

**Washington County, Indiana
2006 Pay 2007 Budget Order**

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

Washington County includes four Conservancy Districts (Delaney Creek, Twin Rush Creek, Elk Creek, and Muddy Fork Conservancy Districts). 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.

Washington County has one cross-county unit; Muddy Fork Conservancy District. This unit crosses county lines with Clark County. Since Clark County has not had its budget order approved, only a partial budget order has been issued for Washington County to date. The partial order included every taxing district in Washington County except this conservancy. There is no property tax levy for Muddy Fork Conservancy for 2007, so there will be no property tax impact related to Muddy Fork. Therefore, a complete budget order could be issued for Washington County, which would include Muddy Fork Conservancy.

However, while real property and auditor data are in compliance with departmental and statutory requirements, sales data is not compliant with departmental and statutory requirements.

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 \$943,419 million, or 4.20%. Following are the levy changes that were a 10% change over the previous year levy. The largest total dollar increases in levy were due to the County unit (\$279,987), the City of Salem (\$85,574), and the West Washington School Corporation (\$592,505).

Washington County

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Cumulative Bridge	\$281,182	\$329,486	\$48,304	17.18%
Health	151,838	125,205	-26,633	-17.54%
Children Psychiatric Treatment	8,034	18,828	10,794	134.35%
Hospital Lease Rental	128,540	189,219	60,679	47.21%
Jail Bond	139,788	-	-139,788	-100.00%
Cumulative Jail	26,511	94,139	67,628	255.09%
Park and Recreation	59,450	25,417	-34,033	-57.25%

Total County levy increased by \$279,987 or 5.75%.

Washington 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	\$759,191	\$953,626	\$194,435	25.61%

Brown Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$12,217	\$14,425	\$2,208	18.07%
Township Assistance	5,028	3,694	-1,334	-26.53%

Total Township levy increased by \$874 or 5.07%.

Gibson Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$6,173	\$7,083	\$910	14.74%
Fire Building Debt	7,841	11,818	3,977	50.72%

Total Township levy increased by \$5,272 or 17.34%. CAGIT PTRC for the Township decreased by 26.50% from 2006.

Madison Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$2,541	\$3,110	\$569	22.39%

Total Township levy increased by \$1,065 or 5.82%. CAGIT PTRC for the Township decreased by 17.56% from 2006.

Monroe Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$11,144	\$13,686	\$2,542	22.81%
Township Assistance	2,137	-	-2,137	-100.00%
Emergency Fire Loan	-	8,229	8,229	-%
Cumulative Fire	4,154	3,650	-504	-12.13%

Total Township levy increased by \$8,184 or 39.18%.

Vernon Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$-	\$5,509	\$5,509	-%

Total Township levy increased by \$6,012 or 59.04%. CAGIT PTRC for the Township decreased by 17.72% from 2006. There was an excess levy appeal for Township Assistance in 2007 in the amount of \$5,539.

Twin Rush Creek Conservancy

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$9,194	\$10,506	\$1,312	14.27%
Cumulative Channel Maintenance	355	401	46	12.96%

Total Conservancy levy increased by \$1,358 or 14.22%.

Muddy Fork Conservancy

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$343	\$-	-\$343	-100.00%
Cumulative Channel Maintenance	28	-	-28	-100.00%

Total Conservancy levy decreased by \$371 or 100.00%.

Salem Civil City

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire Pension	\$33,977	\$74,602	\$40,625	119.57%
Police Pension	8,494	64,157	55,663	655.32%
Park and Recreation	129,962	78,225	-\$51,737	-39.81%
Aviation/ Airport	3,398	-	-\$3,398	-100.00%
Sanitation	209,977	242,988	33,011	15.72%

Total City levy increased by \$85,574 or 4.13%.

Salem Community School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Projects	\$1,230,368	\$1,427,063	\$196,695	15.99%
Transportation	550,120	626,223	76,103	13.83%
Bus Replacement	218,568	92,183	-\$126,385	-57.82%

School Corporation received a \$55,722 transportation excess levy appeal per P.L. 2-2006. Total School levy decreased by \$55,404 or 0.82%.

East Washington School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Projects	\$702,068	\$592,568	-\$109,500	-15.60%
Transportation	421,287	551,794	130,507	30.98%

School Corporation received excess levy appeal in the amount of \$115,005 for transportation per P.L. 2-2006. CAGIT PTRC decreased by 15.75% from 2006. Total School levy increased \$1,801 or 0.04%.

