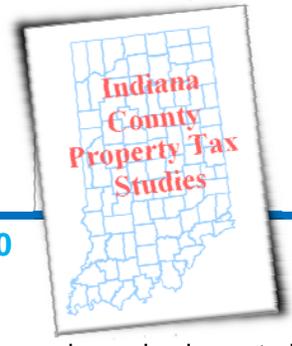


2010 Property Tax Report

Posey County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Posey 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 Posey 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 Posey County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	5,771	77.8%	2,929	39.5%
No Change	198	2.7%	77	1.0%
Lower Tax Bill	1,453	19.6%	4,416	59.5%
Average Change in Tax Bill	13.4%		-9.7%	
Detailed Change in Tax Bill				
20% or More	3,250	43.8%	1,561	21.0%
10% to 19%	1,459	19.7%	664	8.9%
1% to 9%	1,062	14.3%	704	9.5%
0%	198	2.7%	77	1.0%
-1% to -9%	662	8.9%	772	10.4%
-10% to -19%	376	5.1%	906	12.2%
-20% to -29%	191	2.6%	1,158	15.6%
-30% to -39%	82	1.1%	800	10.8%
-40% to -49%	45	0.6%	349	4.7%
-50% to -59%	25	0.3%	164	2.2%
-60% to -69%	12	0.2%	91	1.2%
-70% to -79%	18	0.2%	41	0.6%
-80% to -89%	13	0.2%	37	0.5%
-90% to -99%	17	0.2%	30	0.4%
-100%	12	0.2%	68	0.9%
Total	7,422	100.0%	7,422	100.0%

The average homeowner saw a 13.4% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 9.7% lower than they were in 2007, before the property tax reforms.

59.5% of homeowners saw lower tax bills in 2010 than in 2007.

63.5% of homeowners saw tax increases of 10% or more from 2009 to 2010.

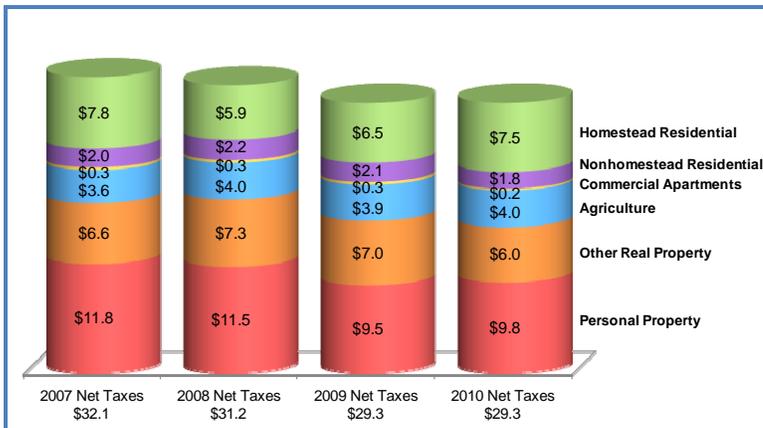
The two largest groups of homeowners have seen a 20% or more increase and between a 10% and 29% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Posey County Overview

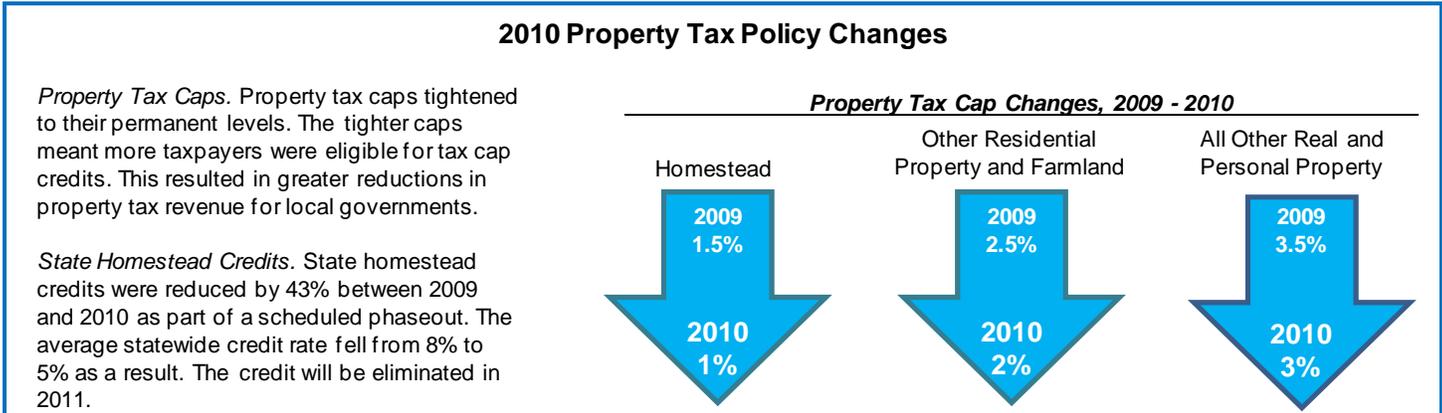
The much larger-than-average increase in homeowner tax bills was partly due to a fall in the assessed value of commercial and industrial real property in Posey in 2010, resulting in a tax shift to homeowners. In addition, Posey County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Posey County tax rates tend to be lower than the state average. Property tax levies increased 0.8% in Posey County in 2010, less than the state average increase of 2.4%. The largest levy increase was in the county cumulative bridge fund, but this was mostly offset by decreases in the county general fund, decreases in the Mt. Vernon School Corporation general and debt service funds, and decreases in the Alexandrian Library capital projects fund.

