

# 2009 MONROE COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

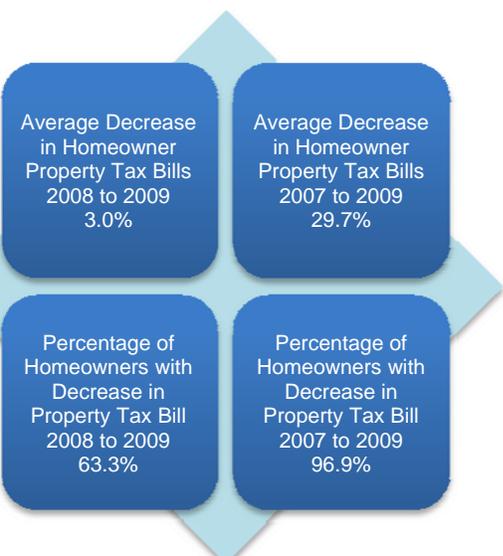


Legislative Services Agency

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 Monroe 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	847	3.5%	311	1.3%
10% to 19%	1,876	7.8%	128	0.5%
1% to 9%	6,084	25.1%	237	1.0%
0%	66	0.3%	65	0.3%
-1% to -9%	5,072	21.0%	525	2.2%
-10% to -19%	5,556	23.0%	1,692	7.0%
-20% to -29%	2,770	11.4%	7,825	32.3%
-30% to -39%	940	3.9%	8,117	33.5%
-40% to -49%	329	1.4%	3,229	13.3%
-50% to -59%	177	0.7%	1,235	5.1%
-60% to -69%	129	0.5%	316	1.3%
-70% to -79%	111	0.5%	186	0.8%
-80% to -89%	59	0.2%	115	0.5%
-90% to -99%	48	0.2%	83	0.3%
-100%	139	0.6%	139	0.6%
<b>Total</b>	<b>24,203</b>	<b>100.0%</b>	<b>24,203</b>	<b>100.0%</b>
Higher Tax Bill	8,807	36.4%	676	2.8%
No Change	66	0.3%	65	0.3%
Lower Tax Bill	15,330	63.3%	23,462	96.9%
<b>Average Change in Tax Bill</b>	<b>-3.0%</b>		<b>-29.7%</b>	

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	Monroe County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-12.4%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-36.1%	-30.6%
State PTRC Percentage, 2008	22.5%	20.1%
Total State Homestead Credit, 2008	40.0%	39.5%
Total State Homestead Credit, 2009	6.7%	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 Monroe County decreased by 3.0%. The elimination of the property tax levies and the addition of the 35% supplemental homestead deduction were almost offset by the elimination of the property tax replacement credits and the state homestead credits. Monroe did not adopt a local option income tax for property tax relief, and few Monroe County homeowners were eligible for the circuit breaker tax cap credits.

Homeowner taxes were substantially lower in 2009 compared to 2007 in Monroe 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.

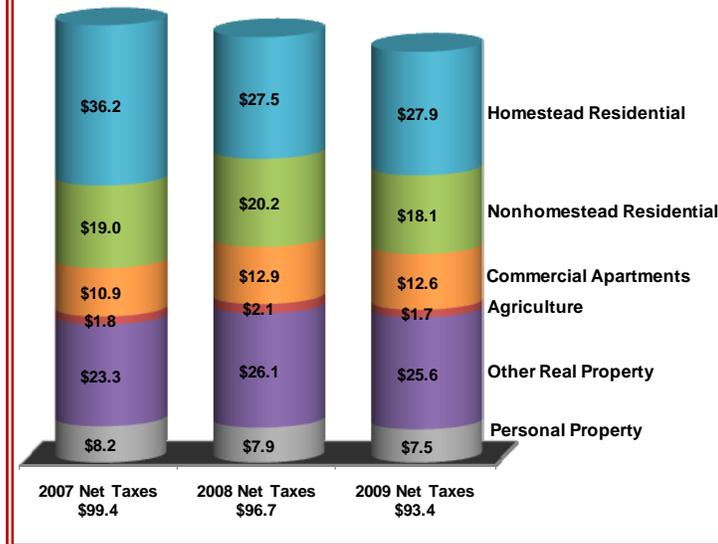
State Property Tax Replacement Credits were eliminated, and State Homestead Credits were much reduced –

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.

