

**Johnson County, Indiana  
2007 Pay 2008 Budget Order**

An analysis of the data with the 2007 Pay 2008 Budget Order for Johnson County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Johnson County has four cross-county units and is the major unit for each. Nineveh-Hensley Jackson Schools crosses into Morgan County. Edinburgh Civil Town, Edinburgh Library, and Edinburgh Schools all cross into Bartholomew County.

Johnson County has four conservancy districts, White Lake Conservancy District, Northeast Lake Conservancy District, Hants Lake Conservancy District, and North Lake Conservancy District. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

**Changes in Local Tax Levies**

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$4.8 million or 2.87%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the Franklin Community School Corporation (\$3,577,885).

Johnson County

| <u>Fund</u>                          | <u>Pay 2007<br/>Certified Levy</u> | <u>Pay 2008<br/>Certified Levy</u> | <u>\$ Change</u> | <u>%<br/>Change</u> |
|--------------------------------------|------------------------------------|------------------------------------|------------------|---------------------|
| Bond #2                              | \$1,109,058                        | \$386,488                          | -\$722,570       | -65.15%             |
| Health                               | 398,464                            | 528,878                            | 130,414          | 32.73%              |
| Children's Psychiatric Res Treatment | 126,180                            | -0-                                | -126,180         | -100.00%            |

Johnson County Welfare

| <u>Fund</u>                   | <u>Pay 2007<br/>Certified Levy</u> | <u>Pay 2008<br/>Certified Levy</u> | <u>\$ Change</u> | <u>%<br/>Change</u> |
|-------------------------------|------------------------------------|------------------------------------|------------------|---------------------|
| Welfare - Family and Children | \$2,211,476                        | \$2,007,023                        | -\$204,453       | -9.25%              |

Total County levy decreased by \$910,579 or 5.25%.

Greenwood Civil City

| <u>Fund</u>  | <u>Pay 2007<br/>Certified Levy</u> | <u>Pay 2008<br/>Certified Levy</u> | <u>\$ Change</u> | <u>%<br/>Change</u> |
|--------------|------------------------------------|------------------------------------|------------------|---------------------|
| General      | \$3,613,231                        | \$3,761,979                        | \$148,748        | 4.12%               |
| Debt Service | 1,091,783                          | 335,182                            | -756,601         | -69.30%             |

Total City levy decreased \$287,067 or 2.55%.

Center Grove Community School Corporation

| <u>Fund</u>     | <u>Pay 2007<br/>Certified Levy</u> | <u>Pay 2008<br/>Certified Levy</u> | <u>\$ Change</u> | <u>%<br/>Change</u> |
|-----------------|------------------------------------|------------------------------------|------------------|---------------------|
| General         | \$16,688,489                       | \$17,758,737                       | \$1,070,248      | 6.41%               |
| Bus Replacement | 761,088                            | 847,403                            | 86,315           | 11.34%              |

Total School levy increase of \$1,999,131 or 5.29%. School received a transportation levy appeal in the amount of \$123,716

Franklin Community School Corporation

| <u>Fund</u>  | <u>Pay 2007<br/>Certified Levy</u> | <u>Pay 2008<br/>Certified Levy</u> | <u>\$ Change</u> | <u>%<br/>Change</u> |
|--------------|------------------------------------|------------------------------------|------------------|---------------------|
| General      | \$9,146,314                        | \$8,913,061                        | -\$233,253       | -2.55%              |
| Debt Service | 8,679,366                          | 12,159,971                         | 3,480,605        | 40.10%              |

Total School levy increase of \$3,577,885 or 15.18%. School received a new facility appeal in 2008 for \$432,256.

Whiteland Fire Protection

| <u>Fund</u>        | <u>Pay 2007<br/>Certified Levy</u> | <u>Pay 2008<br/>Certified Levy</u> | <u>\$ Change</u> | <u>%<br/>Change</u> |
|--------------------|------------------------------------|------------------------------------|------------------|---------------------|
| Fire Building Debt | \$9,002                            | \$237,788                          | \$228,786        | 2541.5%             |

Total District levy increase of \$187,945 or 106.07%.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

**Changes in Real Property Gross Assessed Values**

Real Property Gross Assessed Values increases by property class are as follows.

| <u>Class</u> | <u>% Increase</u> |
|--------------|-------------------|
| Agriculture  | 18.45%            |
| Industrial   | 8.53%             |
| Commercial   | 6.96%             |

|             |        |
|-------------|--------|
| Residential | 0.53%  |
| Exempt      | 32.46% |
| Utility     | 30.95% |

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

| <u>Class</u> | <u>2007 Ratio</u> | <u>2008 Ratio</u> |
|--------------|-------------------|-------------------|
| Agriculture  | 4.28%             | 4.90%             |
| Industrial   | 3.63%             | 3.81%             |
| Commercial   | 14.06%            | 14.53%            |
| Residential  | 74.99%            | 72.87%            |
| Exempt       | 2.92%             | 3.74%             |
| Utility      | 0.12%             | 0.16%             |

As can be seen from the analysis, a shift from residential property to agricultural, industrial, commercial, exempt, and utility property occurred. This shift was approximately 2.12%.

