

# 2011 Property Tax Report

## Shelby County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Shelby County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Shelby County

The average homeowner saw a 1.7% tax bill decrease from 2010 to 2011.

Homestead taxes in 2011 were 26.5% lower than they were in 2007, before the property tax reforms.

93.9% of homeowners saw lower tax bills in 2011 than in 2007.

45.6% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 10% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	4,840	47.4%	564	5.5%
No Change	581	5.7%	55	0.5%
Lower Tax Bill	4,785	46.9%	9,587	93.9%
<b>Average Change in Tax Bill</b>	<b>-1.7%</b>		<b>-26.5%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	109	1.1%	167	1.6%
10% to 19%	78	0.8%	116	1.1%
1% to 9%	4,653	45.6%	281	2.8%
0%	581	5.7%	55	0.5%
-1% to -9%	3,919	38.4%	904	8.9%
-10% to -19%	581	5.7%	1,927	18.9%
-20% to -29%	135	1.3%	2,245	22.0%
-30% to -39%	65	0.6%	2,068	20.3%
-40% to -49%	24	0.2%	1,311	12.8%
-50% to -59%	13	0.1%	548	5.4%
-60% to -69%	7	0.1%	200	2.0%
-70% to -79%	10	0.1%	126	1.2%
-80% to -89%	8	0.1%	78	0.8%
-90% to -99%	4	0.0%	47	0.5%
-100%	19	0.2%	133	1.3%
<b>Total</b>	<b>10,206</b>	<b>100.0%</b>	<b>10,206</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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*LOWER TAX RATES OFFSET THE  
LOSS OF STATE HOMESTEAD  
CREDIT TO REDUCE HOMEOWNER  
TAX BILLS*

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#### Homestead Property Taxes

Homestead property taxes decreased 1.7% on average in Shelby County in 2011. This was less than the state average increase of 4.4%. Shelby County homestead taxes were 26.5% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax decrease in 2011 was due to the drop in tax rates in most Shelby County tax districts. The phaseout of the state homestead credit in 2011 partly offset the effect of these lower rates.

#### Tax Rates

Property tax rates decreased in most Shelby County tax districts. The average tax rate declined by 3.3% because the decline in net assessed value was exceeded by a larger reduction in the levy. Levies in Shelby County decreased by 3.5%. The biggest levy decreases were in the Shelby Central Schools bus replacement fund and the Shelby Eastern Schools debt service and bus replacement funds. Shelby County's total net assessed value decreased 2.1% in 2011. (The certified net AV used to compute tax rates declined by 0.2%.) Homesteads decreased by 2.3%, and agricultural net assessments increased by 1.6%. Other residential assessments showed a decrease of 1.0%, while business net assessments decreased by 3.7%.

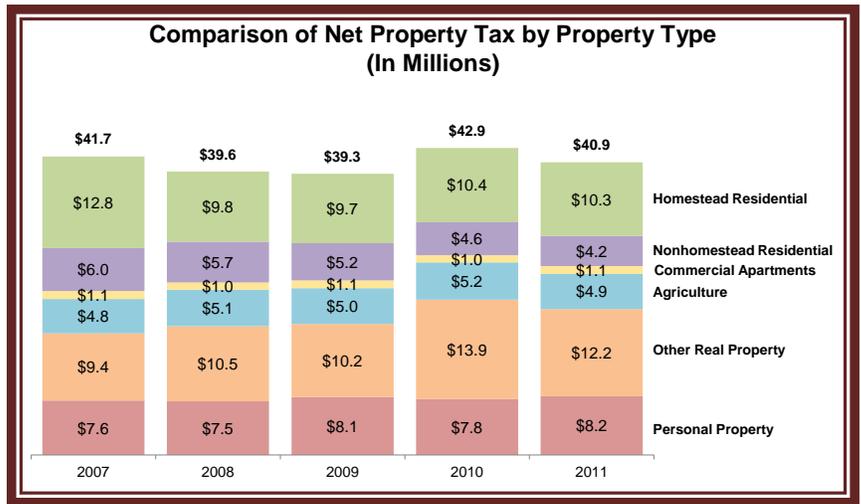
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**TAX REDUCTIONS FOR NONHOMESTEAD  
PROPERTY, EXCEPT APARTMENTS**

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**Net Tax Bill Changes - All Property Types**

Net tax bills for all taxpayers fell 4.3% in Shelby County in 2011, compared to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 8.5%. Tax bills for commercial apartments rose 5.4%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – dropped by 5.5%. These tax reductions reflect the lower tax rates in Shelby County in 2011. Agricultural tax bills fell 4.0%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



**Tax Cap Credits**

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS DECREASED  
SLIGHTLY IN 2011**

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Total tax cap credit losses in Shelby County were \$1.2 million, or 2.9% of the levy. This was less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Shelby County's tax rates were lower than the state median.

