

# 2009 SHELBY COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

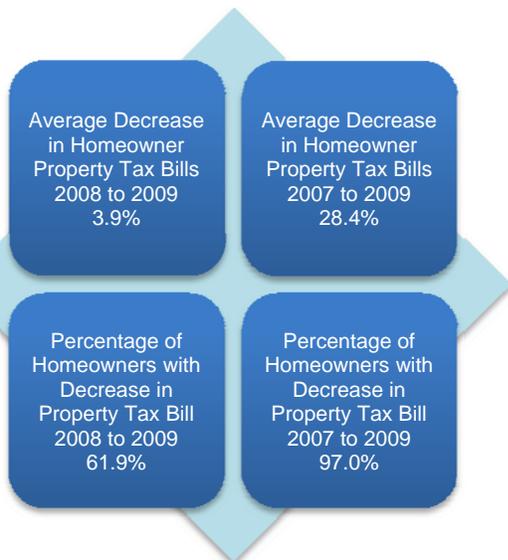


Legislative Services Agency

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 Shelby 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	339	3.2%	105	1.0%
10% to 19%	1,661	15.6%	38	0.4%
1% to 9%	2,024	19.0%	124	1.2%
0%	37	0.3%	55	0.5%
-1% to -9%	1,801	16.9%	376	3.5%
-10% to -19%	2,496	23.4%	1,608	15.1%
-20% to -29%	1,190	11.2%	2,895	27.2%
-30% to -39%	446	4.2%	2,535	23.8%
-40% to -49%	142	1.3%	1,699	16.0%
-50% to -59%	114	1.1%	652	6.1%
-60% to -69%	94	0.9%	173	1.6%
-70% to -79%	75	0.7%	128	1.2%
-80% to -89%	52	0.5%	82	0.8%
-90% to -99%	32	0.3%	51	0.5%
-100%	143	1.3%	125	1.2%
<b>Total</b>	<b>10,646</b>	<b>100.0%</b>	<b>10,646</b>	<b>100.0%</b>
Higher Tax Bill	4,024	37.8%	267	2.5%
No Change	37	0.3%	55	0.5%
Lower Tax Bill	6,585	61.9%	10,324	97.0%
<b>Average Change in Tax Bill</b>	<b>-3.9%</b>		<b>-28.4%</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	Shelby County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-11.2%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-33.1%	-30.6%
State PTRC Percentage, 2008	22.9%	20.1%
Total State Homestead Credit, 2008	40.5%	39.5%
Total State Homestead Credit, 2009	7.3%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	No	

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 Shelby County decreased by 3.9%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were almost offset by the elimination of the property tax replacement credits and the state homestead credits. Shelby County did not adopt a local option income tax for property tax relief, and few Shelby County homeowners were eligible for the circuit breaker tax cap credits.

Homeowner taxes were substantially lower in 2009 compared to 2007 in Shelby County, as they were in almost all Indiana counties.

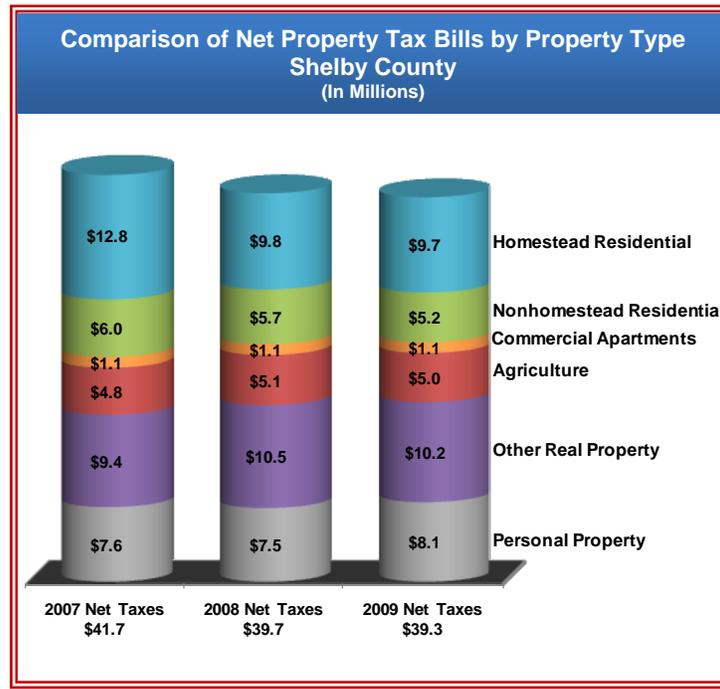
## 2009 Property Tax Changes:

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.



