

# 2010 Property Tax Report

## Morgan County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Morgan 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 Morgan 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 Morgan 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	12,045	71.7%	156	0.9%
No Change	227	1.4%	13	0.1%
Lower Tax Bill	4,520	26.9%	16,623	99.0%
<b>Average Change in Tax Bill</b>	<b>3.7%</b>		<b>-52.4%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	1,587	9.5%	95	0.6%
10% to 19%	1,395	8.3%	21	0.1%
1% to 9%	9,063	54.0%	40	0.2%
0%	227	1.4%	13	0.1%
-1% to -9%	2,301	13.7%	96	0.6%
-10% to -19%	1,791	10.7%	208	1.2%
-20% to -29%	178	1.1%	425	2.5%
-30% to -39%	110	0.7%	1,254	7.5%
-40% to -49%	63	0.4%	3,152	18.8%
-50% to -59%	30	0.2%	6,592	39.3%
-60% to -69%	15	0.1%	3,384	20.2%
-70% to -79%	5	0.0%	906	5.4%
-80% to -89%	11	0.1%	270	1.6%
-90% to -99%	3	0.0%	157	0.9%
-100%	13	0.1%	179	1.1%
<b>Total</b>	<b>16,792</b>	<b>100.0%</b>	<b>16,792</b>	<b>100.0%</b>

The average homeowner saw a 3.7% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 52.4% lower than they were in 2007, before the property tax reforms.

99.0% of homeowners saw lower tax bills in 2010 than in 2007.

69.1% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

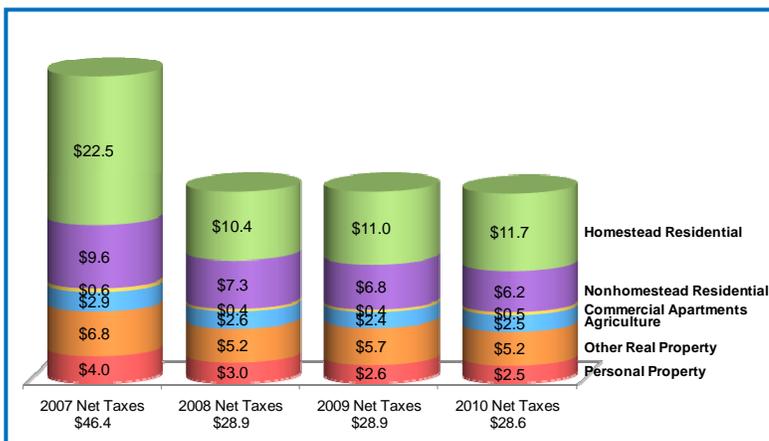
The largest percentage of homeowners have seen between a 50% and 69% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

### Morgan County Overview

The somewhat larger-than-average increase in homeowner tax bills had one principal cause. Morgan County homeowners did not benefit from the one percent property tax cap as much as homeowners in the average county, primarily because Morgan County provides a large local homestead credit. State-funded and LOIT-funded homestead and property tax replacement credit rates were reduced, adding to homestead tax bills. Property tax levies decreased 3.4% in Morgan County in 2010, compared to a state average increase of 2.4%. The largest levy decrease was in the Martinsville City general and road maintenance funds. The county saw a slight decrease in local homestead property tax credit rates because of a decrease in the local income tax revenues which fund these credits.

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



Net tax bills for all taxpayers decreased 1.5% in Morgan County from 2009 to 2010. This was similar to the statewide reduction of 1.4%. In 2010 apartment owners saw a 3.7% increase in tax bills. This increase was due mainly to new investment. Existing apartment parcels declined by 7.8%, mainly due to the levy and tax rate reductions in the county. The levy and rate reductions also affected nonhomestead residential property (mostly small rental residences), which saw an 8.8% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 7.9% and 4.6% decrease, respectively, in tax bills in 2010. This was also mainly because of the decrease in Morgan County

property tax levies. Much of the apartment, nonhomestead residential, and business property is located in Martinsville, where the tax rate declined by 18.6%

Agricultural business property saw a 2.9% increase in tax payments in 2010 because of the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.