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



In Monroe County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 10.4% decline in average property tax bills. Average tax bills on commercial apartments decreased 2.3%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 19.0% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 1.9%. Personal property, which is largely business equipment, saw a 5.1% decrease 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 Monroe County \$10,010

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



### Monroe 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
<b>County Total</b>	<b>\$130,069,003</b>	<b>\$139,695,441</b>	<b>\$88,998,327</b>	<b>7.4%</b>	<b>-36.3%</b>	<b>-2.5%</b>
State Unit	152,322	161,865	0	6.3%	-100.0%	
Monroe County	23,324,293	25,628,661	19,772,568	9.9%	-22.8%	1.9%
Bean Blossom Township	76,658	80,200	78,206	4.6%	-2.5%	-2.5%
Benton Township	194,522	157,403	179,067	-19.1%	13.8%	13.8%
Bloomington Township	937,815	971,241	914,775	3.6%	-5.8%	-5.8%
Clear Creek Township	142,267	147,424	148,342	3.6%	0.6%	0.6%
Indian Creek Township	56,033	56,533	59,563	0.9%	5.4%	5.4%
Perry Township	439,361	501,201	535,453	14.1%	6.8%	6.8%
Polk Township	35,475	36,981	38,445	4.2%	4.0%	4.0%
Richland Township	585,295	606,039	558,985	3.5%	-7.8%	-7.8%
Salt Creek Township	52,673	54,540	147,536	3.5%	170.5%	170.5%
Van Buren Township	930,849	954,560	1,110,891	2.5%	16.4%	16.4%
Washington Township	59,103	60,411	62,677	2.2%	3.8%	3.8%
Bloomington Civil City	23,874,084	24,246,828	22,924,089	1.6%	-5.5%	0.1%
Ellettsville Civil Town	1,176,475	1,094,772	1,171,801	-6.9%	7.0%	7.0%
Stinesville Civil Town	6,895	7,229	6,767	4.8%	-6.4%	-6.4%
Richland-Bean Blossom Cmty. School Corp.	11,134,491	12,601,033	5,558,382	13.2%	-55.9%	-18.9%
Monroe County Community School Corporation	57,232,389	61,312,734	25,644,864	7.1%	-58.2%	-3.0%
Monroe County Public Library	5,673,991	6,346,465	5,678,791	11.9%	-10.5%	-10.5%
Bloomington Transportation	895,278	926,385	961,761	3.5%	3.8%	3.8%
Perry-Clear Creek Fire Protection	1,065,286	1,211,770	1,089,245	13.8%	-10.1%	-10.1%
Monroe County Solid Waste Mgt. District	1,243,962	1,638,885	1,432,965	31.7%	-12.6%	-12.6%
Bloomington City Redevelopment	615,529	692,915	718,157	12.6%	3.6%	3.6%
Monroe County Redevelopment Commission	163,957	199,366	204,997	21.6%	2.8%	2.8%

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.

