

# 2010 Property Tax Report

## Montgomery County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Montgomery 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 Montgomery 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 Montgomery 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	8,057	86.0%	45	0.5%
No Change	701	7.5%	32	0.3%
Lower Tax Bill	606	6.5%	9,287	99.2%
<b>Average Change in Tax Bill</b>	<b>85.0%</b>		<b>-85.2%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	7,024	75.0%	36	0.4%
10% to 19%	268	2.9%	5	0.1%
1% to 9%	765	8.2%	4	0.0%
0%	701	7.5%	32	0.3%
-1% to -9%	241	2.6%	8	0.1%
-10% to -19%	199	2.1%	17	0.2%
-20% to -29%	36	0.4%	26	0.3%
-30% to -39%	21	0.2%	20	0.2%
-40% to -49%	15	0.2%	60	0.6%
-50% to -59%	13	0.1%	118	1.3%
-60% to -69%	15	0.2%	342	3.7%
-70% to -79%	10	0.1%	1,008	10.8%
-80% to -89%	17	0.2%	4,433	47.3%
-90% to -99%	5	0.1%	2,868	30.6%
-100%	34	0.4%	387	4.1%
<b>Total</b>	<b>9,364</b>	<b>100.0%</b>	<b>9,364</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

The average homeowner saw an 85.0% tax bill increase from 2009 to 2010.

99.2% of homeowners saw lower tax bills in 2010 than in 2007.

Homestead taxes in 2010 were still 85.2% lower than they were in 2007, before the property tax reforms.

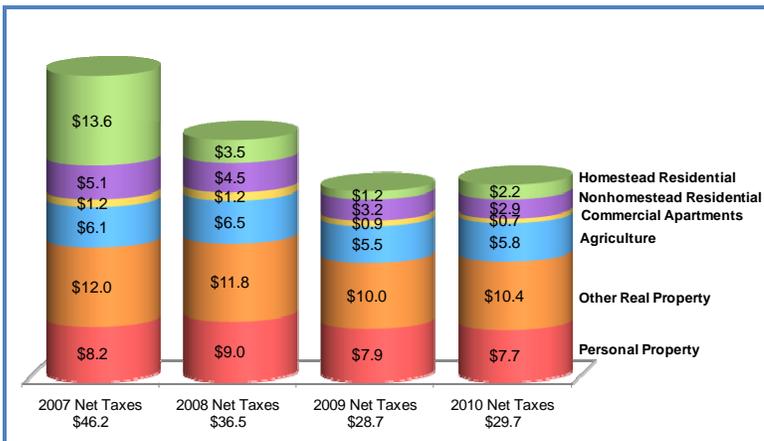
75% of homeowners saw tax increases of 20% or more from 2009 to 2010.

The largest percentage of homeowners have seen between an 80% and 99% decrease in their tax bills from 2007 to 2010.

### Montgomery County Overview

The much larger-than-average increase in homeowner tax bills was mainly due to changes in the local property tax credits, which are funded by local income taxes. The local homestead credit remains very large, but it was somewhat smaller than in 2009. Montgomery County homeowner taxes are low, so even small-dollar tax increases will produce large percentage tax increases. However, property tax levies increased 11.3% in Montgomery County in 2010, much more than the state average increase of 2.4%. The largest levy increases were for the county jail lease rental fund, the Crawfordsville City general and park and recreation funds, and the Crawfordsville School Corporation debt service fund. Montgomery County homeowners did not benefit from the one percent property tax cap, because the substantial local homestead credits kept homeowner tax bills below the tax cap threshold.