### Change in Net Tax Rates

Changes in net tax rate by district were as follows.

| <u>District</u>                    | <u>Change in NAV</u> | <u>Change in Levy</u> | <u>Change in Gross Tax Rate</u> | <u>Change in Business Personal Property Net Tax Rate</u> | <u>Change in Real Estate and Other Personal Property Net Tax Rate</u> | <u>Change in Homestead Net Tax Rate</u> |
|------------------------------------|----------------------|-----------------------|---------------------------------|--|---|---|
| BLUE RIVER TWP                     | 1.00%                | 2.63%                 | 1.62%                           | 4.79%  | 5.82%   | -4.31%                                  |
| EDINBURG TOWN-<br>EDINBURG LIBRARY | 2.17%                | 3.05%                 | 0.86%                           | 2.24%  | 4.51%   | -13.14%                                 |
| BLUE RIVER TWP-<br>AMITY FPD       | 3.93%                | 5.34%                 | 1.36%                           | 4.24%  | 5.38%   | -5.10%                                  |
| CLARK TOWNSHIP                     | 3.77%                | 0.89%                 | -2.78%                          | -0.88%   | -0.20%  | -5.71%                                  |
| CLARK TOWNSHIP-<br>NEEDHAM FPD     | 6.74%                | 3.82%                 | -2.74%                          | -0.86%   | -0.11%  | -6.13%                                  |
| CLARK TOWNSHIP-<br>WHITELAND FPD   | 1.29%                | 1.69%                 | 0.40%                           | 2.66%  | 3.58%   | -1.89%                                  |
| FRANKLIN TOWNSHIP                  | -1.13%               | 10.09%                | 11.35%                          | 16.42%   | 18.61%  | 12.67%                                  |
| FRANKLIN CITY-<br>FRANKLIN TWP     | -1.68%               | 6.76%                 | 8.59%                           | 11.54%   | 13.90%  | 4.78%                                   |
| WHITELAND TOWN-<br>FRANKLIN TWP-WF | -24.09%              | -13.72%               | 13.66%                          | 18.46%   | 21.07%  | 14.20%                                  |
| FRANKLIN TWP-<br>AMITY FPD         | 2.17%                | 13.10%                | 10.70%                          | 15.45%   | 17.72%  | 11.56%                                  |
| FRANKLIN TWP-<br>NEEDHAM FPD       | -12.51%              | -2.71%                | 11.20%                          | 16.22%   | 18.53%  | 12.37%                                  |
| FRANKLIN TWP-<br>BARGERSVILLE FPD  | -0.15%               | 10.05%                | 10.21%                          | 14.69%   | 16.74%  | 11.00%                                  |
| FRANKLIN TWP-<br>WHITELAND FPD     | 3.89%                | 19.09%                | 14.63%                          | 20.21%   | 22.69%  | 17.15%                                  |

