

# 2009 MORGAN COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

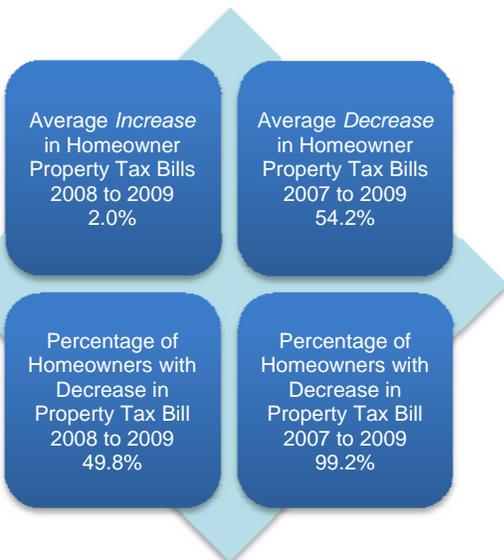


Legislative Services Agency

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 Morgan 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	3,312	19.7%	73	0.4%
10% to 19%	1,513	9.0%	15	0.1%
1% to 9%	3,606	21.4%	35	0.2%
0%	18	0.1%	13	0.1%
-1% to -9%	3,890	23.1%	68	0.4%
-10% to -19%	1,906	11.3%	182	1.1%
-20% to -29%	1,347	8.0%	373	2.2%
-30% to -39%	457	2.7%	988	5.9%
-40% to -49%	206	1.2%	2,541	15.1%
-50% to -59%	171	1.0%	7,178	42.7%
-60% to -69%	103	0.6%	3,815	22.7%
-70% to -79%	69	0.4%	979	5.8%
-80% to -89%	79	0.5%	297	1.8%
-90% to -99%	46	0.3%	163	1.0%
-100%	95	0.6%	98	0.6%
<b>Total</b>	<b>16,818</b>	<b>100.0%</b>	<b>16,818</b>	<b>100.0%</b>
Higher Tax Bill	8,431	50.1%	123	0.7%
No Change	18	0.1%	13	0.1%
Lower Tax Bill	8,369	49.8%	16,682	99.2%
<b>Average Change in Tax Bill</b>	<b>2.0%</b>		<b>-54.2%</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	Morgan County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-15.3%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-33.9%	-30.6%
State PTRC Percentage, 2008	24.2%	20.1%
Total State Homestead Credit, 2008	49.2%	39.5%
Total State Homestead Credit, 2009	10.2%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	Yes	

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 Morgan County increased by 2.0%. The school general fund and county welfare levies were a larger share of Morgan County's levy in 2008, so their elimination reduced Morgan tax rates by more than the state average. But Morgan County taxpayers saw larger-than-average homestead credits in 2008. The loss of this tax relief offset the lower tax rates. Morgan County adopted a local option income tax for property tax relief,

and only a few elderly Morgan County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Morgan 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.

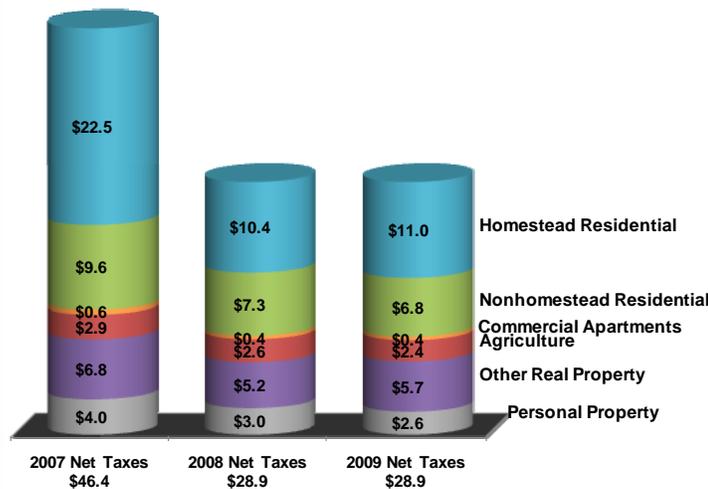
State Property Tax Replacement Credits were eliminated, and State Homestead Credits were much reduced –

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  
Morgan County  
(In Millions)



In Morgan County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 6.8% decline in average property tax bills. Tax bills on commercial apartments increased 7% Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 7.7% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 9.6%. Personal property, which is largely business equipment, saw a 13.3% 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 Morgan County \$19,189