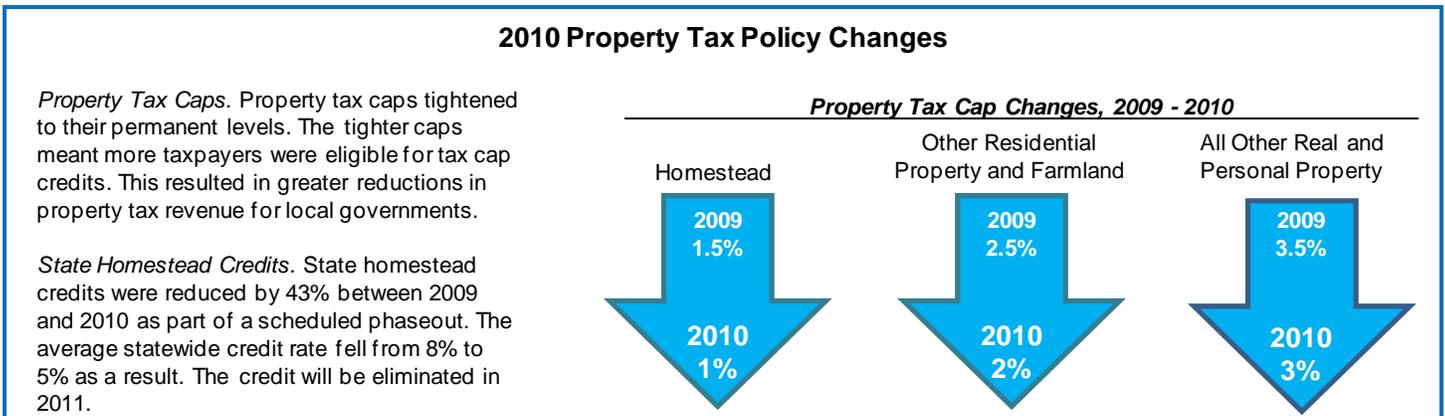
**Comparison of Net Property Tax by Property Type  
(In Millions)**



Net tax bills for all taxpayers increased 4.2% in Montgomery County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 22.9% 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 7.8% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 4.3% increase

and a 1.5% decrease, respectively, in tax bills in 2010. These changes in tax bills were mainly due to the increase in property tax levies and changes in personal property assessed value. After deductions and exemptions, net assessments for business real property remained flat while business personal property net assessments declined by 3.7%. The tightening of the tax caps from 3.5% to 3% also contributed to the tax changes for commercial and industrial property.

Agricultural business property saw a 5.6% increase in tax payments in 2010 because of the Montgomery 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 Montgomery County in 2010 amounted to 6.7% of the total property tax levy. The statewide average was similar at 6.3%. Nonhomestead residential property and farmland qualified for circuit breakers in 12 of 30 total tax districts where the tax rate exceeded \$2. Thirty percent of business real and personal property assessed value is situated in the only tax district in the county with a tax rate over \$3. This property qualifies for circuit breaker credits in the 3% tax cap category. Neither Montgomery County tax rates nor home values were high enough for any homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category  
Montgomery County Total \$2,713,556**

1%	2%	3%	Elderly
\$0	\$1,636,767	\$985,674	\$91,115
0.0%	60.3%	36.3%	3.4%

Montgomery County, Crawfordsville City, and the Crawfordsville Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the Crawfordsville School Corporation lost the most, at 16.2%. Losses were greatest for units that overlapped Crawfordsville, because its tax districts had the highest tax rates.

**The Effects of Recession**

In Montgomery County the recession has had an effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 3.7% in December 2007 to 10.6% in July 2009. Job losses and income declines contributed to a 0.4% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Montgomery County in 2010.

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

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	1,158,851,800	1,175,403,400	1.4%
Other Residential	173,984,400	175,230,600	0.7%
Ag Business/Land	384,773,100	403,279,200	4.8%
Business Real/Personal	1,121,052,280	1,144,352,182	2.1%
<b>Total</b>	<b>\$2,838,661,580</b>	<b>\$2,898,265,382</b>	<b>2.1%</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 Montgomery County, the gross assessed value of business real and personal property increased 2.1% in 2010. Other assessment categories increased, and total gross assessed value in Montgomery County rose 2.1%. 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.

