

2010 Property Tax Report

Owen County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Owen 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 Owen 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 Owen 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	3,560	68.3%	243	4.7%
No Change	138	2.6%	32	0.6%
Lower Tax Bill	1,515	29.1%	4,938	94.7%
Average Change in Tax Bill	0.5%		-24.1%	
Detailed Change in Tax Bill				
20% or More	167	3.2%	123	2.4%
10% to 19%	212	4.1%	41	0.8%
1% to 9%	3,181	61.0%	79	1.5%
0%	138	2.6%	32	0.6%
-1% to -9%	826	15.8%	209	4.0%
-10% to -19%	499	9.6%	1,292	24.8%
-20% to -29%	79	1.5%	1,139	21.8%
-30% to -39%	30	0.6%	1,026	19.7%
-40% to -49%	20	0.4%	643	12.3%
-50% to -59%	15	0.3%	234	4.5%
-60% to -69%	6	0.1%	111	2.1%
-70% to -79%	9	0.2%	64	1.2%
-80% to -89%	8	0.2%	70	1.3%
-90% to -99%	6	0.1%	35	0.7%
-100%	17	0.3%	115	2.2%
Total	5,213	100.0%	5,213	100.0%

The average homeowner saw a 0.5% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 24.1% lower than they were in 2007, before the property tax reforms.

94.7% of homeowners saw lower tax bills in 2010 than in 2007.

61% of homeowners saw tax increases of between 1% and 9% from 2009 to 2010.

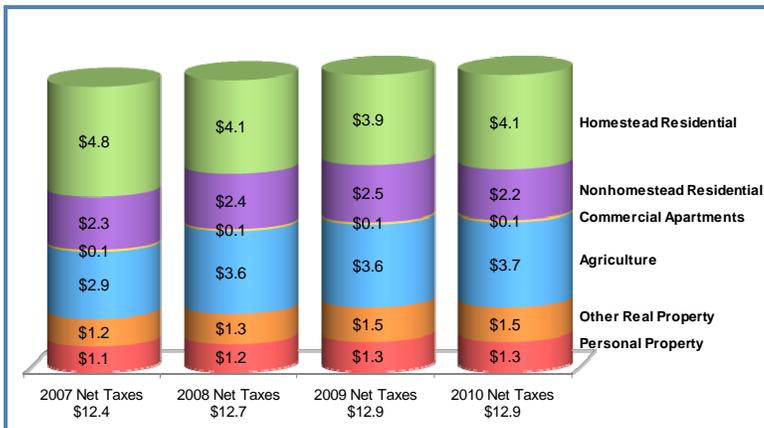
The largest percentage of homeowners have seen between a 10% and 39% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Owen County Overview

The slightly larger-than-average increase in homeowner tax bills occurred mainly because few Owen County homeowners benefitted from the one percent tax cap. Owen County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Owen County home values tend to be lower than the state average. Also, property tax levies increased 3% in Owen County in 2010, slightly more than the state average increase of 2.4%. The largest levy increase was for the Spencer-Owen School Corporation debt service fund. Owen County does not provide local homestead credits.

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



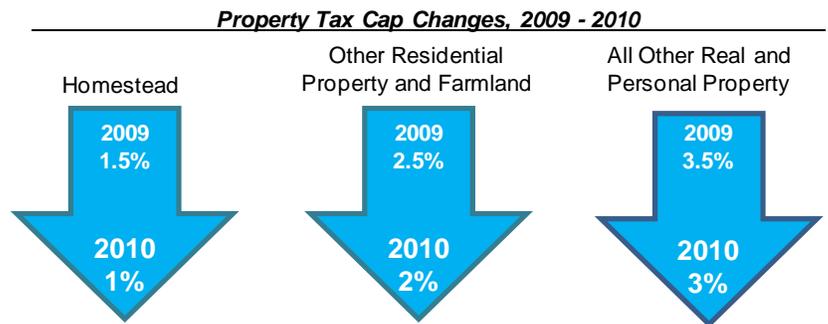
Net tax bills for all taxpayers were unchanged in Owen County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 13.9% decrease in tax bills. This large decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw a 10.3% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 0.4% increase and a 1.2% increase, respectively, in tax bills in 2010. Commercial and industrial property did not benefit from the tightened tax caps, because Owen County's tax rates were not high enough for this type of

property to qualify for tax cap credits. Agricultural business property saw a 2.1% increase in tax payments in 2010 because of the Owen County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.