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



Net tax bills for all taxpayers decreased 0.1% in Posey County from 2009 to 2010. This was less than the statewide reduction of 1.4%. In 2010 apartment owners saw a 13.6% 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 13.8% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 14.9% decrease and a 2.8% increase, respectively, in tax bills in 2010. These changes in tax bills were mainly due to changes in

assessed value. Business real property assessments declined by 18.5%, while business personal property assessments grew by 1.4%. Commercial and industrial property did not benefit from the tightened tax caps, because Posey County's tax rates were not high enough for this type of property to qualify for tax cap credits. Agricultural business property saw a 1.9% increase in tax payments in 2010 mainly because of the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



Tax Cap Credits

Tax cap credits in Posey County in 2010 amounted to 2.2% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to much smaller-than-average tax rates in Posey County and to the county having a smaller share of its net assessed value in the 2% cap category. This category includes rental housing, which tends to be in cities and towns where tax rates usually are above \$2 per \$100 assessed value. If the rate exceeds the tax cap, rental housing would be eligible for tax cap credits. No commercial or industrial properties in the 3% tax cap category qualified for credits, because all Posey County tax rates were under \$3. Posey County tax rates were high not enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category
Posey County Total \$646,573**

1%	2%	3%	Elderly
\$221,853	\$417,224	\$0	\$7,495
34.3%	64.5%	0.0%	1.2%

Posey County, Mount Vernon City, and the M.S.D. Mount Vernon School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Griffin lost the most, at 13.9%. Losses were greatest for units that overlapped Mount Vernon City because its tax district had the highest tax rate.

The Effects of Recession

In Posey 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 3.8% in December 2007 to 8.3% in July 2009. Despite job losses, income tax revenue grew 1.4%, after adjusting for tax rate changes.

Posey County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	1,022,370,470	1,074,130,200	5.1%
Other Residential	92,169,630	99,292,100	7.7%
Ag Business/Land	256,971,900	260,959,900	1.6%
Business Real/Personal	1,105,300,743	1,032,019,926	-6.6%
Total	\$2,476,812,743	\$2,466,402,126	-0.4%

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 Posey County, the gross assessed value of business real and personal property fell 6.6% in 2010. Other assessment categories increased, and total gross assessed value in Posey County declined by 0.4%. This was lower 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.

Posey County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	45,158,723	46,568,429	29,321,878	29,551,009	3.1%	-37.0%	0.8%
State Unit	41,910	47,691	0	0	13.8%	-100.0%	
Posey County	8,640,550	9,301,814	8,648,995	8,963,412	7.7%	-7.0%	3.6%
Bethel Township	13,797	14,301	14,867	15,433	3.7%	4.0%	3.8%
Black Township	779,071	794,313	791,787	791,086	2.0%	-0.3%	-0.1%
Center Township	15,329	15,911	16,525	17,152	3.8%	3.9%	3.8%
Harmony Township	41,501	46,247	47,539	38,993	11.4%	2.8%	-18.0%
Lynn Township	50,913	53,595	55,704	57,805	5.3%	3.9%	3.8%
Marrs Township	243,191	254,693	264,709	274,757	4.7%	3.9%	3.8%
Point Township	16,991	17,601	18,282	18,979	3.6%	3.9%	3.8%
Robb Township	49,742	51,523	53,590	55,655	3.6%	4.0%	3.9%
Robinson Township	136,709	141,849	140,369	146,144	3.8%	-1.0%	4.1%
Smith Township	40,645	41,776	42,724	44,234	2.8%	2.3%	3.5%
Mount Vernon Civil City	2,884,839	2,988,369	2,941,685	3,053,850	3.6%	-1.6%	3.8%
Cynthiana Civil Town	61,845	64,411	62,040	66,463	4.1%	-3.7%	7.1%
Griffin Civil Town	10,342	11,187	10,831	11,801	8.2%	-3.2%	9.0%
New Harmony Civil Town	131,747	136,498	140,554	145,965	3.6%	3.0%	3.8%
Poseyville Civil Town	251,914	261,464	231,893	240,483	3.8%	-11.3%	3.7%
M.S.D. Mount Vernon School Corp	22,701,165	22,814,672	9,850,349	9,725,862	0.5%	-56.8%	-1.3%
M.S.D. North Posey County School Corp	5,734,617	6,169,436	3,573,150	3,560,661	7.6%	-42.1%	-0.3%
New Harmony Town And Township School Corp	1,359,192	1,349,939	347,995	365,347	-0.7%	-74.2%	5.0%
New Harmony Workingmens Institute	57,415	53,589	57,594	59,801	-6.7%	7.5%	3.8%
Poseyville Carnegie Library	100,028	103,608	107,640	111,765	3.6%	3.9%	3.8%
Alexandrian Free Public Library	1,251,178	1,268,296	1,318,390	1,184,991	1.4%	3.9%	-10.1%
Griffin-Bethel Township Fire Protection	51,084	53,226	55,343	57,436	4.2%	4.0%	3.8%
Wadesville-Center Township Fire	44,216	41,467	45,400	44,768	-6.2%	9.5%	-1.4%
Posey County Solid Waste Mgt Dist	448,792	470,953	483,923	498,166	4.9%	2.8%	2.9%