Almost two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Shelby County had only one tax district with a rate above \$3 per \$100 assessed value, so little property in the 3% category was eligible for tax cap credits. By far, the largest percentage losses were the town of Edinburgh, where district tax rates were above \$3. The largest dollar losses were in Shelbyville, Shelbyville Central School Corporation, and the county unit.

Shelby County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$340,854	\$864,724	\$4,763	\$22,048	\$1,232,389	2.8%
2011 Tax Cap Credits	378,689	785,973	15,428	21,990	1,202,080	2.9%
<b>Change</b>	<b>\$37,835</b>	<b>-\$78,751</b>	<b>\$10,666</b>	<b>-\$59</b>	<b>-\$30,309</b>	<b>0.1%</b>

Tax cap credits decreased slightly in Shelby County in 2011 by \$30,309, or 2%. Because of a

decrease in the levy, the reduced credits represent a slight 0.1% increase in the percentage of the levy lost to tax cap credits. Most of the decrease in tax cap credits was in the 2% tax cap category. Lower tax rates are the reason for this decrease. The elimination of the state homestead credit caused much of the 1% tax cap credit increase.

**The Effect of Recession**

The 2009 recession had an effect on Shelby County assessments for pay-2011. Business, other residential, and homestead property values and construction activity appear to have fallen in Shelby County in 2009. This assessment decline prevented tax rates from falling more. Lower tax rates would have reduced tax cap credit losses more.

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**2009 RECESSION REDUCED  
ASSESSMENTS IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,620,605,553	\$1,610,174,850	-0.6%	\$728,002,048	\$711,209,773	-2.3%
Other Residential	259,021,200	256,395,900	-1.0%	257,180,567	254,655,692	-1.0%
Ag Business/Land	364,604,000	370,468,640	1.6%	364,212,870	370,128,640	1.6%
Business Real/Personal	1,198,225,903	1,126,108,536	-6.0%	982,300,546	946,211,304	-3.7%
<b>Total</b>	<b>\$3,442,456,656</b>	<b>\$3,363,147,926</b>	<b>-2.3%</b>	<b>\$2,331,696,031</b>	<b>\$2,282,205,409</b>	<b>-2.1%</b>

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

### Shelby County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	53,553,658	53,132,096	36,149,027	38,740,330	37,368,708	-0.8%	-32.0%	7.2%	-3.5%
State Unit	52,836	54,057	0	0	0	2.3%	-100.0%		
Shelby County	8,662,842	7,486,908	6,772,367	6,654,428	6,662,771	-13.6%	-9.5%	-1.7%	0.1%
Addison Township	70,037	71,815	73,899	91,940	76,573	2.5%	2.9%	24.4%	-16.7%
Brandywine Township	61,028	61,379	91,181	86,243	79,644	0.6%	48.6%	-5.4%	-7.7%
Hanover Township	61,674	62,095	62,524	63,112	64,114	0.7%	0.7%	0.9%	1.6%
Hendricks Township	18,734	19,325	20,314	20,870	21,335	3.2%	5.1%	2.7%	2.2%
Jackson Township	16,864	17,144	18,273	18,862	19,326	1.7%	6.6%	3.2%	2.5%
Liberty Township	22,304	19,886	19,865	20,810	21,441	-10.8%	-0.1%	4.8%	3.0%
Marion Township	33,344	34,853	36,341	37,507	34,202	4.5%	4.3%	3.2%	-8.8%
Moral Township	116,647	204,811	167,060	159,901	180,630	75.6%	-18.4%	-4.3%	13.0%
Noble Township	29,815	29,520	29,965	30,702	29,145	-1.0%	1.5%	2.5%	-5.1%
Shelby Township	59,416	58,180	61,026	61,836	53,409	-2.1%	4.9%	1.3%	-13.6%
Sugar Creek Township	35,282	35,328	35,834	57,896	64,392	0.1%	1.4%	61.6%	11.2%
Union Township	27,407	27,372	26,932	24,735	24,723	-0.1%	-1.6%	-8.2%	0.0%
Van Buren Township	51,750	53,229	55,343	56,455	53,975	2.9%	4.0%	2.0%	-4.4%
Washington Township	24,082	25,017	26,053	26,922	26,336	3.9%	4.1%	3.3%	-2.2%
Shelbyville Civil City	8,597,292	9,007,172	8,704,942	9,007,881	9,077,918	4.8%	-3.4%	3.5%	0.8%
St. Paul Civil Town	3,970	17,308	18,761	18,428	17,052	336.0%	8.4%	-1.8%	-7.5%
Edinburgh Civil Town	97,555	186,045	92,794	139,685	182,291	90.7%	-50.1%	50.5%	30.5%
Morristown Civil Town	241,157	237,911	258,848	264,885	280,287	-1.3%	8.8%	2.3%	5.8%
Fairland Civil Town	0	0	0	38,999	31,788				-18.5%
Decatur County Community School Corp	48,714	47,387	16,373	17,263	20,482	-2.7%	-65.4%	5.4%	18.6%
Shelby Eastern School Corp	8,804,368	8,909,418	4,916,427	4,898,506	4,408,304	1.2%	-44.8%	-0.4%	-10.0%
Northwestern Consol School Corp	5,376,192	5,205,630	2,708,987	3,032,716	2,970,757	-3.2%	-48.0%	12.0%	-2.0%
Southwestern Consol Shelby County School Corp	3,078,485	3,284,215	1,888,528	1,877,966	1,865,097	6.7%	-42.5%	-0.6%	-0.7%
Shelbyville Central School Corp	17,293,827	17,232,121	9,328,047	11,288,721	10,338,542	-0.4%	-45.9%	21.0%	-8.4%
Shelbyville-Shelby County Public Library	501,939	527,057	559,616	579,546	596,882	5.0%	6.2%	3.6%	3.0%
Shelby County Solid Waste Mgt Dist	147,499	153,162	158,727	163,515	167,292	3.8%	3.6%	3.0%	2.3%
Morristown Redevelopment Comm	0	0	0	0	0				
Shelbyville Redevelopment Comm	18,598	63,751	0	0	0	242.8%	-100.0%		

