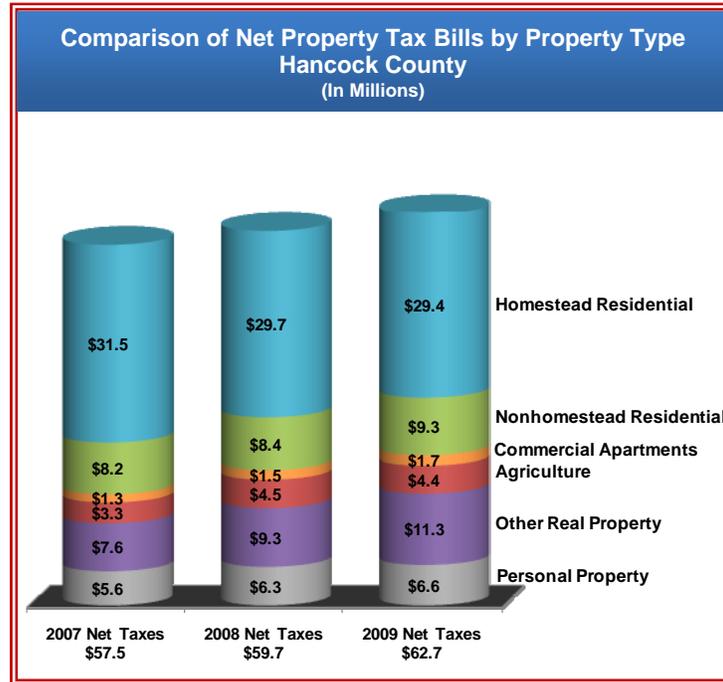
2009 Property Tax Changes:

The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

State Property Tax Replacement Credits were eliminated, and State Homestead Credits were much reduced – Credits didn't apply to debt service levies, so they were lower in units with more debt service; such units lost less from the elimination of the credits, and so received relatively more net benefit from the new tax relief programs.

Counties could adopt new LOIT for property tax relief in 2008 and 2009 - Homeowners in 41 counties that adopted a LOIT saw larger property tax cuts or smaller tax increases; other taxpayers benefitted if counties distributed tax credits to nonhomestead property.

Circuit Breaker Tax Caps were enacted at 1.5% of gross assessed value for homes, 2.5% for rental housing and farmland, and 3.5% for other property- Rental housing and commercial/industrial property received the most tax cap credits; cities and towns and jurisdictions that overlap them lost the most revenue to the caps.



In Hancock County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 10.7% increase in average property tax bills. Average tax bills on commercial apartments increased 13.3%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 2.2% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 21.5%. Personal property, which is largely business equipment, saw a 4.8% increase in average tax bills.

Circuit Breaker Tax Caps. Property tax caps limit taxpayers' tax bills to a fixed percentage of their property's assessed value before deductions. Tax bills that exceed the caps are reduced by a tax credit. The cap rates were 1.5% for homesteads, 2.5% for other residential property and farmland, and 3.5% for other property. In 2010 and after, the cap rates will be 1%, 2%, and 3%, respectively.

Local Revenue Losses. Local governments do not collect the amount of these tax cap credits, and the revenue is not replaced. More taxpayers are likely to be eligible for circuit breaker tax cap credits in jurisdictions with higher tax rates. Tax districts in cities and towns tend to have higher tax rates because the municipal tax rate is added to tax bills. Cities and towns and jurisdictions that share taxpayers with cities and towns tend to lose the most revenue to tax cap credits.

Tax Bill Reductions. Generally, as a result of tax relief from homestead deductions most homeowners did not have tax bills high enough to qualify for tax cap credits. Rental housing has a lower tax cap than other businesses, and much of it is located in cities and towns, so many rental housing owners receive credits. Most farmland is outside cities and towns in jurisdictions with low tax rates. Few farmland owners receive credits. Commercial and industrial property tends to receive credits where tax rates are relatively high.

Total Circuit Breaker Tax Cap Credit Amount for Hancock County \$198,277

Percentage share of circuit breaker tax cap credits by cap category...