In Shelby County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw an 8.8% decline in average property tax bills. Average tax bills on commercial apartments did not change significantly. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 2.0% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 2.9%. Personal property, which is largely business equipment, saw an 8.0% increase 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 Shelby County \$18,105

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



### Shelby 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>\$53,553,658</b>	<b>\$53,132,096</b>	<b>\$36,149,027</b>	<b>-0.8%</b>	<b>-32.0%</b>	<b>2.2%</b>
State Unit	52,836	54,057	0	2.3%	-100.0%	
Shelby County	8,662,842	7,486,908	6,772,367	-13.6%	-9.5%	1.0%
Addison Township	70,037	71,815	73,899	2.5%	2.9%	2.9%
Brandywine Township	61,028	61,379	91,181	0.6%	48.6%	48.6%
Hanover Township	61,674	62,095	62,524	0.7%	0.7%	0.7%
Hendricks Township	18,734	19,325	20,314	3.2%	5.1%	5.1%
Jackson Township	16,864	17,144	18,273	1.7%	6.6%	6.6%
Liberty Township	22,304	19,886	19,865	-10.8%	-0.1%	-0.1%
Marion Township	33,344	34,853	36,341	4.5%	4.3%	4.3%
Moral Township	116,647	204,811	167,060	75.6%	-18.4%	-18.4%
Noble Township	29,815	29,520	29,965	-1.0%	1.5%	1.5%
Shelby Township	59,416	58,180	61,026	-2.1%	4.9%	4.9%
Sugar Creek Township	35,282	35,328	35,834	0.1%	1.4%	1.4%
Union Township	27,407	27,372	26,932	-0.1%	-1.6%	-1.6%
Van Buren Township	51,750	53,229	55,343	2.9%	4.0%	4.0%
Washington Township	24,082	25,017	26,053	3.9%	4.1%	4.1%
Shelbyville Civil City	8,597,292	9,007,172	8,704,942	4.8%	-3.4%	1.3%
St. Paul Civil Town	3,970	17,308	18,761	336.0%	8.4%	8.4%
Edinburgh Civil Town	97,555	186,045	92,794	90.7%	-50.1%	-50.1%
Morristown Civil Town	241,157	237,911	258,848	-1.3%	8.8%	8.8%
Decatur County Community School Corporation	48,714	47,387	16,373	-2.7%	-65.4%	-23.0%
Shelby Eastern School Corporation	8,804,368	8,909,418	4,916,427	1.2%	-44.8%	29.8%
Northwestern Consolidated School Corporation	5,376,192	5,205,630	2,708,987	-3.2%	-48.0%	18.3%
Southwestern Consolidated Shelby County	3,078,485	3,284,215	1,888,528	6.7%	-42.5%	9.0%
Shelbyville Central School Corporation	17,293,827	17,232,121	9,328,047	-0.4%	-45.9%	-9.6%
Shelbyville-Shelby County Public Library	501,939	527,057	559,616	5.0%	6.2%	6.2%
Shelby County Solid Waste Management District	147,499	153,162	158,727	3.8%	3.6%	3.6%
Morristown Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Shelbyville Redevelopment Commission	18,598	63,751	0	242.8%	-100.0%	-100.0%

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.