**Montgomery County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	57,753,226	56,939,232	35,445,236	39,461,256	-1.4%	-37.7%	11.3%
State Unit	44,481	47,454	0	0	6.7%	-100.0%	
Montgomery County	10,204,579	9,453,161	5,900,022	7,206,837	-7.4%	-37.6%	22.1%
Brown Township	44,947	46,206	58,592	63,079	2.8%	26.8%	7.7%
Clark Township	31,148	31,982	32,499	33,680	2.7%	1.6%	3.6%
Coal Creek Township	125,634	91,822	101,959	104,378	-26.9%	11.0%	2.4%
Franklin Township	29,722	31,442	30,386	32,031	5.8%	-3.4%	5.4%
Madison Township	130,154	131,681	139,263	145,366	1.2%	5.8%	4.4%
Ripley Township	62,548	51,737	107,241	72,779	-17.3%	107.3%	-32.1%
Scott Township	30,975	31,692	32,517	33,829	2.3%	2.6%	4.0%
Sugar Creek Township	17,609	18,069	18,613	19,300	2.6%	3.0%	3.7%
Union Township	488,792	500,364	490,292	510,929	2.4%	-2.0%	4.2%
Walnut Township	34,180	35,085	34,968	35,920	2.6%	-0.3%	2.7%
Wayne Township	86,055	69,351	75,149	36,774	-19.4%	8.4%	-51.1%
Crawfordsville Civil City	7,188,139	7,441,264	6,514,365	7,304,911	3.5%	-12.5%	12.1%
Alamo Civil Town	4,889	5,045	4,408	5,058	3.2%	-12.6%	14.7%
Darlington Civil Town	69,789	72,224	70,184	73,491	3.5%	-2.8%	4.7%
Ladoga Civil Town	109,399	112,874	146,417	155,061	3.2%	29.7%	5.9%
Linden Civil Town	74,328	72,711	59,618	41,732	-2.2%	-18.0%	-30.0%
New Market Civil Town	47,030	49,942	47,047	50,961	6.2%	-5.8%	8.3%
Waveland Civil Town	26,141	27,791	28,949	30,064	6.3%	4.2%	3.9%
Waynetown Civil Town	69,066	71,369	73,065	75,553	3.3%	2.4%	3.4%
Wingate Civil Town	59,791	53,288	47,019	47,018	-10.9%	-11.8%	0.0%
New Richmond Civil Town	57,159	58,523	61,598	63,939	2.4%	5.3%	3.8%
New Ross Civil Town	27,855	28,474	29,386	30,335	2.2%	3.2%	3.2%
North Montgomery Community School Corp	12,517,144	11,442,464	6,085,075	6,119,137	-8.6%	-46.8%	0.6%
South Montgomery Community School Corp	12,160,451	12,290,008	7,766,421	7,751,485	1.1%	-36.8%	-0.2%
Crawfordsville Community School Corp	12,223,252	12,699,664	5,684,750	7,594,478	3.9%	-55.2%	33.6%
Crawfordsville Public Library	1,461,759	1,682,119	1,505,790	1,509,921	15.1%	-10.5%	0.3%
Darlington Public Library	52,250	54,179	55,136	58,459	3.7%	1.8%	6.0%
Ladoga Public Library	40,454	41,797	44,056	45,584	3.3%	5.4%	3.5%
Linden Public Library	175,249	133,168	135,694	141,964	-24.0%	1.9%	4.6%
Waveland Public Library	58,257	62,282	64,757	67,203	6.9%	4.0%	3.8%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0			
Crawfordsville Redevelopment Comm	0	0	0	0			

