

# 2011 Property Tax Report

## Morgan County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Morgan County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Morgan County

The average homeowner saw a 2.4% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 51.3% lower than they were in 2007, before the property tax reforms.

98.9% of homeowners saw lower tax bills in 2011 than in 2007.

51.4% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.

The largest percentage of homeowners have seen between a 40% and 59% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	10,733	65.4%	165	1.0%
No Change	188	1.1%	13	0.1%
Lower Tax Bill	5,495	33.5%	16,238	98.9%
<b>Average Change in Tax Bill</b>	<b>2.4%</b>		<b>-51.3%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	2,293	14.0%	83	0.5%
10% to 19%	3,064	18.7%	25	0.2%
1% to 9%	5,376	32.7%	57	0.3%
0%	188	1.1%	13	0.1%
-1% to -9%	3,678	22.4%	134	0.8%
-10% to -19%	1,081	6.6%	249	1.5%
-20% to -29%	365	2.2%	555	3.4%
-30% to -39%	161	1.0%	1,481	9.0%
-40% to -49%	78	0.5%	3,815	23.2%
-50% to -59%	36	0.2%	6,408	39.0%
-60% to -69%	22	0.1%	2,329	14.2%
-70% to -79%	19	0.1%	655	4.0%
-80% to -89%	14	0.1%	292	1.8%
-90% to -99%	8	0.0%	146	0.9%
-100%	33	0.2%	174	1.1%
<b>Total</b>	<b>16,416</b>	<b>100.0%</b>	<b>16,416</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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*LOWER TAX RATES HELD  
HOMESTEAD TAX INCREASES  
DOWN, DESPITE THE  
ELIMINATION OF THE STATE  
HOMESTEAD CREDIT AND  
LOWER LOCAL CREDITS*

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#### Homestead Property Taxes

Homestead property taxes increased 2.4% on average in Morgan County in 2011. This was less than the state average of 4.4%. Morgan County homestead taxes were still 51.3% lower in 2011 than they were in 2007, before the big tax reform. The smaller-than-average homestead tax increase in 2011 was due to a decline in property tax rates in many Morgan taxing districts in 2011. Tax bills increased despite the drop in rates because of the phaseout of the state homestead credit in 2011. The state homestead credit was 5.8% in Morgan County in 2010. In addition, Morgan County's local property tax credits declined in 2011, due to a drop in the local income tax revenues that fund them.

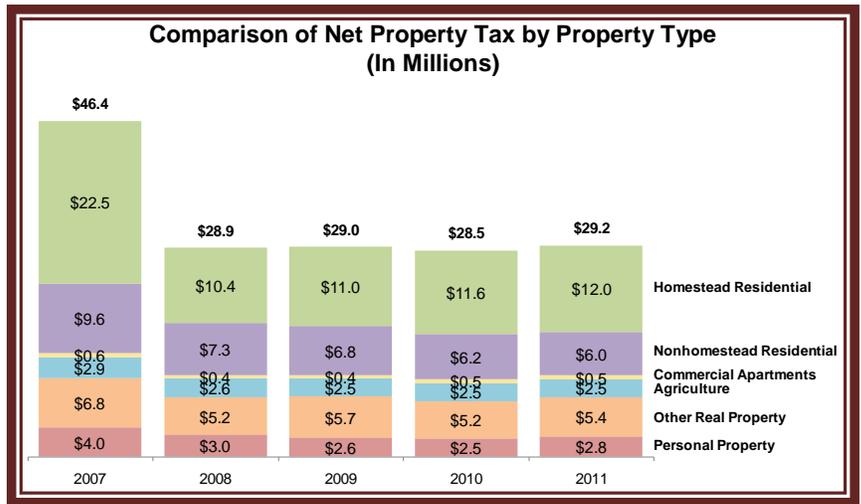
#### Tax Rates

Property tax rates increased in just under half of Morgan County tax districts. The average tax rate declined by 4.5% because of an increase in net assessed value coupled with a reduction in the levy. Levies in Morgan County declined by 3.9%. The biggest levy reductions were in the Gregg Township fire, fire equipment debt and emergency fire loan funds, the Madison Township emergency fire loan fund, the Monroe Township Fire District fire building debt fund, and the county general fund. The largest levy increase was in the Mooresville Consolidated Schools debt service fund, although the increase was partially offset by reductions in most of the other Mooresville Consolidated Schools levies. Morgan County's total net assessed value increased 0.9% in 2011. (The certified net AV used to compute tax rates rose by 0.6%.) Homestead net assessments decreased by 1.3%, and agricultural net assessments grew by 1.3%. Other residential assessments were unchanged, while business net assessments increased by 6.3%.