## Monroe 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
	Bean Blossom Township	105.4	86.4	-18.0%	2,194,746	1,191,520	-45.7%	2.0823	1.3790	21.66%	35.03%	6.70%	3.21%
Stinesville Town	4.1	3.1	-24.5%	91,256	47,882	-47.5%	2.1992	1.5284	21.52%	36.64%	6.70%	3.58%	3.50%
Benton Township	246.9	204.7	-17.1%	3,971,747	2,132,666	-46.3%	1.6088	1.0420	24.89%	37.76%	6.70%	3.83%	3.20%
Bloomington Township	325.5	269.2	-17.3%	5,779,113	3,248,488	-43.8%	1.7753	1.2065	23.97%	39.40%	6.70%	4.19%	3.84%
Bloomington City-Bloomington Twp	1162.6	1128.5	-2.9%	26,698,713	19,697,939	-26.2%	2.2964	1.7455	21.78%	42.43%	6.70%	4.87%	4.85%
Clear Creek Township	332.3	284.2	-14.5%	5,664,865	3,198,936	-43.5%	1.7048	1.1254	24.37%	38.84%	6.70%	4.07%	3.63%
Indian Creek Township	74.2	64.8	-12.7%	1,203,650	677,874	-43.7%	1.6213	1.0458	24.90%	38.15%	6.70%	3.91%	3.37%
Perry Township	715.9	607.7	-15.1%	12,011,387	6,651,343	-44.6%	1.6777	1.0946	24.56%	38.68%	6.70%	4.03%	3.55%
Bloomington City-Perry Township	2190.3	1904.2	-13.1%	50,258,659	33,243,121	-33.9%	2.2946	1.7458	21.77%	42.38%	6.70%	4.86%	4.84%
Polk Township	15.3	13.3	-13.0%	272,992	165,648	-39.3%	1.7873	1.2465	24.24%	40.40%	6.70%	4.42%	4.23%
Richland Township	485.8	402.4	-17.2%	10,282,394	5,710,236	-44.5%	2.1167	1.4192	21.48%	35.18%	6.70%	3.25%	2.93%
Bloomington City-Richland Twp	22.7	24.5	7.9%	626,045	510,015	-18.5%	2.7559	2.0804	19.97%	39.62%	6.70%	4.24%	4.36%
Ellettsville Town	184.7	157.6	-14.7%	4,830,040	3,237,371	-33.0%	2.6154	2.0543	19.74%	37.58%	6.70%	3.79%	3.86%
Salt Creek Township	138.9	108.8	-21.7%	2,199,689	1,185,918	-46.1%	1.5841	1.0903	25.14%	37.74%	6.70%	3.82%	2.93%
Van Buren Township	493.1	428.8	-13.0%	8,603,359	5,147,217	-40.2%	1.7447	1.2003	23.73%	38.09%	6.70%	3.90%	3.37%
Bloomington City-Van Buren Twp	111.7	107.2	-4.1%	2,600,466	1,908,386	-26.6%	2.3279	1.7805	21.70%	42.63%	6.70%	4.92%	4.91%
Washington Township	127.1	104.9	-17.5%	2,024,136	1,063,436	-47.5%	1.5927	1.0141	25.21%	38.17%	6.70%	3.92%	3.35%
Ellettsville Bean Blossom	0.1	0.1	5.1%	2,112	1,743	-17.4%	2.6167	2.0557	19.70%	37.50%	6.70%	3.77%	3.86%
<b>County Totals/Averages</b>	<b>6,736.7</b>	<b>5,900.3</b>	<b>-12.4%</b>	<b>139,315,369</b>	<b>89,019,739</b>	<b>-36.1%</b>	<b>2.0713</b>	<b>1.5092</b>	<b>22.46%</b>	<b>40.01%</b>	<b>6.70%</b>	<b>4.33%</b>	<b>4.15%</b>

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.

## Monroe 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		
Monroe County	19,772,568	476	0	0	1,565	2,041	
Bean Blossom Township	78,206	0	0	0	0	0	
Benton Township	179,067	0	0	0	55	55	
Bloomington Township	914,775	1	0	0	72	73	
Clear Creek Township	148,342	0	0	0	5	5	
Indian Creek Township	59,563	0	0	0	0	0	
Perry Township	535,453	25	0	0	33	59	
Polk Township	38,445	0	0	0	0	0	
Richland Township	558,985	4	0	0	2	5	
Salt Creek Township	147,536	0	0	0	0	0	
Van Buren Township	1,110,891	0	0	0	41	41	
Washington Township	62,677	0	0	0	0	0	
Bloomington Civil City	22,924,089	893	0	0	2,549	3,442	
Ellettsville Civil Town	1,171,801	139	0	0	58	197	
Stinesville Civil Town	6,767	0	0	0	0	0	
Richland-Bean Blossom Community School Corp.	5,558,382	154	0	0	64	218	
Monroe County Community School Corporation	25,644,864	605	0	0	2,254	2,859	
Monroe County Public Library	5,678,791	137	0	0	450	586	
Bloomington Transportation	961,761	37	0	0	107	144	
Perry-Clear Creek Fire Protection	1,089,245	0	0	0	20	20	
Monroe County Solid Waste Management District	1,432,965	34	0	0	113	148	
Bloomington City Redevelopment	718,157	28	0	0	80	108	
Monroe County Redevelopment Commission	204,997	1	0	0	9	10	
<b>Total - All Taxing Units</b>	<b>88,998,327</b>	<b>2,535</b>	<b>0</b>	<b>0</b>	<b>7,475</b>	<b>10,010</b>	

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.