

2010 Property Tax Report

Martin County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Martin 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 Martin 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 Martin 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	2,314	86.0%	107	4.0%
No Change	203	7.5%	55	2.0%
Lower Tax Bill	173	6.4%	2,528	94.0%
Average Change in Tax Bill	7.3%		-34.3%	
Detailed Change in Tax Bill				
20% or More	86	3.2%	75	2.8%
10% to 19%	903	33.6%	16	0.6%
1% to 9%	1,325	49.3%	16	0.6%
0%	203	7.5%	55	2.0%
-1% to -9%	109	4.1%	36	1.3%
-10% to -19%	25	0.9%	134	5.0%
-20% to -29%	8	0.3%	478	17.8%
-30% to -39%	1	0.0%	649	24.1%
-40% to -49%	4	0.1%	595	22.1%
-50% to -59%	2	0.1%	194	7.2%
-60% to -69%	2	0.1%	94	3.5%
-70% to -79%	3	0.1%	68	2.5%
-80% to -89%	3	0.1%	70	2.6%
-90% to -99%	1	0.0%	56	2.1%
-100%	15	0.6%	154	5.7%
Total	2,690	100.0%	2,690	100.0%

The average homeowner saw a 7.3% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 34.3% lower than they were in 2007, before the property tax reforms.

94.0% of homeowners saw lower tax bills in 2010 than in 2007.

82.9% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

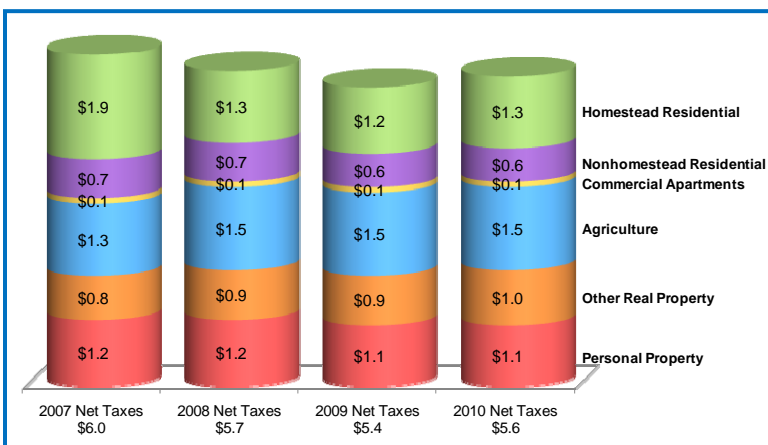
The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Martin County Overview

The larger-than-average increase in homeowner tax bills had two main causes. Property tax levies increased 4.0% in Martin County in 2010, somewhat larger than the state average increase of 2.4%. The largest levy increases were in the county general fund and the Loogootee School Corporation debt service, capital projects, and transportation funds. Martin County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Martin County home values tend to be lower than the state average. Martin County does not provide local homestead credits.

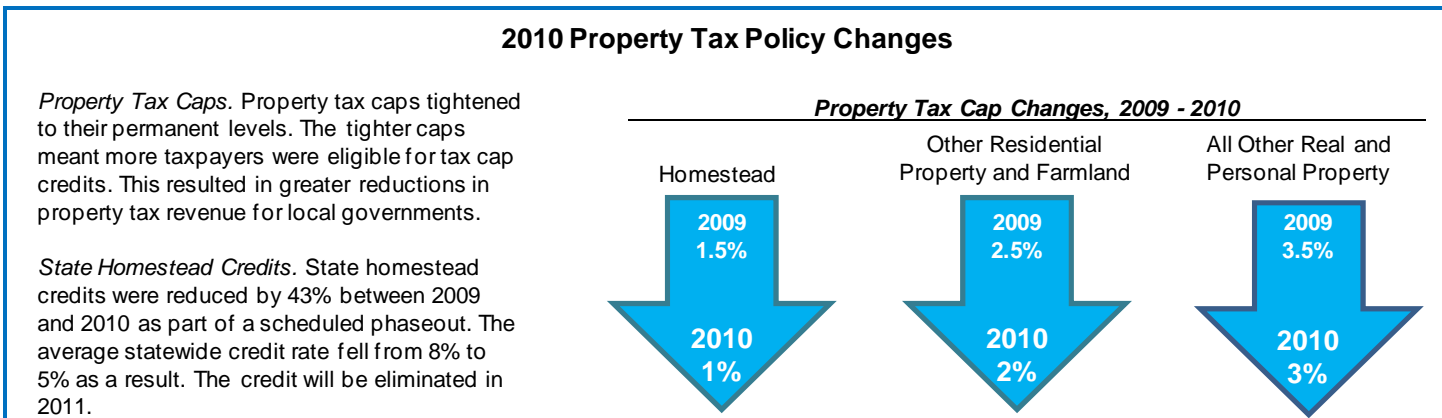
Comparison of Net Property Tax by Property Type (In Millions)



Net tax bills for all taxpayers increased 3.3% in Martin County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 10.2% 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 5.0% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 1.1% and 1.8% increase, respectively, in tax bills in 2010. This was mainly because of the increase in Martin County property tax levies. Commercial and industrial property did not benefit very much from the tightened tax caps because

Martin County's tax rates were generally not high enough for this type of property to qualify for tax cap credits.