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*DECLINES IN OTHER RESIDENTIAL AND AGRICULTURAL TAXES; INCREASES IN BUSINESS AND APARTMENT TAXES*

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**Net Tax Bill Changes - All Property Types**

Net tax bills for all taxpayers rose 2.5% in Morgan County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 2.8%. Tax bills for commercial apartments rose 0.7%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – increased by 7%. These tax bill changes mostly reflect changes in assessed values. Agricultural tax bills declined 2.1%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.

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**Tax Cap Credits**

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS WERE VERY SMALL IN 2011*

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Total tax cap credit losses in Morgan County were \$46,689, or 0.1% of the levy. This was much less than the state average loss rate of 9.2% and much less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Morgan County's tax rates were lower than the state median.

Almost all of the total tax cap credits were in the elderly category. These tax caps hold the tax bills of low income homeowners 65 and over to 2% per year. Tax rates are less than \$2 per \$100 assessed value in all Morgan taxing districts, so no property in the 2% or 3% categories are eligible for credits. Morgan's large tax credits further reduce tax bills below cap thresholds. Losses as a percentage of the levy were less than 1% in every Morgan unit. The biggest dollar losses were in the Martinsville School Corporation, the city of Martinsville, and the county unit.

Morgan County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$178	\$0	\$0	\$28,939	\$29,117	0.1%
2011 Tax Cap Credits	30	0	0	46,660	46,689	0.1%
<b>Change</b>	<b>-\$148</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,721</b>	<b>\$17,573</b>	<b>0.0%</b>

Tax cap credits increased in Morgan County in 2011 by \$17,573. The additional credits

represent a tiny added loss of the total tax levy. All of the increase in tax cap credits was in the elderly tax cap category, the result of rising tax bills. These increases were due to the elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits.

**The Effect of Recession**

The 2009 recession had a mixed effect on Morgan County assessments for pay-2011. Homestead property values and construction activity appear to have fallen in Morgan County in 2009, but increases in business values and agricultural assessments offset this decline. Morgan tax rates are so low, however, that any rate changes had no significant effect on tax cap credit losses.

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*2009 RECESSION HAD A MIXED EFFECT ON ASSESSMENTS IN 2011.*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$3,176,588,700	\$3,162,390,291	-0.4%	\$1,567,831,912	\$1,547,486,739	-1.3%
Other Residential	522,551,600	522,549,904	0.0%	521,010,363	521,160,867	0.0%
Ag Business/Land	269,770,800	273,174,474	1.3%	269,468,020	273,001,374	1.3%
Business Real/Personal	871,726,090	910,839,881	4.5%	673,281,330	715,775,211	6.3%
<b>Total</b>	<b>\$4,840,637,190</b>	<b>\$4,868,954,550</b>	<b>0.6%</b>	<b>\$3,031,591,625</b>	<b>\$3,057,424,191</b>	<b>0.9%</b>

