

Clark County, Indiana
2006 Pay 2007 Budget Order

An analysis of the data with the 2006 Pay 2007 Budget Order for Clark County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Clark County has one cross-county unit; Muddy Fork Conservancy District. Clark is the major county for this unit, which crosses county lines with Floyd County and Washington County. 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.

Real property and sales data are in compliance with departmental and statutory requirements. Auditor data will not be available until after certification.

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 numerical accuracy, as well as for logical analysis and completeness.

For the purposes of calculating the increment to be captured, a negative assessed value base was used in the worksheet for the Lebanon Economic Development Area TIF District. It is not logically possible to have a negative base assessed value. Using a negative base assessed value increases the tax rate for the property taxpayers in the taxing district that are outside the TIF allocation area.

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 2007 on a county-wide basis was approximately \$11.6 million, or 12.15%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the County unit (\$2,377,882), the West Clark Community School Corporation (\$1,946,106), and the Greater Clark Community School Corporation (\$4,654,621)

Clark County

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Payment	\$269,810	\$199,229	-\$70,581	-26.16%
Court House Lease Rental	992,901	1,168,208	175,307	17.66%
Cumulative Bridge	359,747	452,794	93,047	25.86%
Mosquito Control	17,987	45,279	27,292	151.73%
Children Psychiatric Residential Treatment	161,886	45,279	-116,607	-72.03%
Jail Bond	633,154	778,805	145,651	23.00%

Clark County Welfare

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$3,364,034	\$5,193,543	\$1,833,509	54.57%

Total County levy showed an increase of \$2,377,882 or 16.85%

Bethlehem Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$6,220	\$4,707	-\$1,513	-24.32%
Township Assistance	991	349	-642	-64.78%

Total Township levy decreased by \$2,155 or 25.86%.

Carr Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$24,978	\$27,855	\$2,877	11.52%
Township Assistance	3,358	2,289	-1,069	-31.83%

Total Township levy increased by \$1,808 or 6.38%.

Utica Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$5,311	\$15,012	\$9,701	182.66%
Township Assistance	17,792	-	-17,792	-100.00%
Recreation	11,090	20,794	9,704	87.50%

Total Township levy increased by \$1,613 or 4.72%.

Washington Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$9,683	\$14,618	\$4,935	50.97%
Township Assistance	2,827	1,304	-1,523	-53.87%

Total CAGIT decreased by 17.02% and CAGIT PTRC decreased by 21.19%. Total Township levy increased by \$3,412 or 27.27%.

Wood Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$15,151	\$16,175	\$1,024	6.76%
Township Assistance	-	18,937	18,937	-

Total Township levy increased in the amount of \$20,464 or 40.95%. This increase is due to the receipt of an excess levy in 2007 for Township Assistance in the amount of \$19,025.

Jeffersonville Township Public Library

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$451,912	\$513,251	\$61,339	13.57%
Library Capital Projects	154,311	174,869	20,558	13.32%

Total Library levy increased in the amount of \$114,935 or 7.54%

Clarksville Redevelopment Commission

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Tax Increment Replacement	\$315,669	\$460,897	\$145,228	46.01%

Jeffersonville Redevelopment Commission

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Tax Increment Replacement	\$381,587	\$443,522	\$61,935	16.23%

Charlestown Civil City

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Police Pension	\$13,938	\$68,899	\$54,961	394.32%
Motor Vehicle Highway	239,357	193,794	-45,563	-19.04%

Total CAGIT decreased by 7.77% and CAGIT PTRC decreased by 16.14%. Total City levy increased by \$163,324 or 8.98%.

Clarksville Civil Town

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,847,281	\$4,533,169	\$685,888	17.83%
Police Pension	288,119	114,877	-173,242	-60.13%
Cumulative Fire Special	141,351	163,744	22,393	15.84%
Park Bond	168,710	195,586	26,867	15.93%
Redevelopment - Capital	37,704	28,719	-8,985	-23.83%

Total Town levy increased by \$705,990 or 8.23%.

Jeffersonville Flood Control

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Special Flood Control General	\$434,363	\$895,349	\$460,986	106.13%

The unit received an excess levy in 2007 in the amount of \$442,800.

West Clark Community School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$3,569,186	\$4,177,783	\$608,597	17.05%
School Pension Debt	-	483,681	483,681	-
Capital Projects	2,266,248	2,619,646	353,398	15.59%
Transportation	1,333,814	1,521,654	187,840	14.08%
Bus Replacement	164,962	242,429	77,467	46.96%

Possible pension debt neutralization issue. School district received a P.L. 2-2006 excess levy in the amount of \$72,576, and a school transportation excess levy appeal in 2007 for \$70,000. Total School Corp levy increased by \$1,946,106 or 14.53%.

Utica Township Fire District

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Payment	\$46,855	\$81,927	\$35,072	74.85%

Total Fire District levy showed an increase in the amount of \$39,133 or 23.92%.

New Washington Fire Protection District

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Special Fire General	\$114,527	\$129,995	\$15,468	13.51%

CAGIT PTRC decreased by 5.84%, while total CAGIT decreased by 3.88%.