**2010 Property Tax Policy Changes**

*Property Tax Caps.* Property tax caps tightened to their permanent levels. The tighter caps meant more taxpayers were eligible for tax cap credits. This resulted in greater reductions in property tax revenue for local governments.

*State Homestead Credits.* State homestead credits were reduced by 43% between 2009 and 2010 as part of a scheduled phaseout. The average statewide credit rate fell from 8% to 5% as a result. The credit will be eliminated in 2011.

**Property Tax Cap Changes, 2009 - 2010**

Homestead	Other Residential Property and Farmland	All Other Real and Personal Property
<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="margin: 0;">2009 1.5%</p> <p style="margin: 0;">2010 1%</p> </div>	<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="margin: 0;">2009 2.5%</p> <p style="margin: 0;">2010 2%</p> </div>	<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="margin: 0;">2009 3.5%</p> <p style="margin: 0;">2010 3%</p> </div>

**Tax Cap Credits**

Tax cap credits in Morgan County in 2010 amounted to 0.1% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was due to much lower-than-average tax rates and significant LOIT-funded property tax replacement credits and homestead credits. No property in the 2% and 3% cap categories qualified for circuit breaker credits because all tax rates in the county were below \$2. Net tax rates, after credits, were not high enough for more than a few homesteads to qualify for credits in the 1% category. Most circuit breaker credits were allocated to low-income, elderly homeowners under the 2% annual growth limit for their net taxes. The M.S.D. Martinsville School Corporation lost the most revenue from the tax caps in 2010, at \$5,127.

**2010 Circuit Breaker Credits by Cap Category  
Morgan County Total \$29,117**

1%	2%	3%	Elderly
\$178	\$0	\$0	\$28,939
0.6%	0.0%	0.0%	99.4%

**The Effects of Recession**

In Morgan 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 4.3% in December 2007 to 8.4% in July 2009. Job losses and income declines contributed to a 4.8% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Morgan County in 2010.

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

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	3,107,532,700	3,162,041,900	1.8%
Other Residential	540,144,900	554,096,100	2.6%
Ag Business/Land	242,775,600	254,333,000	4.8%
Business Real/Personal	863,481,120	870,166,190	0.8%
<b>Total</b>	<b>\$4,753,934,320</b>	<b>\$4,840,637,190</b>	<b>1.8%</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 Morgan County, the gross assessed value of business real and personal property increased 0.8% in 2010. Other assessment categories also increased, and total gross assessed value in Morgan County rose 1.8%. 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.