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

**Morgan County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	63,262,450	64,739,641	42,812,773	41,351,639	39,735,490	2.3%	-33.9%	-3.4%	-3.9%
State Unit	78,156	80,170	0	0	0	2.6%	-100.0%		
<b>Morgan County</b>	<b>9,157,262</b>	<b>8,598,262</b>	<b>6,700,796</b>	<b>6,678,579</b>	<b>6,471,922</b>	<b>-6.1%</b>	<b>-22.1%</b>	<b>-0.3%</b>	<b>-3.1%</b>
Adams Township	26,599	26,274	26,286	26,033	25,062	-1.2%	0.0%	-1.0%	-3.7%
Ashland Township	33,872	34,234	30,626	30,580	29,536	1.1%	-10.5%	-0.2%	-3.4%
Baker Township	22,095	21,754	20,913	20,948	20,273	-1.5%	-3.9%	0.2%	-3.2%
Brown Township	703,173	695,790	718,104	704,897	686,950	-1.0%	3.2%	-1.8%	-2.5%
Clay Township	81,727	81,068	78,006	77,638	74,197	-0.8%	-3.8%	-0.5%	-4.4%
Green Township	108,175	108,609	105,522	151,934	174,652	0.4%	-2.8%	44.0%	15.0%
Gregg Township	166,390	159,765	182,463	381,002	62,483	-4.0%	14.2%	108.8%	-83.6%
Harrison Township	8,889	8,568	8,420	8,584	8,203	-3.6%	-1.7%	1.9%	-4.4%
Jackson Township	253,625	170,677	196,737	209,160	158,268	-32.7%	15.3%	6.3%	-24.3%
Jefferson Township	71,559	71,990	67,524	66,661	64,179	0.6%	-6.2%	-1.3%	-3.7%
Madison Township	1,354,184	1,375,569	1,414,838	1,490,397	852,699	1.6%	2.9%	5.3%	-42.8%
Monroe Township	39,329	38,712	38,845	38,360	37,449	-1.6%	0.3%	-1.2%	-2.4%
Ray Township	0	45,803	29,929	28,785	26,492		-34.7%	-3.8%	-8.0%
Washington Township	743,680	582,881	599,317	721,117	696,311	-21.6%	2.8%	20.3%	-3.4%
Martinsville Civil City	4,052,249	3,806,484	5,052,184	3,418,772	3,558,101	-6.1%	32.7%	-32.3%	4.1%
Mooresville Civil Town	2,802,904	2,751,496	2,742,984	2,758,854	2,658,848	-1.8%	-0.3%	0.6%	-3.6%
Bethany Civil Town	6,196	6,061	6,042	6,042	5,839	-2.2%	-0.3%	0.0%	-3.4%
Brooklyn Civil Town	128,078	126,384	123,966	123,988	119,571	-1.3%	-1.9%	0.0%	-3.6%
Morgantown Civil Town	183,466	178,284	177,861	178,027	171,163	-2.8%	-0.2%	0.1%	-3.9%
Paragon Civil Town	69,234	68,598	55,908	55,896	55,656	-0.9%	-18.5%	0.0%	-0.4%
Monrovia Civil Town	57,884	55,748	66,855	68,992	62,110	-3.7%	19.9%	3.2%	-10.0%
Nineveh-Hensley-Jackson United School Corp	2,692,845	2,794,818	1,272,666	1,485,658	1,374,792	3.8%	-54.5%	16.7%	-7.5%
Monroe-Gregg School Corp	5,838,472	6,186,826	4,221,837	3,899,641	3,710,012	6.0%	-31.8%	-7.6%	-4.9%
Eminence Consolidated School Corp	1,994,479	2,307,882	1,223,272	1,253,868	1,259,629	15.7%	-47.0%	2.5%	0.5%
M.S.D. Martinsville School Corp	15,518,061	16,511,487	7,414,586	7,517,195	7,573,599	6.4%	-55.1%	1.4%	0.8%
Mooresville Consolidated School Corp	15,111,115	15,672,240	7,970,569	7,701,503	7,927,049	3.7%	-49.1%	-3.4%	2.9%
Morgan County Public Library	1,008,943	1,225,937	1,119,918	1,093,898	1,067,349	21.5%	-8.6%	-2.3%	-2.4%
Mooresville Public Library	682,605	670,979	675,108	704,665	544,837	-1.7%	0.6%	4.4%	-22.7%
Harrison Township Fire #7	42,588	42,423	43,552	45,141	44,145	-0.4%	2.7%	3.6%	-2.2%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0	0				
Monroe Township Fire Dist	224,616	233,868	427,139	404,824	214,114	4.1%	82.6%	-5.2%	-47.1%
Morgan County Solid Waste Mgt Dist	0	0	0	0	0				
Town of Mooresville Redevelopment	0	0	0	0	0				