## Shelby 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	Rate-Real	2008	2009	2008	2009
Addison Township	120.4	101.8	-15.5%	2,386,417	1,357,451	-43.1%	1.9813	1.3333	23.39%	37.38%	7.28%	0.00%	0.00%
Shelbyville City-Addison Towns	835.7	772.4	-7.6%	24,803,223	17,920,157	-27.8%	2.9681	2.3202	20.35%	42.15%	7.28%	0.00%	0.00%
Brandywine Township	95.3	78.7	-17.4%	1,488,654	898,817	-39.6%	1.5619	1.1421	30.15%	43.88%	7.28%	0.00%	0.00%
Shelbyville City-Brandywine To	69.1	71.6	3.7%	1,750,510	1,485,826	-15.1%	2.5351	2.0759	24.15%	47.13%	7.28%	0.00%	0.00%
Hanover Township	86.7	72.8	-16.1%	2,051,508	1,193,451	-41.8%	2.3659	1.6396	22.11%	35.77%	7.28%	0.00%	0.00%
Morristown Town	56.4	48.2	-14.6%	1,543,623	1,019,156	-34.0%	2.7380	2.1164	21.83%	40.01%	7.28%	0.00%	0.00%
Hendricks Township	79.5	70.0	-11.9%	1,364,188	890,276	-34.7%	1.7156	1.2713	27.48%	42.22%	7.28%	0.00%	0.00%
Jackson Township	96.2	84.0	-12.6%	1,642,305	1,061,220	-35.4%	1.7080	1.2632	27.51%	42.12%	7.28%	0.00%	0.00%
Liberty Township	76.6	69.7	-9.0%	1,779,503	1,105,720	-37.9%	2.3239	1.5874	22.32%	35.65%	7.28%	0.00%	0.00%
Marion Township	84.9	70.4	-17.1%	1,689,269	947,378	-43.9%	1.9904	1.3466	23.32%	37.37%	7.28%	0.00%	0.00%
Moral Township	240.1	191.1	-20.4%	3,842,016	2,161,382	-43.7%	1.5999	1.1309	29.39%	42.97%	7.28%	0.00%	0.00%
Noble Township	70.0	63.2	-9.6%	1,636,346	1,014,513	-38.0%	2.3389	1.6048	22.19%	35.55%	7.28%	0.00%	0.00%
St. Paul Town-Decatur Co. Scho	3.9	3.0	-25.1%	74,684	39,996	-46.4%	1.8916	1.3524	27.65%	45.49%	7.28%	0.00%	0.00%
Shelby Township-East	33.2	31.9	-3.9%	786,459	522,920	-33.5%	2.3671	1.6378	22.10%	35.76%	7.28%	0.00%	0.00%
Shelby Township-West	50.5	45.2	-10.5%	1,021,480	623,113	-39.0%	2.0237	1.3797	23.14%	37.53%	7.28%	0.00%	0.00%
Sugar Creek Township	74.9	69.0	-7.9%	1,165,751	755,273	-35.2%	1.5567	1.0947	30.36%	44.32%	7.28%	0.00%	0.00%
Union Township	61.5	58.8	-4.3%	1,441,345	944,527	-34.5%	2.3428	1.6050	22.24%	35.73%	7.28%	0.00%	0.00%
Van Buren Township	84.7	74.6	-12.0%	2,000,995	1,218,969	-39.1%	2.3615	1.6340	22.18%	35.86%	7.28%	0.00%	0.00%
Washington Township	67.3	61.7	-8.4%	1,164,109	792,531	-31.9%	1.7290	1.2848	27.33%	42.19%	7.28%	0.00%	0.00%
St. Paul Town-Shelby Eastern S	2.3	1.9	-18.4%	59,872	36,752	-38.6%	2.5993	1.9561	21.96%	38.65%	7.28%	0.00%	0.00%
Shelbyville Shelby West	6.4	5.1	-20.1%	189,262	118,476	-37.4%	2.9792	2.3340	20.35%	42.24%	7.28%	0.00%	0.00%
Shelbyville City-Marion Townsh	36.5	26.4	-27.6%	1,086,057	616,081	-43.3%	2.9759	2.3316	20.33%	42.17%	7.28%	0.00%	0.00%
Edinburg Town-Jackson Township	6.6	5.6	-15.1%	235,933	180,595	-23.5%	3.5482	3.1988	21.80%	50.07%	7.28%	0.00%	0.00%
Shelbyville Shelby East	0.0	0.1	71.3%	974	1,301	33.7%	3.3226	2.5921	19.90%	40.51%	7.28%	0.00%	0.00%
<b>County Totals/Averages</b>	<b>2,338.7</b>	<b>2,077.0</b>	<b>-11.2%</b>	<b>55,204,483</b>	<b>36,905,884</b>	<b>-33.1%</b>	<b>2,3589</b>	<b>1,7764</b>	<b>22.92%</b>	<b>40.52%</b>	<b>7.28%</b>	<b>0.00%</b>	<b>0.00%</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.

## Shelby County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				Total
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	
Shelby County	6,772,367	428	1,049	0	963	2,440
Addison Township	73,899	3	0	0	4	8
Brandywine Township	91,181	0	0	0	43	43
Hanover Township	62,524	0	0	0	0	0
Hendricks Township	20,314	0	0	0	1	1
Jackson Township	18,273	8	38	0	11	57
Liberty Township	19,865	0	0	0	3	3
Marion Township	36,341	0	0	0	1	1
Moral Township	167,060	0	0	0	70	70
Noble Township	29,965	0	0	0	0	0
Shelby Township	61,026	0	0	0	6	7
Sugar Creek Township	35,834	0	0	0	4	4
Union Township	26,932	0	0	0	0	0
Van Buren Township	55,343	0	0	0	0	0
Washington Township	26,053	0	0	0	0	0
Shelbyville Civil City	8,704,942	620	16	0	881	1,517
St. Paul Civil Town	18,761	0	0	0	0	0
Edinburgh Civil Town	92,794	1,312	6,106	0	0	7,418
Morristown Civil Town	258,848	0	0	0	0	0
Fairland Civil Town	0	0	0	0	0	0
Decatur County Community School Corporation	16,373	0	0	0	0	0
Shelby Eastern School Corporation	4,916,427	0	18	0	122	141
Northwestern Consolidated School Corporation	2,708,987	0	0	0	864	864
Southwestern Consolidated Shelby County	1,888,528	589	2,742	0	489	3,821
Shelbyville Central School Corporation	9,328,047	570	0	0	883	1,453
Shelbyville-Shelby County Public Library	559,616	35	87	0	80	202
Shelby County Solid Waste	158,727	10	25	0	23	57
Morristown Redevelopment Commission	0	0	0	0	0	0
Shelbyville Redevelopment Commission	0	0	0	0	0	0
<b>Total - All Taxing Units</b>	<b>36,149,027</b>	<b>3,577</b>	<b>10,080</b>	<b>0</b>	<b>4,449</b>	<b>18,105</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.