2010 Property Tax Policy Changes

Property Tax Caps. Property tax caps tightened to their permanent levels. The tighter caps meant more taxpayers were eligible for tax cap credits. This resulted in greater reductions in property tax revenue for local governments.

State Homestead Credits. State homestead credits were reduced by 43% between 2009 and 2010 as part of a scheduled phaseout. The average statewide credit rate fell from 8% to 5% as a result. The credit will be eliminated in 2011.



Tax Cap Credits

Tax cap credits in Owen County in 2010 amounted to 1.9% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to slightly lower-than-average tax rates in Owen County and partly to 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. Only 4 of 15 total taxing districts had rates that exceeded \$2. Two of those district rates only barely exceeded \$2. No commercial or industrial properties in the 3% tax cap category qualified for credits, because all Owen County tax rates were under \$3. Neither Owen County tax rates nor home values were high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category
Owen County Total \$250,187**

1%	2%	3%	Elderly
\$21,794	\$226,521	\$0	\$1,872
8.7%	90.5%	0.0%	0.8%

Owen County, the town of Spencer, and the Spencer-Owen Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Gosport lost the most, at 11.1%. Losses were greatest for units that overlapped the towns of Gosport and Spencer because these tax districts had the highest tax rates.

The Effects of Recession

In Owen 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 4.9% in December 2007 to 9.4% in July 2009. Job losses and income declines contributed to a 1.5% drop in local income tax revenue. Because part of this revenue is used for property tax levy relief, property tax levies were nudged up by the income loss.

Owen County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	608,651,800	612,187,200	0.6%
Other Residential	102,622,600	102,708,200	0.1%
Ag Business/Land	178,564,500	181,698,100	1.8%
Business Real/Personal	155,267,110	152,663,870	-1.7%
Total	\$1,045,106,010	\$1,049,257,370	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 Owen County, the gross assessed value of business real and personal property decreased 1.7% in 2010. All Other assessment categories increased. Total gross assessed value in Owen County rose 0.4%. This was similar to 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.

Owen County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	16,237,860	18,304,056	12,744,957	13,125,291	12.7%	-30.4%	3.0%
State Unit	16,980	17,752	0	0	4.5%	-100.0%	
Owen County	2,682,757	3,264,232	2,675,816	2,782,391	21.7%	-18.0%	4.0%
Clay Township	34,315	35,647	35,619	36,350	3.9%	-0.1%	2.1%
Franklin Township	20,464	21,944	22,825	23,420	7.2%	4.0%	2.6%
Harrison Township	8,970	9,582	9,991	10,355	6.8%	4.3%	3.6%
Jackson Township	13,570	14,743	15,940	15,479	8.6%	8.1%	-2.9%
Jefferson Township	22,561	18,715	19,785	20,344	-17.0%	5.7%	2.8%
Jennings Township	11,723	12,696	13,420	13,786	8.3%	5.7%	2.7%
Lafayette Township	9,310	10,022	10,402	10,753	7.6%	3.8%	3.4%
Marion Township	14,570	15,161	16,038	16,549	4.1%	5.8%	3.2%
Montgomery Township	10,579	10,998	10,898	10,842	4.0%	-0.9%	-0.5%
Morgan Township	11,285	16,906	22,415	22,188	49.8%	32.6%	-1.0%
Taylor Township	12,047	13,352	13,901	14,330	10.8%	4.1%	3.1%
Washington Township	55,034	38,725	20,850	20,115	-29.6%	-46.2%	-3.5%
Wayne Township	17,904	19,703	20,512	21,341	10.0%	4.1%	4.0%
Gosport Civil Town	43,945	56,172	57,251	59,920	27.8%	1.9%	4.7%
Spencer Civil Town	694,548	797,347	819,900	852,543	14.8%	2.8%	4.0%
Spencer-Owen Community School Corp	9,797,380	10,931,727	6,845,855	7,179,624	11.6%	-37.4%	4.9%
Cloverdale Community School Corp	2,200,136	2,333,511	1,431,271	1,312,852	6.1%	-38.7%	-8.3%
Spencer-Owen County Public Library	511,507	610,980	629,164	649,372	19.4%	3.0%	3.2%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0			
Poland Fire Terr (Jackson Township)	48,275	54,141	53,104	52,737	12.2%	-1.9%	-0.7%