Greater Clark County School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$3,891,116	\$4,999,149	\$1,108,033	28.48%
School Pension Debt	2,526,182	1,917,442	-608,740	-24.10%
Capital Projects	2,814,152	6,505,506	3,691,354	131.17%

Greater Clark County School Corporation received a \$160,331 transportation excess levy appeal per P.L. 2-2006. Increase in Capital Projects due mainly to building acquisition and improvements in 2007. Total School levy increased by \$4,654,621 or 15.15%.

No units in the County exceeded the working maximum levy. All units in the County levied up to the working maximum levy except for Bethlehem Township, which was 33.52% or \$2,549 under its maximum levy amount.

Clark County is a CAGIT county, and, in CAGIT counties, controlled levies grow at a rate higher than non-CAGIT counties. No units in the County had controlled levy growth higher than what would be expected for a CAGIT county.

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	20.20%
Industrial	21.40%
Commercial	50.65%
Residential	31.20%
Utility	-61.94%

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>2006 Ratio</u>	<u>2007 Ratio</u>
Agriculture	7.96%	7.15%
Industrial	4.36%	3.96%
Commercial	20.40%	22.96%
Residential	67.25%	65.93%
Utility	0.03%	0.01%

As can be seen from the analysis, a shift from agriculture, industrial and residential property to commercial property occurred. This shift was approximately 2.56% of the total.

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 Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
Charlestown Twp	44.22%	-6.96%	-0.94%	2.37%	13.72%
Charlestown City	-4.91%	0.25%	5.94%	8.61%	19.27%
Jeffersonville Twp-OFW	32.67%	-7.44%	-1.71%	1.40%	12.00%
Jeffersonville Twp-IFW	1.08%	-5.13%	1.10%	4.14%	15.22%
Jeff Twp-Clark Park-OFW	21.59%	-8.22%	-3.23%	-0.21%	10.26%
Jeff Twp-Clark Park-IFW	-6.51%	-6.04%	-0.59%	2.36%	13.25%
Jeffersonville City-OFW	17.39%	-8.52%	-5.48%	-2.19%	12.74%
Jeffersonville City-IFW	20.44%	-7.02%	-3.77%	-0.45%	14.89%

Clarksville Town-OFW	34.68%	-15.71%	-13.91%	-12.80%	-5.80%
Clarksville Town-IFW	24.90%	-14.38%	-12.42%	-11.34%	-4.17%
Clarksville Town-GCS-OFW	26.18%	-9.93%	-7.30%	-4.60%	7.13%
Clarksville Town-GCS-IFW	27.71%	-8.49%	-5.66%	-2.96%	9.08%
Bethlehem Township	-5.40%	-7.04%	-1.07%	2.35%	14.29%
Carr Township	81.79%	-13.98%	-11.10%	-9.44%	-2.83%
Monroe Township	32.40%	-13.31%	-10.26%	-8.39%	-1.39%
Oregon Township-NWFPD	20.89%	-6.74%	-0.67%	2.78%	14.77%
Owen Township	44.89%	-7.15%	-1.26%	2.20%	14.13%
Silver Creek Township	17.48%	-13.66%	-10.72%	-9.09%	-2.50%
Sellersburg Town	40.25%	-16.79%	-15.18%	-13.45%	-5.87%
Union Township	25.39%	-13.65%	-10.67%	-9.06%	-2.53%
Utica Township	59.02%	-7.36%	-1.46%	1.91%	13.04%
Washington Township	14.11%	-6.51%	-0.32%	3.13%	15.11%
Wood Township	16.85%	-12.12%	-8.62%	-7.09%	-1.04%
New Providence Town	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%
Utica Town	57.58%	-10.37%	-6.18%	-2.54%	9.71%
Oregon Township-CFPD	12.06%	-6.95%	-0.94%	2.37%	13.75%
Jeff City-Utica Twp-OFW	2.80%	-8.67%	-5.60%	-2.23%	12.99%
Clarksville Town-SCT-TFPD	21.99%	-13.35%	-11.25%	-9.56%	-1.35%
Chas City-Utica Twp	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%
Average	16.60%	-15.70%	-11.84%	-9.37%	0.27%

Borden Town is a new taxing district in 2007 and is, therefore, excluded from this analysis.

Downward pressure on tax rates came from increases in Assessed Value due to trending.

Upward pressure on tax rates came from the increased Homestead Deduction and decreased Homestead Credit rate, as well as increases in tax levies. The County was an early adopter of the inventory deduction.

Some of the more industrialized and urban areas that saw smaller increases or decreases in NAV have double digit increases in their Homestead Net Tax Rate, while the opposite happened in some of the more rural areas. Overall, the average change in Homestead Net Tax Rates appears reasonable.

Assessment Status

Real property and sales data are in compliance with departmental and statutory requirements, and auditor data will not be available until after certification is complete. Until review is completed, it is not possible to say whether the data is compliant with departmental and statutory requirements.

Below is 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				
	<u>Decrease</u>	<u>No Change</u>	<u>0 - 30% Increase</u>	<u>30 - 100% Increase</u>	<u>More Than Doubled</u>
Commercial	18.2%	6.9%	30.9%	18.1%	25.9%
Industrial	20.0%	7.4%	31.1%	19.5%	22.1%
Residential	1.6%	5.1%	66.7%	24.5%	2.0%
Overall	2.9%	5.2%	64.1%	24.0%	3.8%

Clark County's pay 2007 assessments were approved. No reassessment was required.