West Washington 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	\$583,510	\$985,035	\$401,525	68.81%
Transportation	375,008	467,546	92,538	24.68%
Bus Replacement	55,257	98,885	43,628	78.95%

School Corporation received excess levy appeal in the amount of \$68,824 for transportation per P.L. 2-2006. CAGIT PTRC decreased by 34.40% from 2006. Total School levy increased \$592,505 or 20.31%.

No units in the County exceeded the working maximum levy. All units in the County levied up to the working maximum levy except for County MAW, Fredericksburg Civil Town, Saltillo Civil Town, and Muddy Fork Conservancy.

Washington County is a CAGIT county, and, in CAGIT counties, controlled levies grow at a rate higher than non-CAGIT counties. In addition, a number of taxing units had maximum levy reduction in 2006 due to levy excesses, which were then readjusted in 2007, resulting in the growth of some controlled levies being higher than the normal statutory levy increase.

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	14.94%
Industrial	11.90%
Commercial	-5.95%
Residential	27.10%
Utility	-5.61%

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	32.94%	31.51%
Industrial	2.48%	2.31%
Commercial	7.79%	6.10%
Residential	56.79%	60.08%
Utility	0.00%	0.00%

As can be seen from the analysis, a shift from agriculture, industrial and commercial property to residential property occurred. This shift was approximately 3.29% of the total.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

District	Change in NAV	Change in Gross Tax Rate	Change in Business Personal Property Net Tax Rate	Change in Real Estate and Other Personal Property Net Tax Rate	Change in Homestead Net Tax Rate
Brown Township	1.18%	4.11%	7.97%	10.92%	21.06%
Campbellsburg Town	24.89%	1.31%	3.98%	7.11%	18.39%
Saltillo Town	52.45%	3.49%	7.16%	10.20%	20.51%
Franklin Township	64.82%	-19.95%	-17.61%	-17.14%	-12.91%
Gibson Township	-11.80%	-10.69%	-9.04%	-8.03%	-2.83%
Little York Town	1.18%	-10.58%	-8.92%	-7.92%	-2.66%
Howard Township	11.97%	4.04%	7.98%	10.95%	20.88%
Jackson Township	28.16%	-19.36%	-16.91%	-16.48%	-12.25%
Jefferson Township	-7.66%	-11.56%	-10.05%	-9.10%	-3.97%
Madison Township	4.63%	4.33%	8.34%	11.21%	20.93%
Livonia Township	-10.96%	4.83%	8.89%	11.75%	21.66%
Monroe Township	-12.15%	-9.03%	-7.12%	-5.94%	-0.41%
Pierce Township	15.49%	-19.15%	-16.67%	-16.27%	-12.16%
New Pekin-Pierce Twp.	11.43%	-18.60%	-16.48%	-15.82%	-10.32%
Polk Township	16.76%	-19.29%	-16.83%	-16.41%	-12.25%
New Pekin-Polk Twp.	52.04%	-18.65%	-16.54%	-15.88%	-10.34%
Posey Township	14.94%	3.93%	7.88%	10.79%	20.48%
Fredericksburg Town	-2.77%	4.27%	8.40%	11.30%	20.88%
Hardinsburg Town	0.56%	4.26%	8.15%	11.07%	21.06%
Vernon Township	0.05%	5.00%	9.08%	12.16%	22.45%
Washington Township	14.62%	-12.52%	-11.25%	-10.32%	-5.23%
Salem City	25.47%	-14.00%	-13.33%	-11.97%	-4.66%
Average	13.42%	-6.54%	-3.77%	-1.99%	5.38%

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. No unusual trends in NAV or homestead tax rates were evident during this analysis.

Assessment Status

Real property and auditor data are in compliance with departmental and statutory requirements, while sales data is not compliant.

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	0.8%	22.3%	59.3%	13.5%	4.0%
Industrial	3.3%	86.7%	10.0%	0.0%	0.0%
Residential	5.8%	6.5%	40.7%	45.3%	1.7%
Agricultural	6.6%	49.5%	28.7%	14.5%	0.6%
Exempt	1.8%	75.9%	19.7%	1.9%	0.6%
Utility	0.0%	66.7%	16.7%	0.0%	16.7%
Overall	4.7%	36.0%	29.3%	25.7%	4.3%

Washington County's assessments were released in May 2007. Washington County will not be required to perform a reassessment for pay 2007.