## Montgomery 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	
54001	Brown Township	1.5776	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2437
54003	Brown Township-LR Conservancy	1.5776	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2437
54004	New Market Town-Brown Township	2.0101	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3104
54005	Waveland Town	1.9115	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2952
54006	Waveland Town-LR Conservancy	1.9115	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2952
54007	Clark Township	1.5029	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2321
54009	Ladoga Town	2.2420	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3463
54011	Coal Creek Township	1.4315	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2211
54012	Wingate Town	2.2444	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3466
54013	New Richmond Town	2.4107	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3723
54014	Franklin Township	1.4153	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2186
54015	Darlington Town	2.0106	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3105
54016	Madison Township	1.5448	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2386
54017	Linden Town	1.8253	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2819
54018	Ripley Township	1.5564	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2404
54019	Alamo Town	2.0432	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3156
54020	Scott Township	1.4501	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2240
54022	New Market Town-Scott Township	1.9057	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2943
54023	Sugar Creek Township	1.3402	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2070
54024	Union Township-N Montgomery Schl	1.4813	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2288
54025	Union Township-S Montgomery Schl	1.5719	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2428
54027	Union Township-Crawfordsville Schl	2.4150	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3730
54028	Crawfordsville City-N Montgomery Sch	2.6978	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.4167
54029	Crawfordsville City-S Montgomery Schl	2.7884	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.4307
54030	Crawfordsville City-Crawfordsville Schl	3.6315	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.5609
54031	New Market-Union Township	2.0430	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3155
54032	Walnut Township	1.4459	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2233
54034	New Ross Town	2.0221	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.3123
54036	Wayne Township	1.3500	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2085
54037	Waynetown Town	1.9296	3.5321%	4.6394%	--	8.4661%	--	67.9180%	--	0.2980

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.

### Montgomery 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	1,581,013	875,902	86,399		2,543,314	39,461,256	6.4%
<i>TIF Total</i>	0	55,754	109,772	4,716		170,242	1,073,535	15.9%
<i>County Total</i>	0	1,636,767	985,674	91,115		2,713,556	40,534,791	6.7%
Montgomery County	0	173,106	93,102	13,168		279,375	7,206,837	3.9%
Brown Township	0	0	0	65		65	63,079	0.1%
Clark Township	0	197	0	47		244	33,680	0.7%
Coal Creek Township	0	104	0	48		152	104,378	0.1%
Franklin Township	0	0	0	33		33	32,031	0.1%
Madison Township	0	0	0	49		49	145,366	0.0%
Ripley Township	0	0	0	102		102	72,779	0.1%
Scott Township	0	0	0	27		27	33,829	0.1%
Sugar Creek Township	0	0	0	7		7	19,300	0.0%
Union Township	0	9,183	4,848	1,002		15,032	510,929	2.9%
Walnut Township	0	0	0	27		27	35,920	0.1%
Wayne Township	0	0	0	96		96	36,774	0.3%
Crawfordsville Civil City	0	542,794	304,003	20,451		867,249	7,304,911	11.9%
Alamo Civil Town	0	0	0	0		0	5,058	0.0%
Darlington Civil Town	0	0	0	212		212	73,491	0.3%
Ladoga Civil Town	0	4,791	0	489		5,281	155,061	3.4%
Linden Civil Town	0	0	0	72		72	41,732	0.2%
New Market Civil Town	0	0	0	299		299	50,961	0.6%
Waveland Civil Town	0	0	0	48		48	30,064	0.2%
Waynetown Civil Town	0	0	0	430		430	75,553	0.6%
Wingate Civil Town	0	1,191	0	67		1,258	47,018	2.7%
New Richmond Civil Town	0	2,187	0	47		2,234	63,939	3.5%
New Ross Civil Town	0	0	0	124		124	30,335	0.4%
North Montgomery Community School Corp	0	24,396	0	9,915		34,311	6,119,137	0.6%
South Montgomery Community School Corp	0	9,227	0	7,917		17,144	7,751,485	0.2%
Crawfordsville Community School Corp	0	758,171	443,583	27,979		1,229,733	7,594,478	16.2%
Crawfordsville Public Library	0	55,255	30,367	3,402		89,023	1,509,921	5.9%
Darlington Public Library	0	0	0	70		70	58,459	0.1%
Ladoga Public Library	0	411	0	74		485	45,584	1.1%
Linden Public Library	0	0	0	48		48	141,964	0.0%
Waveland Public Library	0	0	0	85		85	67,203	0.1%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0		0	0	
Crawfordsville Redevelopment Comm	0	0	0	0		0	0	
TIF - Cville OS North	0	102	0	0		102	223,984	0.0%
TIF - Crawfordsville	0	55,653	109,772	4,716		170,140	849,551	20.0%

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.