Hancock County Levy Comparison by Taxing Unit

Unit	2007 Levy	2008 Levy	2009 Levy	2007-2008 Levy Change	2008-2009 Levy Change	2008 - 2009 Comparable Levy Change
County Total	\$74,478,988	\$85,987,664	\$63,034,382	15.5%	-26.7%	3.3%
State Unit	80,142	85,719	0	7.0%	-100.0%	
Hancock County	10,895,969	10,789,802	11,243,313	-1.0%	4.2%	18.4%
Blue River Township	26,381	27,541	28,944	4.4%	5.1%	5.1%
Brandywine Township	90,090	90,534	87,487	0.5%	-3.4%	-3.4%
Brown Township	24,276	25,118	26,383	3.5%	5.0%	5.0%
Buck Creek Township	546,929	827,910	1,140,377	51.4%	37.7%	37.7%
Center Township	413,996	354,274	102,395	-14.4%	-71.1%	-71.1%
Green Township	60,025	61,615	60,970	2.6%	-1.0%	-1.0%
Jackson Township	46,711	48,532	46,463	3.9%	-4.3%	-4.3%
Sugar Creek Township	2,255,869	2,900,446	2,813,564	28.6%	-3.0%	-3.0%
Vernon Township	349,436	374,553	736,105	7.2%	96.5%	96.5%
Greenfield Civil City	5,667,289	5,922,467	6,659,775	4.5%	12.4%	15.3%
Fortville Civil Town	855,011	875,235	979,484	2.4%	11.9%	11.9%
New Palestine Civil Town	345,046	428,972	459,049	24.3%	7.0%	7.0%
Shirley Civil Town	182,052	183,282	188,190	0.7%	2.7%	2.7%
Spring Lake Civil Town	22,532	23,568	24,027	4.6%	1.9%	1.9%
Wilkinson Civil Town	87,538	53,661	80,123	-38.7%	49.3%	49.3%
Cumberland Civil Town	1,166,393	1,234,265	1,098,224	5.8%	-11.0%	-11.0%
Mccordsville Civil Town	940,295	1,024,707	1,070,881	9.0%	4.5%	4.5%
Southern Hancock County Community Schools	13,909,047	14,958,806	8,287,911	7.5%	-44.6%	-6.3%
Greenfield Central Community School Corp.	16,974,838	22,382,690	14,432,015	31.9%	-35.5%	3.1%
Mt. Vernon Community School Corporation	15,576,207	18,560,528	10,760,931	19.2%	-42.0%	-7.1%
Eastern Hancock County Community Schools	3,962,916	4,753,439	2,707,771	19.9%	-43.0%	-2.6%
Fortville Public Library	0	0	0	0.0%	0.0%	0.0%
Hancock County Public Library	0	0	0	0.0%	0.0%	0.0%
Greenfield Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%

Note: 2008 – 2009 Comparable Levy Change reflects the percentage change in the remaining levies after levy reductions for state assumption of pre-1977 police and fire pension fund payments and elimination of these funds: state fair, state forestry, school general, preschool special education, family and children, children’s psychiatric residential treatment, medical assistance to wards, children with special health care needs, and hospital care for the indigent.

Hancock County Assessed Values, Levies, Tax Rates, and Credit Rates by Taxing District

Taxing District	Net Assessed Value (In Millions \$)			Gross Levy (\$)			Tax Rate (%)		State PTRC Rate-Real	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	2008	2008	2009	2008	2009
Blue River Township	88.8	70.6	-20.5%	1,713,200	1,104,474	-35.5%	1.9284	1.5644	24.60%	32.85%	6.41%	0.00%	0.00%
Brandywine Township	126.4	98.3	-22.3%	2,539,586	1,660,164	-34.6%	2.0087	1.6892	21.19%	28.60%	6.41%	0.00%	0.00%
Brown Township	85.8	68.5	-20.2%	1,651,459	1,068,001	-35.3%	1.9240	1.5585	24.55%	32.64%	6.41%	0.00%	0.00%
Shirley Town	14.9	11.7	-21.3%	467,008	368,396	-21.1%	3.1374	3.1466	22.18%	42.21%	6.41%	0.00%	0.00%
Wilkinson Town	11.4	8.4	-25.9%	270,960	210,112	-22.5%	2.3768	2.4870	23.71%	38.31%	6.41%	0.00%	0.00%
Buck Creek Township	397.9	328.4	-17.5%	9,206,829	6,674,008	-27.5%	2.3139	2.0321	18.72%	27.44%	6.41%	0.00%	0.00%
Cumberland Town-Buck Creek Twp	111.4	78.9	-29.1%	3,312,721	2,178,935	-34.2%	2.9745	2.7603	16.42%	28.43%	6.41%	0.00%	0.00%
Center Township	344.8	277.5	-19.5%	7,104,994	5,296,707	-25.5%	2.0604	1.9085	20.08%	26.85%	6.41%	0.00%	0.00%
Greenfield City	883.6	777.2	-12.0%	23,591,123	18,944,611	-19.7%	2.6699	2.4375	19.46%	33.08%	6.41%	0.00%	0.00%
Green Township	101.2	82.4	-18.6%	2,072,859	1,426,547	-31.2%	2.0488	1.7315	20.32%	27.25%	6.41%	0.00%	0.00%
Jackson Township	97.5	79.7	-18.2%	1,897,616	1,261,369	-33.5%	1.9472	1.5818	24.35%	32.59%	6.41%	0.00%	0.00%
Sugar Creek Township	636.6	473.5	-25.6%	14,788,986	9,964,498	-32.6%	2.3232	2.1046	18.93%	27.76%	6.41%	0.00%	0.00%
New Palestine Town	111.4	83.6	-24.9%	3,016,847	2,219,426	-26.4%	2.7083	2.6534	17.36%	28.18%	6.41%	0.00%	0.00%
Spring Lake Town	7.4	5.5	-25.8%	168,959	112,812	-33.2%	2.2905	2.0608	20.60%	31.47%	6.41%	0.00%	0.00%
Cumberland Town-Sugar Creek Twp	34.9	25.4	-27.2%	981,118	677,595	-30.9%	2.8151	2.6694	17.58%	29.68%	6.41%	0.00%	0.00%
Vernon Township	143.5	113.4	-21.0%	3,134,186	2,112,173	-32.6%	2.1835	1.8623	19.43%	27.38%	6.41%	0.00%	0.00%
Fortville Town	127.5	103.9	-18.5%	3,659,036	2,914,610	-20.3%	2.8700	2.8042	18.35%	32.26%	6.41%	0.00%	0.00%
Town of Mc Cordsville	247.0	205.2	-16.9%	6,418,098	4,889,666	-23.8%	2.5984	2.3828	17.74%	28.30%	6.41%	0.00%	0.00%
Greenfield-Brandywine	0.1	0.1	5.2%	2,368	2,040	-13.8%	2.6194	2.1452	20.11%	34.03%	6.41%	0.00%	0.00%
County Totals/Averages	3,572.0	2,892.4	-19.0%	85,997,955	63,086,143	-26.6%	2.4075	2.1814	19.34%	29.44%	6.41%	0.00%	0.00%