|                                |         |         |        |        |        |         |
|--------------------------------|---------|---------|--------|--------|--------|---------|
| HENSLEY TOWNSHIP               | 1.78%   | 0.74%   | -1.02% | 0.26%  | 1.89%  | -7.23%  |
| TRAFALGAR TOWN-HENSLEY TWP     | 1.04%   | 1.58%   | 0.53%  | 1.75%  | 3.59%  | -6.84%  |
| NEEDHAM TOWNSHIP-NEEDHAM FPD   | 6.18%   | 18.10%  | 11.23% | 16.28% | 18.58% | 12.48%  |
| FRANKLIN CITY-NEEDHAM TWP      | 3.74%   | 12.66%  | 8.60%  | 11.56% | 13.92% | 4.84%   |
| NEEDHAM TOWNSHIP-AMITY FPD     | 7.77%   | 19.32%  | 10.72% | 15.50% | 17.76% | 11.67%  |
| NINEVEH TOWNSHIP-NINEVEH FPD   | -0.69%  | -1.29%  | -0.60% | 0.78%  | 2.49%  | -6.56%  |
| PRINCES LAKES TOWN-NINEVEH FPD | 1.97%   | 1.40%   | -0.57% | 0.58%  | 2.52%  | -8.93%  |
| TRAFALGAR TOWN-NINEVEH TWP     | 0.00%   | 0.52%   | 0.52%  | 1.74%  | 3.58%  | -6.85%  |
| PLEASANT TWP-CP SCHOOL         | -0.63%  | -3.20%  | -2.59% | -0.69% | 0.00%  | -5.82%  |
| PLEASANT TWP-GREENWOOD SCHOOL  | 26.43%  | 21.95%  | -3.54% | -0.47% | 0.33%  | -9.36%  |
| GRNWD CITY-PLEAS TWP-CP SCHOOL | 2.63%   | -0.50%  | -3.05% | -1.55% | -0.90% | -7.74%  |
| GRNWD CITY-PLEAS TWP-GRNWD SCH | -2.47%  | -6.29%  | -3.92% | -1.70% | -1.02% | -11.27% |
| NEW WHITELAND TOWN             | -1.04%  | -2.87%  | -1.85% | -0.18% | 0.78%  | -7.67%  |
| WHITELAND TOWN-PLEAS TWP-WHITE | -1.37%  | -0.53%  | 0.85%  | 2.94%  | 3.96%  | -2.80%  |
| FRANKLIN CITY-PLEASANT TWP     | -6.08%  | -7.08%  | -1.07% | 0.37%  | 1.35%  | -7.55%  |
| GRNWD CITY-PLEAS TWP-CP SCHOOL | 16.08%  | 12.72%  | -2.89% | -1.36% | -0.69% | -7.51%  |
| PLEASANT TWP-CP SCHOOL-GRNWD L | -19.74% | -21.98% | -2.79% | -0.92% | -0.26% | -6.11%  |
| PLEASANT TWP-GRNWD SCHOOL-GRNW | -19.88% | -22.92% | -3.80% | -0.82% | -0.08% | -9.79%  |
| PLEASANT TWP-WHITELAND FPD     | -0.10%  | 0.33%   | 0.43%  | 2.70%  | 3.61%  | -1.83%  |
| UNION TOWNSHIP                 | -4.99%  | 5.27%   | 10.80% | 15.76% | 17.85% | 12.05%  |
| BARGERSVILLE TOWN-UNION TWP-BF | -0.07%  | 5.54%   | 5.61%  | 8.52%  | 10.35% | 3.07%   |
| UNION TOWNSHIP-BFPD            | -0.26%  | 9.97%   | 10.26% | 14.78% | 16.81% | 11.17%  |
| WHITE RIVER TWP-BFPD           | 10.16%  | 9.33%   | -0.75% | 0.68%  | 2.70%  | -2.87%  |
| WHITE RIVER TWP-WHITE RIVER FP | -1.84%  | -2.18%  | -0.34% | 1.16%  | 3.06%  | -2.48%  |
| BARGERSVILLE TOWN-WHITE RIVER  | 7.93%   | 4.20%   | -3.46% | -2.81% | -1.21% | -8.92%  |
| GRNWD CITY-WHITE RIVER TWP-CNT | 2.95%   | 1.75%   | -1.16% | -0.03% | 1.75%  | -5.58%  |
| GRNWD CITY-WR TWP-CG SCH-CNTY  | 22.03%  | 18.52%  | -2.88% | -2.07% | -0.35% | -6.22%  |
| GWD CITY-PLEAS TWP-GWD SCH-CO  | -2.01%  | -5.66%  | -3.72% | -1.44% | -0.72% | -10.96% |
| GRNWD CITY-WR TWP-GRNWD SCH-CO | -4.24%  | -7.80%  | -3.72% | -1.44% | -0.72% | -10.97% |

|   |           |           |        |        |        |         |
|---|-----------|-----------|--------|--------|--------|---------|
| HENSLEY FPD-<br>FRANKLIN TWP                        | -1.28%    | 9.33%     | 10.74% | 15.66% | 17.77% | 11.86%  |
| EDINBURG TOWN-<br>BLUE RIVER TWP-<br>COUNTY LIBRARY | 0.95%     | 1.59%     | 0.64%  | 2.01%  | 4.26%  | -13.40% |
| GWD CITY-CP-<br>CLARK TWP-CO LIB                    | 23624.85% | 22888.39% | -3.10% | -3.10% | -0.93% | -7.67%  |
| WHITELAND TOWN<br>EAST - WHITELAND<br>FPD           | N/A       | N/A       | N/A    | N/A    | N/A    | N/A     |
| Average   | 2.10%     | 2.86%     | 4.47%  | 7.25%  | 8.72%  | 0.65%   |

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies, especially debt levies that don't benefit from PTRC or homestead credits.

The estimated reduction in net homestead tax bills for Johnson County is 17.28%.

### Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

| Property Class | Percent of Parcels with Identified Assessed Valuation Change |           |                  |                   |                    |                   |
|----------------|--|-----------|------------------|-------------------|--------------------|-------------------|
|                | Decrease   | No Change | 0 - 10% Increase | 10 - 30% Increase | 30 - 100% Increase | More Than Doubled |
| Commercial     | 16.3%  | 25.7%     | 11.7%            | 15.1%             | 15.9%              | 15.4%             |
| Industrial     | 11.2%  | 33.0%     | 14.8%            | 13.0%             | 11.5%              | 16.5%             |
| Residential    | 62.4%  | 14.6%     | 14.0%            | 5.0%              | 1.2%               | 2.7%              |
| Overall        | 59.9%  | 15.3%     | 13.9%            | 5.6%              | 2.0%               | 3.4%              |

### TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.