Agricultural business property saw a 4.6% increase in tax payments in 2010 because of the Martin County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



Tax Cap Credits

Tax cap credits in Martin County in 2010 amounted to 2.8% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to lower-than-average tax rates in Martin County and to the county having a smaller share of its net assessed value in the 2% cap category. 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. Few commercial or industrial properties in the 3% tax cap category qualified for credits because the highest Martin County tax rates were only slightly above \$3. Neither Martin 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
Martin County Total \$163,836**

1%	2%	3%	Elderly
\$12,092	\$127,634	\$20,446	\$3,664
7.4%	77.9%	12.5%	2.2%

Martin County, the town of Shoals, and the Shoals Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of their total levies, the Town of Shoals and the Shoals Public Library lost the most, at 20.8% each. Losses were greatest for units that overlapped the Town of Shoals, because its tax districts had the highest tax rates.

The Effects of Recession

In Martin County the recession has 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 3.9% in December 2007 to 7.1% in July 2009. Despite job losses, local income tax revenue grew by 6.2%.

Martin County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	233,243,000	238,635,300	2.3%
Other Residential	33,087,500	34,307,000	3.7%
Ag Business/Land	83,702,000	86,122,900	2.9%
Business Real/Personal	123,956,280	125,903,200	1.6%
Total	\$473,988,780	\$484,968,400	2.3%

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 Martin County, the gross assessed value of business real and personal property increased 1.6% in 2010. Other assessment categories increased, and total gross assessed value in Martin County rose 2.3%. 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.

Martin County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	8,037,392	8,448,451	5,529,124	5,751,249	5.1%	-34.6%	4.0%
State Unit	7,374	7,948	0	0	7.8%	-100.0%	
Martin County	1,640,909	1,934,102	1,506,755	1,559,575	17.9%	-22.1%	3.5%
Center Township	18,243	19,842	20,776	21,323	8.8%	4.7%	2.6%
Halbert Township	31,820	32,267	35,684	37,031	1.4%	10.6%	3.8%
Lost River Township	14,259	14,942	15,100	15,057	4.8%	1.1%	-0.3%
Mitcheltree Township	26,778	30,290	32,164	33,370	13.1%	6.2%	3.7%
Perry Township	50,733	52,708	55,727	57,527	3.9%	5.7%	3.2%
Rutherford Township	17,196	17,998	19,171	19,868	4.7%	6.5%	3.6%
Loogootee Civil City	401,127	438,755	434,286	452,559	9.4%	-1.0%	4.2%
Crane Civil Town	0	0	0	0			
Shoals Civil Town	135,412	145,682	152,099	160,135	7.6%	4.4%	5.3%
Shoals Community School Corp	2,694,647	2,690,365	1,724,952	1,730,729	-0.2%	-35.9%	0.3%
Loogootee Community School Corp	2,817,301	2,871,718	1,334,358	1,452,329	1.9%	-53.5%	8.8%
Loogootee Public Library	52,564	55,438	52,440	60,271	5.5%	-5.4%	14.9%
Shoals Public Library	17,505	18,826	19,657	20,691	7.5%	4.4%	5.3%
Martin County Solid Waste Mgt Dist	111,524	117,570	125,955	130,784	5.4%	7.1%	3.8%

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

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads	
			LOIT PTRC	State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		LOIT Residential
51001	Center Township	1.9213	--	4.4574%	--	--	--	--	--	1.8357
51002	Shoals Town/Center Township	3.3927	--	4.4574%	--	--	--	--	--	3.2415
51003	Halbert Township	1.9090	--	4.4574%	--	--	--	--	--	1.8239
51004	Shoals Town/Halbert Township	3.3970	--	4.4574%	--	--	--	--	--	3.2456
51005	Lost River Township	1.9201	--	4.4574%	--	--	--	--	--	1.8345
51006	Mitcheltree Township	2.0446	--	4.4574%	--	--	--	--	--	1.9535
51007	Perry Township	1.5140	--	4.4574%	--	--	--	--	--	1.4465
51008	Loogootee City	2.3662	--	4.4574%	--	--	--	--	--	2.2607
51009	Crane Town	1.4949	--	4.4574%	--	--	--	--	--	1.4283
51010	Rutherford Township	1.5166	--	4.4574%	--	--	--	--	--	1.4490

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.

Martin 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>	12,092	127,634	20,446	3,664	163,836	5,751,249	2.8%
<i>TIF Total</i>	0	0	0	0	0	851	0.0%
<i>County Total</i>	12,092	127,634	20,446	3,664	163,836	5,752,100	2.8%
Martin County	2,443	24,489	3,152	924	31,008	1,559,575	2.0%
Center Township	48	324	46	9	428	21,323	2.0%
Halbert Township	43	417	218	6	684	37,031	1.8%
Lost River Township	0	0	0	1	1	15,057	0.0%
Mitcheltree Township	0	534	0	4	538	33,370	1.6%
Perry Township	103	970	0	63	1,136	57,527	2.0%
Rutherford Township	0	0	0	3	3	19,868	0.0%
Loogootee Civil City	1,801	20,536	0	536	22,873	452,559	5.1%
Crane Civil Town	0	0	0	0	0	0	
Shoals Civil Town	2,011	23,053	8,009	235	33,308	160,135	20.8%
Shoals Community School Corp	2,555	25,741	7,721	424	36,441	1,730,729	2.1%
Loogootee Community School Corp	2,383	23,803	0	1,279	27,465	1,452,329	1.9%
Loogootee Public Library	240	2,735	0	71	3,046	60,271	5.1%
Shoals Public Library	260	2,979	1,035	30	4,304	20,691	20.8%
Martin County Solid Waste Mgt Dist	205	2,054	264	78	2,600	130,784	2.0%
TIF - Crane	0	0	0	0	0	851	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.