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



### Morgan 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>\$63,262,450</b>	<b>\$64,739,641</b>	<b>\$42,812,773</b>	<b>2.3%</b>	<b>-33.9%</b>	<b>1.5%</b>
State Unit	78,156	80,170	0	2.6%	-100.0%	
Morgan County	9,157,262	8,598,262	6,700,796	-6.1%	-22.1%	0.2%
Adams Township	26,599	26,274	26,286	-1.2%	0.0%	0.0%
Ashland Township	33,872	34,234	30,626	1.1%	-10.5%	-10.5%
Baker Township	22,095	21,754	20,913	-1.5%	-3.9%	-3.9%
Brown Township	703,173	695,790	718,104	-1.0%	3.2%	3.2%
Clay Township	81,727	81,068	78,006	-0.8%	-3.8%	-3.8%
Green Township	108,175	108,609	105,522	0.4%	-2.8%	-2.8%
Gregg Township	166,390	159,765	182,463	-4.0%	14.2%	14.2%
Harrison Township	8,889	8,568	8,420	-3.6%	-1.7%	-1.7%
Jackson Township	253,625	170,677	196,737	-32.7%	15.3%	15.3%
Jefferson Township	71,559	71,990	67,524	0.6%	-6.2%	-6.2%
Madison Township	1,354,184	1,375,569	1,414,838	1.6%	2.9%	2.9%
Monroe Township	39,329	38,712	38,845	-1.6%	0.3%	0.3%
Ray Township	0	45,803	29,929		-34.7%	-34.7%
Washington Township	743,680	582,881	599,317	-21.6%	2.8%	2.8%
Martinsville Civil City	4,052,249	3,806,484	5,052,184	-6.1%	32.7%	39.3%
Mooresville Civil Town	2,802,904	2,751,496	2,742,984	-1.8%	-0.3%	-0.3%
Bethany Civil Town	6,196	6,061	6,042	-2.2%	-0.3%	-0.3%
Brooklyn Civil Town	128,078	126,384	123,966	-1.3%	-1.9%	-1.9%
Morgantown Civil Town	183,466	178,284	177,861	-2.8%	-0.2%	-0.2%
Paragon Civil Town	69,234	68,598	55,908	-0.9%	-18.5%	-18.5%
Monrovia Civil Town	57,884	55,748	66,855	-3.7%	19.9%	19.9%
Nineveh-Hensley-Jackson United School Corp.	2,692,845	2,794,818	1,272,666	3.8%	-54.5%	-22.3%
Monroe-Gregg School Corporation	5,838,472	6,186,826	4,221,837	6.0%	-31.8%	19.6%
Eminence Consolidated School Corporation	1,994,479	2,307,882	1,223,272	15.7%	-47.0%	-0.8%
M.S.D. Martinsville School Corporation	15,518,061	16,511,487	7,414,586	6.4%	-55.1%	-7.3%
Mooresville Consolidated School Corporation	15,111,115	15,672,240	7,970,569	3.7%	-49.1%	-8.0%
Morgan County Public Library	1,008,943	1,225,937	1,119,918	21.5%	-8.6%	-8.6%
Mooresville Public Library	682,605	670,979	675,108	-1.7%	0.6%	0.6%
Harrison Township Fire #7	42,588	42,423	43,552	-0.4%	2.7%	2.7%
Monroe Township Fire District	0	0	0	0.0%	0.0%	0.0%
West Central Indiana Solid Waste Mgt. District	224,616	233,868	427,139	4.1%	82.6%	82.6%
Town Of Mooresville Redevelopment	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.