Posey 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	
65005	Center Township	1.6571	--	3.3868%	3.7229%	--	--	--	--	1.5393
65006	Harmony Township	1.1305	--	3.3868%	4.1552%	--	--	--	--	1.0452
65007	New Harmony Town	1.7510	--	3.3868%	5.4421%	--	--	--	--	1.5964
65008	Lynn Township	1.4482	--	3.3868%	3.9140%	--	--	--	--	1.3425
65010	Point Township	1.3944	--	3.3868%	3.9506%	--	--	--	--	1.2921
65011	Robb Township	1.6450	--	3.3868%	3.5993%	--	--	--	--	1.5301
65012	Poseyville Town	2.3680	--	3.3868%	4.6627%	--	--	--	--	2.1774
65014	Smith Township	1.6627	--	3.3868%	3.6283%	--	--	--	--	1.5461
65015	Cynthiana Town	2.2349	--	3.3868%	4.6601%	--	--	--	--	2.0551
65016	Robinson Township	1.6818	--	3.3868%	3.5671%	--	--	--	--	1.5648
65017	Black Township	1.4722	--	3.3868%	3.8904%	--	--	--	--	1.3651
65018	Mount Vernon City	2.8123	--	3.3868%	5.9037%	--	--	--	--	2.5510
65019	Marrs Township	1.4206	--	3.3868%	4.0065%	--	--	--	--	1.3156
65020	Bethel Township	1.9131	--	3.3868%	4.2953%	--	--	--	--	1.7661
65021	Griffin Town	2.7762	--	3.3868%	5.4469%	--	--	--	--	2.5310
65022	Mt Vernon Econ Dev 1	2.4575	--	3.3868%	5.9038%	--	--	--	--	2.2292

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.

Posey 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>	221,619	417,224	0	7,495	646,338	29,551,009	2.2%
<i>TIF Total</i>	234	0	0	0	234	224,524	0.1%
<i>County Total</i>	221,853	417,224	0	7,495	646,573	29,775,533	2.2%
Posey County	43,087	75,785	0	1,861	120,733	8,963,412	1.3%
Bethel Township	0	143	0	0	143	15,433	0.9%
Black Township	1,190	2,307	0	62	3,559	791,086	0.4%
Center Township	76	0	0	10	86	17,152	0.5%
Harmony Township	16	0	0	35	52	38,993	0.1%
Lynn Township	130	0	0	10	139	57,805	0.2%
Marrs Township	390	0	0	29	420	274,757	0.2%
Point Township	0	0	0	1	1	18,979	0.0%
Robb Township	203	275	0	4	482	55,655	0.9%
Robinson Township	307	0	0	45	352	146,144	0.2%
Smith Township	112	189	0	5	306	44,234	0.7%
Mount Vernon Civil City	98,082	196,633	0	2,125	296,841	3,053,850	9.7%
Cynthiana Civil Town	136	2,999	0	85	3,220	66,463	4.8%
Griffin Civil Town	0	1,641	0	0	1,641	11,801	13.9%
New Harmony Civil Town	337	0	0	11	348	145,965	0.2%
Poseyville Civil Town	3,488	8,006	0	0	11,494	240,483	4.8%
M.S.D. Mount Vernon School Corp	52,338	96,629	0	1,616	150,583	9,725,862	1.5%
M.S.D. North Posey County School Corp	12,159	16,400	0	982	29,541	3,560,661	0.8%
New Harmony Town And Township School Corp	365	0	0	237	603	365,347	0.2%
New Harmony Workingmens Institute	138	0	0	4	143	59,801	0.2%
Poseyville Carnegie Library	484	873	0	28	1,385	111,765	1.2%
Alexandrian Free Public Library	5,989	10,598	0	214	16,800	1,184,991	1.4%
Griffin-Bethel Township Fire Protection	0	533	0	0	533	57,436	0.9%
Wadesville-Center Township Fire	198	0	0	26	224	44,768	0.5%
Posey County Solid Waste Mgt Dist	2,395	4,212	0	103	6,710	498,166	1.3%
TIF - Mt Vernon TIF East Side Econ Dev Area	0	0	0	0	0	223,031	0.0%
TIF - West Franklin Econ Dev Area	234	0	0	0	234	1,493	15.7%

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.