**Morgan County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	63,262,450	64,739,641	42,812,773	41,351,639	2.3%	-33.9%	-3.4%
State Unit	78,156	80,170	0	0	2.6%	-100.0%	
Morgan County	9,157,262	8,598,262	6,700,796	6,678,579	-6.1%	-22.1%	-0.3%
Adams Township	26,599	26,274	26,286	26,033	-1.2%	0.0%	-1.0%
Ashland Township	33,872	34,234	30,626	30,580	1.1%	-10.5%	-0.2%
Baker Township	22,095	21,754	20,913	20,948	-1.5%	-3.9%	0.2%
Brown Township	703,173	695,790	718,104	704,897	-1.0%	3.2%	-1.8%
Clay Township	81,727	81,068	78,006	77,638	-0.8%	-3.8%	-0.5%
Green Township	108,175	108,609	105,522	151,934	0.4%	-2.8%	44.0%
Gregg Township	166,390	159,765	182,463	381,002	-4.0%	14.2%	108.8%
Harrison Township	8,889	8,568	8,420	8,584	-3.6%	-1.7%	1.9%
Jackson Township	253,625	170,677	196,737	209,160	-32.7%	15.3%	6.3%
Jefferson Township	71,559	71,990	67,524	66,661	0.6%	-6.2%	-1.3%
Madison Township	1,354,184	1,375,569	1,414,838	1,490,397	1.6%	2.9%	5.3%
Monroe Township	39,329	38,712	38,845	38,360	-1.6%	0.3%	-1.2%
Ray Township	0	45,803	29,929	28,785		-34.7%	-3.8%
Washington Township	743,680	582,881	599,317	721,117	-21.6%	2.8%	20.3%
Martinsville Civil City	4,052,249	3,806,484	5,052,184	3,418,772	-6.1%	32.7%	-32.3%
Mooreville Civil Town	2,802,904	2,751,496	2,742,984	2,758,854	-1.8%	-0.3%	0.6%
Bethany Civil Town	6,196	6,061	6,042	6,042	-2.2%	-0.3%	0.0%
Brooklyn Civil Town	128,078	126,384	123,966	123,988	-1.3%	-1.9%	0.0%
Morgantown Civil Town	183,466	178,284	177,861	178,027	-2.8%	-0.2%	0.1%
Paragon Civil Town	69,234	68,598	55,908	55,896	-0.9%	-18.5%	0.0%
Monrovia Civil Town	57,884	55,748	66,855	68,992	-3.7%	19.9%	3.2%
Nineveh-Hensley-Jackson United School Corp	2,692,845	2,794,818	1,272,666	1,485,658	3.8%	-54.5%	16.7%
Monroe-Gregg School Corp	5,838,472	6,186,826	4,221,837	3,899,641	6.0%	-31.8%	-7.6%
Eminence Consolidated School Corp	1,994,479	2,307,882	1,223,272	1,253,868	15.7%	-47.0%	2.5%
M.S.D. Martinsville School Corp	15,518,061	16,511,487	7,414,586	7,517,195	6.4%	-55.1%	1.4%
Mooreville Consolidated School Corp	15,111,115	15,672,240	7,970,569	7,701,503	3.7%	-49.1%	-3.4%
Morgan County Public Library	1,008,943	1,225,937	1,119,918	1,093,898	21.5%	-8.6%	-2.3%
Mooreville Public Library	682,605	670,979	675,108	704,665	-1.7%	0.6%	4.4%
Harrison Township Fire #7	42,588	42,423	43,552	45,141	-0.4%	2.7%	3.6%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0			
Monroe Township Fire Dist	224,616	233,868	427,139	404,824	4.1%	82.6%	-5.2%
Town Of Mooreville Redevelopment	0	0	0	0			

## Morgan 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	
55001	Adams Township	1.1810	31.9451%	5.8033%	--	8.8098%	--	--	--	0.6311
55002	Ashland Township	1.1823	31.9451%	5.8033%	--	1.0359%	--	--	--	0.7238
55003	Baker Township	0.9460	31.9451%	5.8033%	--	4.6861%	--	--	--	0.5446
55004	Brown Township	1.5831	31.9451%	5.8033%	--	1.2762%	--	--	--	0.9653
55005	Mooreville Town	1.8953	31.9451%	5.8033%	--	22.7769%	--	--	--	0.7482
55006	Clay Township	0.9374	31.9451%	5.8033%	--	9.3635%	--	--	--	0.4958
55007	Bethany Town	1.4746	31.9451%	5.8033%	--	0.2441%	--	--	--	0.9144
55008	Brooklyn Town	1.2865	31.9451%	5.8033%	--	0.4794%	--	--	--	0.7947
55009	Green Township	0.9677	31.9451%	5.8033%	--	1.0811%	--	--	--	0.5919
55010	Gregg Township	1.7719	31.9451%	5.8033%	--	1.4846%	--	--	--	1.0767
55011	Harrison Township	1.1416	31.9451%	5.8033%	--	5.5613%	--	--	--	0.6472
55012	Jackson Township	1.3302	31.9451%	5.8033%	--	1.0408%	--	--	--	0.8142
55013	Morgantown Town	1.9354	31.9451%	5.8033%	--	38.0159%	--	--	--	0.4691
55014	Jefferson Township	0.9270	31.9451%	5.8033%	--	2.1257%	--	--	--	0.5574
55015	Madison Township	1.4572	31.9451%	5.8033%	--	1.2639%	--	--	--	0.8887
55016	Monroe Township	1.6939	31.9451%	5.8033%	--	2.9303%	--	--	--	1.0048
55018	Ray Township	0.9391	31.9451%	5.8033%	--	4.1265%	--	--	--	0.5459
55019	Paragon Town	1.3015	31.9451%	5.8033%	--	1.4177%	--	--	--	0.7918
55020	Washington Township	1.0673	31.9451%	5.8033%	--	3.8781%	--	--	--	0.6230
55021	Martinsville City	1.7778	31.9451%	5.8033%	--	35.3747%	--	--	--	0.4778
55022	Monrovia Town	1.8810	31.9451%	5.8033%	--	3.7425%	--	--	--	1.1006