**Morgan County 2011 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
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
55001	Adams Township	1.1689	29.4275%	--	7.4592%	--	--	--	0.7377
55002	Ashland Township	1.1714	29.4275%	--	0.9321%	--	--	--	0.8158
55003	Baker Township	0.9471	29.4275%	--	3.9038%	--	--	--	0.6314
55004	Brown Township	1.5106	29.4275%	--	1.1450%	--	--	--	1.0488
55005	Mooreville Town	1.7880	29.4275%	--	20.4304%	--	--	--	0.8965
55006	Clay Township	0.9414	29.4275%	--	8.0740%	--	--	--	0.5884
55007	Bethany Town	1.5590	29.4275%	--	0.1987%	--	--	--	1.0971
55008	Brooklyn Town	1.2797	29.4275%	--	0.4038%	--	--	--	0.8979
55009	Green Township	0.9914	29.4275%	--	0.8965%	--	--	--	0.6908
55010	Gregg Township	1.4300	29.4275%	--	1.5256%	--	--	--	0.9874
55011	Harrison Township	1.1273	29.4275%	--	4.6740%	--	--	--	0.7429
55012	Jackson Township	1.2123	29.4275%	--	0.9614%	--	--	--	0.8439
55013	Morgantown Town	1.8261	29.4275%	--	33.2229%	--	--	--	0.6820
55014	Jefferson Township	0.9301	29.4275%	--	1.7612%	--	--	--	0.6400
55015	Madison Township	1.2824	29.4275%	--	1.2337%	--	--	--	0.8892
55016	Monroe Township	1.5013	29.4275%	--	2.7527%	--	--	--	1.0182
55018	Ray Township	0.9447	29.4275%	--	3.1261%	--	--	--	0.6372
55019	Paragon Town	1.3115	29.4275%	--	1.2286%	--	--	--	0.9094
55020	Washington Township	1.0687	29.4275%	--	3.2503%	--	--	--	0.7195
55021	Martinsville City	1.8336	29.4275%	--	29.9947%	--	--	--	0.7440
55022	Monrovia Town	1.6633	29.4275%	--	3.3522%	--	--	--	1.1181

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 *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 2011 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>	30	0	0	46,660	46,690	39,735,490	0.1%
<i>TIF Total</i>	0	0	0	167	167	1,863,134	0.0%
<i>County Total</i>	30	0	0	46,827	46,857	41,598,624	0.1%
Morgan County	4	0	0	7,332	7,337	6,471,922	0.1%
Adams Township	0	0	0	14	14	25,062	0.1%
Ashland Township	0	0	0	75	75	29,536	0.3%
Baker Township	0	0	0	37	37	20,273	0.2%
Brown Township	6	0	0	495	501	686,950	0.1%
Clay Township	0	0	0	66	66	74,197	0.1%
Green Township	0	0	0	197	197	174,652	0.1%
Gregg Township	0	0	0	61	61	62,483	0.1%
Harrison Township	0	0	0	9	9	8,203	0.1%
Jackson Township	0	0	0	263	263	158,268	0.2%
Jefferson Township	0	0	0	60	60	64,179	0.1%
Madison Township	0	0	0	147	147	852,699	0.0%
Monroe Township	0	0	0	40	40	37,449	0.1%
Ray Township	0	0	0	45	45	26,492	0.2%
Washington Township	0	0	0	797	797	696,311	0.1%
Martinsville Civil City	0	0	0	7,277	7,277	3,558,101	0.2%
Mooreville Civil Town	2	0	0	2,818	2,820	2,658,848	0.1%
Bethany Civil Town	0	0	0	0	0	5,839	0.0%
Brooklyn Civil Town	0	0	0	453	453	119,571	0.4%
Morgantown Civil Town	0	0	0	270	270	171,163	0.2%
Paragon Civil Town	0	0	0	20	20	55,656	0.0%
Lake Hart Civil Town	0	0	0	0	0	0	
Monrovia Civil Town	0	0	0	31	31	62,110	0.0%
Nineveh-Hensley-Jackson United Sch Corp	0	0	0	2,276	2,276	1,374,792	0.2%
Monroe-Gregg School Corp	0	0	0	3,818	3,818	3,710,012	0.1%
Eminence Consolidated School Corp	0	0	0	2,008	2,008	1,259,629	0.2%
M.S.D. Martinsville School Corp	0	0	0	10,744	10,744	7,573,599	0.1%
Mooreville Consolidated School Corp	15	0	0	5,262	5,277	7,927,049	0.1%
Morgan County Public Library	0	0	0	1,259	1,259	1,067,349	0.1%
Mooreville Public Library	2	0	0	511	513	544,837	0.1%
Harrison Township Fire #7	0	0	0	50	50	44,145	0.1%
Mooreville Redevelopment	0	0	0	0	0	0	
W Central Indiana Solid Waste Mgt Dist	0	0	0	0	0	0	
Brown Township Mooreville Park	0	0	0	0	0	0	
Monroe Township Fire Dist	0	0	0	226	226	214,114	0.1%
Morgan County Solid Waste Mgt Dist	0	0	0	0	0	0	
Town of Mooreville Redevelopment	0	0	0	0	0	0	
TIF - Mooreville TIF	0	0	0	167	167	1,862,690	0.0%
TIF - Westpoint TIF	0	0	0	0	0	444	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.