Owen County Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates				LOIT Homestead	LOIT Residential	Net Tax Rate, Homesteads
				State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential			
60016	Clay Township	1.9440	--	5.0247%	--	--	--	--	1.8463	
60017	Franklin Township	1.9434	--	5.0247%	--	--	--	--	1.8457	
60018	Harrison Township	1.9429	--	5.0247%	--	--	--	--	1.8453	
60019	Jackson Township	2.0745	--	5.0247%	--	--	--	--	1.9703	
60020	Jefferson Township	1.9408	--	5.0247%	--	--	--	--	1.8433	
60021	Jennings Township	1.9618	--	5.0247%	--	--	--	--	1.8632	
60022	Lafayette Township	1.9219	--	5.0247%	--	--	--	--	1.8253	
60023	Marion Township	1.9388	--	5.0247%	--	--	--	--	1.8414	
60024	Montgomery Township	1.9204	--	5.0247%	--	--	--	--	1.8239	
60025	Morgan Township	1.9537	--	5.0247%	--	--	--	--	1.8555	
60026	Taylor Township	1.9469	--	5.0247%	--	--	--	--	1.8491	
60027	Washington Township	2.0272	--	5.0247%	--	--	--	--	1.9253	
60028	Spencer Town	2.6725	--	5.0247%	--	--	--	--	2.5382	
60029	Wayne Township	1.9410	--	5.0247%	--	--	--	--	1.8435	
60030	Gosport Town	2.3182	--	5.0247%	--	--	--	--	2.2017	

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.

Owen 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>	21,794	226,521	0	1,872	250,187	13,125,291	1.9%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	21,794	226,521	0	1,872	250,187	13,125,291	1.9%
Owen County	3,932	40,002	0	425	44,358	2,782,391	1.6%
Clay Township	14	0	0	0	14	36,350	0.0%
Franklin Township	11	0	0	40	51	23,420	0.2%
Harrison Township	0	0	0	0	0	10,355	0.0%
Jackson Township	0	392	0	0	392	15,479	2.5%
Jefferson Township	1	0	0	13	14	20,344	0.1%
Jennings Township	2	0	0	0	2	13,786	0.0%
Lafayette Township	0	0	0	0	0	10,753	0.0%
Marion Township	0	0	0	0	0	16,549	0.0%
Montgomery Township	0	0	0	0	0	10,842	0.0%
Morgan Township	4	0	0	0	4	22,188	0.0%
Taylor Township	15	0	0	0	15	14,330	0.1%
Washington Township	80	646	0	0	726	20,115	3.6%
Wayne Township	4	558	0	0	562	21,341	2.6%
Gosport Civil Town	49	6,621	0	0	6,670	59,920	11.1%
Spencer Civil Town	4,779	45,599	0	1	50,380	852,543	5.9%
Spencer-Owen Community School Corp	11,451	108,302	0	1,293	121,046	7,179,624	1.7%
Cloverdale Community School Corp	534	13,730	0	0	14,265	1,312,852	1.1%
Spencer-Owen County Public Library	918	9,336	0	99	10,353	649,372	1.6%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0	0	0	
Poland Fire Terr (Jackson Township)	1	1,335	0	0	1,336	52,737	2.5%

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.