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.

### Morgan 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>	178	0	0	28,913	29,091	41,351,639	0.1%
<i>TIF Total</i>	0	0	0	26	26	1,812,707	0.0%
<i>County Total</i>	178	0	0	28,939	29,117	43,164,346	0.1%
Morgan County	24	0	0	4,586	4,610	6,678,579	0.1%
Adams Township	0	0	0	6	6	26,033	0.0%
Ashland Township	0	0	0	74	74	30,580	0.2%
Baker Township	0	0	0	10	10	20,948	0.0%
Brown Township	0	0	0	469	469	704,897	0.1%
Clay Township	0	0	0	34	34	77,638	0.0%
Green Township	0	0	0	115	115	151,934	0.1%
Gregg Township	0	0	0	176	176	381,002	0.0%
Harrison Township	0	0	0	8	8	8,584	0.1%
Jackson Township	0	0	0	298	298	209,160	0.1%
Jefferson Township	0	0	0	31	31	66,661	0.0%
Madison Township	0	0	0	307	307	1,490,397	0.0%
Monroe Township	2	0	0	27	29	38,360	0.1%
Ray Township	0	0	0	10	10	28,785	0.0%
Washington Township	0	0	0	369	369	721,117	0.1%
Martinsville Civil City	0	0	0	3,491	3,491	3,418,772	0.1%
Mooreville Civil Town	0	0	0	1,801	1,801	2,758,854	0.1%
Bethany Civil Town	0	0	0	0	0	6,042	0.0%
Brooklyn Civil Town	0	0	0	237	237	123,988	0.2%
Morgantown Civil Town	0	0	0	153	153	178,027	0.1%
Paragon Civil Town	0	0	0	1	1	55,896	0.0%
Monrovia Civil Town	0	0	0	31	31	68,992	0.0%
Nineveh-Hensley-Jackson United School Corp	0	0	0	2,017	2,017	1,485,658	0.1%
Monroe-Gregg School Corp	125	0	0	2,389	2,515	3,899,641	0.1%
Eminence Consolidated School Corp	0	0	0	1,753	1,753	1,253,868	0.1%
M.S.D. Martinsville School Corp	0	0	0	5,127	5,127	7,517,195	0.1%
Mooreville Consolidated School Corp	0	0	0	3,845	3,845	7,701,503	0.0%
Morgan County Public Library	5	0	0	758	763	1,093,898	0.1%
Mooreville Public Library	0	0	0	463	463	704,665	0.1%
Harrison Township Fire #7	0	0	0	41	41	45,141	0.1%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0	0	0	
Monroe Township Fire Dist	21	0	0	287	308	404,824	0.1%
Town Of Mooreville Redevelopment	0	0	0	0	0	0	
TIF - Mooreville TIF	0	0	0	26	26	1,812,323	0.0%
TIF - Westpoint TIF	0	0	0	0	0	384	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.