## Morgan 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	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	2008	2008	2009	2008	2009
	Adams Township	74.8	68.0	-9.1%	1,380,295	822,155	-40.4%	1.8449	1.2092	23.33%	47.46%	10.23%	23.48%
Ashland Township	81.6	72.9	-10.6%	1,510,360	884,144	-41.5%	1.8519	1.2126	23.42%	47.83%	10.23%	19.79%	33.28%
Baker Township	35.9	30.4	-15.4%	534,916	287,869	-46.2%	1.4905	0.9480	29.05%	51.88%	10.23%	21.75%	36.89%
Brown Township	168.6	138.9	-17.6%	3,552,195	2,287,850	-35.6%	2.1065	1.6468	22.97%	49.42%	10.23%	19.95%	33.35%
Mooreville Town	435.5	382.9	-12.1%	10,448,688	7,503,764	-28.2%	2.3993	1.9596	21.73%	50.31%	10.23%	32.39%	56.02%
Clay Township	136.6	117.5	-14.0%	2,025,434	1,103,230	-45.5%	1.4832	0.9390	29.09%	51.75%	10.23%	24.37%	42.01%
Bethany Town	1.4	1.1	-23.3%	26,187	15,701	-40.0%	1.8942	1.4801	27.17%	57.41%	10.23%	19.34%	32.31%
Brooklyn Town	43.2	33.4	-22.8%	753,930	426,502	-43.4%	1.7456	1.2784	27.51%	54.98%	10.23%	19.48%	32.58%
Green Township	194.0	170.3	-12.2%	2,882,192	1,602,095	-44.4%	1.4858	0.9409	28.83%	51.09%	10.23%	19.82%	33.20%
Gregg Township	154.7	129.7	-16.2%	3,157,005	2,243,626	-28.9%	2.0402	1.7303	22.69%	45.56%	10.23%	20.17%	33.65%
Harrison Township	84.8	70.3	-17.1%	1,464,783	837,280	-42.8%	1.7273	1.1904	25.66%	48.99%	10.23%	22.07%	37.74%
Jackson Township	163.3	133.5	-18.2%	3,088,403	1,663,087	-46.2%	1.8917	1.2453	21.49%	45.18%	10.23%	19.80%	33.33%
Morgantown Town	28.4	25.1	-11.7%	700,817	468,691	-33.1%	2.4647	1.8661	21.09%	52.08%	10.23%	38.43%	75.27%
Jefferson Township	163.1	135.0	-17.3%	2,404,163	1,253,617	-47.9%	1.4737	0.9287	29.06%	51.32%	10.23%	20.36%	34.44%
Madison Township	485.6	387.7	-20.2%	9,493,127	5,766,502	-39.3%	1.9549	1.4872	22.33%	45.07%	10.23%	19.95%	33.37%
Monroe Township	206.2	165.4	-19.8%	4,237,320	3,016,269	-28.8%	2.0546	1.8231	22.79%	46.09%	10.23%	21.09%	34.95%
Ray Township	47.1	40.7	-13.7%	715,740	386,388	-46.0%	1.5184	0.9499	27.61%	48.71%	10.23%	21.01%	36.08%
Paragon Town	14.3	12.8	-10.7%	278,861	170,355	-38.9%	1.9476	1.3317	26.35%	56.15%	10.23%	19.77%	33.58%
Washington Township	410.5	333.4	-18.8%	6,375,208	3,450,834	-45.9%	1.5530	1.0351	28.20%	51.52%	10.23%	21.50%	36.40%
Martinsville City	450.2	400.2	-11.1%	10,390,970	8,742,144	-15.9%	2.3082	2.1846	24.42%	56.62%	10.23%	39.12%	63.72%
Monrovia Town	26.0	35.6	37.1%	590,139	716,835	21.5%	2.2734	2.0146	23.01%	50.25%	10.23%	23.79%	36.24%
<b>County Totals/Averages</b>	<b>3,405.8</b>	<b>2,884.8</b>	<b>-15.3%</b>	<b>66,010,733</b>	<b>43,648,938</b>	<b>-33.9%</b>	<b>1.9381</b>	<b>1.5130</b>	<b>24.22%</b>	<b>49.20%</b>	<b>10.23%</b>	<b>24.18%</b>	<b>40.99%</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.

## Morgan County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	Total
Morgan County	6,700,796	0	0	0	2,387	2,387
Adams Township	26,286	0	0	0	0	0
Ashland Township	30,626	0	0	0	2	2
Baker Township	20,913	0	0	0	4	4
Brown Township	718,104	0	0	0	273	273
Clay Township	78,006	0	0	0	10	10
Green Township	105,522	0	0	0	31	31
Gregg Township	182,463	0	0	0	33	33
Harrison Township	8,420	0	0	0	0	0
Jackson Township	196,737	0	0	0	0	0
Jefferson Township	67,524	0	0	0	3	3
Madison Township	1,414,838	0	0	0	134	134
Monroe Township	38,845	0	0	0	30	30
Ray Township	29,929	0	0	0	0	0
Washington Township	599,317	0	0	0	145	145
Martinsville Civil City	5,052,184	0	0	0	6,636	6,636
Mooresville Civil Town	2,742,984	0	0	0	708	708
Bethany Civil Town	6,042	0	0	0	0	0
Brooklyn Civil Town	123,966	0	0	0	126	126
Morgantown Civil Town	177,861	0	0	0	0	0
Paragon Civil Town	55,908	0	0	0	0	0
Lake Hart Civil Town	0	0	0	0	0	0
Monrovia Civil Town	66,855	0	0	0	37	37
Nineveh-Hensley-Jackson United School Corp.	1,272,666	0	0	0	0	0
Monroe-Gregg School Corporation	4,221,837	0	0	0	2,277	2,277
Eminence Consolidated School Corporation	1,223,272	0	0	0	47	47
M.S.D. Martinsville School Corporation	7,414,586	0	0	0	3,776	3,776
Mooresville Consolidated School Corporation	7,970,569	0	0	0	1,584	1,584
Morgan County Public Library	1,119,918	0	0	0	412	412
Mooresville Public Library	675,108	0	0	0	204	204
Harrison Township Fire #7	43,552	0	0	0	0	0
Mooresville Redevelopment	0	0	0	0	0	0
West Central Indiana Solid Waste Management	0	0	0	0	0	0
Brown Township Mooresville Park	0	0	0	0	0	0
Monroe Township Fire District	427,139	0	0	0	328	328
Town of Mooresville Redevelopment	0	0	0	0	0	0
<b>Total - All Taxing Units</b>	<b>42,812,773</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,189</b>	<b>19,189</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.

Numbers may not total due to rounding.