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 *Net Assessed Value* is the total taxable assessed value of all property types, after deductions. It declined in 2009 because of the introduction of the new 35% supplemental deduction for homesteads.

The *Gross Levy* is the amount of property tax to be collected, before credits. It declined in 2009 because of the elimination of the levies for school general funds, county welfare funds, and several smaller funds.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value. Rates fell because the drop in the levies due to levy elimination was greater than the reduction in assessed value due to the new deduction.

State PTRC Rate - Real is the state property tax replacement credit for real property in 2008. This credit was eliminated in 2009.

The *State Homestead, Total* is the sum of the regular state homestead credit rate, which was eliminated in 2009, and the HEA1001-2008 special rate, which was reduced in 2009.

The *Total Local Income Tax Credits - Homesteads* is the sum of the COIT and CEDIT homestead credit rates and the LOIT credit rates for homesteads, residential property, and all property. These are credits funded by local income taxes, including the COIT, the CEDIT, and the CAGIT for property tax relief.

Hancock County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				Total
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	
Hancock County	11,243,313	1,023	25,896	0	721	27,640
Blue River Township	28,944	0	0	0	0	0
Brandywine Township	87,487	0	0	0	0	0
Brown Township	26,383	0	116	0	9	125
Buck Creek Township	1,140,377	2	315	0	0	317
Center Township	102,395	2	0	0	6	9
Green Township	60,970	1	0	0	7	7
Jackson Township	46,463	0	0	0	0	0
Sugar Creek Township	2,813,564	1,009	4,361	0	136	5,506
Vernon Township	736,105	44	5,658	0	15	5,717
Greenfield Civil City	6,659,775	186	0	0	346	532
Fortville Civil Town	979,484	102	30,628	0	38	30,768
New Palestine Civil Town	459,049	3	4,691	0	3	4,697
Shirley Civil Town	188,190	49	16,092	0	957	17,098
Spring Lake Civil Town	24,027	0	0	0	0	0
Wilkinson Civil Town	80,123	0	0	0	149	149
Cumberland Civil Town	1,098,224	98	16,267	0	0	16,366
McCordsville Civil Town	1,070,881	0	0	0	0	0
Southern Hancock County Community School Corp.	8,287,911	2,420	12,940	0	326	15,687
Greenfield Central Community School Corporation	14,432,015	318	0	0	935	1,253
Mt. Vernon Community School Corporation	10,760,931	453	59,616	0	114	60,183
Eastern Hancock County Community School Corp.	2,707,771	35	11,326	0	862	12,222
Fortville Public Library	0	0	0	0	0	0
Hancock County Public Library	0	0	0	0	0	0
Greenfield Redevelopment Commission	0	0	0	0	0	0
Three Rivers Solid Waste Management District	0	0	0	0	0	0
Hancock County Solid Waste District	0	0	0	0	0	0
Greenfield Redevelopment Commission	0	0	0	0	0	0
Total - All Taxing Units	63,034,382	5,746	187,906	0	4,625	198,277

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.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. It is included to allow comparison to the circuit breaker revenue losses.

Circuit Breaker Credits:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1.5% 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, long-term care facilities, and farmland, in the 2.5% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3.5% 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.