### Shelby County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
73001	Addison Township	1.4531	--	--	--	--	--	--	1.4531
73002	Shelbyville City-Addison Township	2.4867	--	--	--	--	--	--	2.4867
73004	Brandywine Township	1.1341	--	--	--	--	--	--	1.1341
73005	Shelbyville City-Brandywine Township	2.1307	--	--	--	--	--	--	2.1307
73007	Hanover Township	1.4868	--	--	--	--	--	--	1.4868
73008	Morristown Town	2.0074	--	--	--	--	--	--	2.0074
73009	Hendricks Township	1.1973	--	--	--	--	--	--	1.1973
73010	Jackson Township	1.1877	--	--	--	--	--	--	1.1877
73011	Liberty Township	1.4308	--	--	--	--	--	--	1.4308
73012	Marion Township	1.4616	--	--	--	--	--	--	1.4616
73013	Moral Township	1.1456	--	--	--	--	--	--	1.1456
73014	Noble Township	1.4442	--	--	--	--	--	--	1.4442
73015	St Paul Town-Decatur Co Schools	1.3834	--	--	--	--	--	--	1.3834
73016	Shelby Township-East	1.4639	--	--	--	--	--	--	1.4639
73017	Shelby Township-West	1.4805	--	--	--	--	--	--	1.4805
73018	Sugar Creek Township	1.1425	--	--	--	--	--	--	1.1425
73019	Union Township	1.4402	--	--	--	--	--	--	1.4402
73020	Van Buren Township	1.4765	--	--	--	--	--	--	1.4765
73021	Washington Township	1.2088	--	--	--	--	--	--	1.2088
73022	St Paul Town-Shelby Eastern Schools	1.7706	--	--	--	--	--	--	1.7706
73023	Shelbyville Shelby West	2.4976	--	--	--	--	--	--	2.4976
73024	Shelbyville City-Marion Township	2.4939	--	--	--	--	--	--	2.4939
73025	Edinburg Town-Jackson Township	3.6327	--	--	--	--	--	--	3.6327
73026	Shelbyville Shelby East	2.4810	--	--	--	--	--	--	2.4810
73027	Fairland Town	1.5649	--	--	--	--	--	--	1.5649

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 *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.

**Shelby County 2011 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>	378,689	785,843	15,428	21,990	1,201,949	37,368,708	3.2%
<i>TIF Total</i>	0	131	0	0	131	3,930,164	0.0%
<i>County Total</i>	378,689	785,974	15,428	21,990	1,202,080	41,298,872	2.9%
Shelby County	47,224	100,990	1,370	3,824	153,408	6,662,771	2.3%
Addison Township	548	1,714	0	56	2,318	76,573	3.0%
Brandywine Township	0	3	0	67	70	79,644	0.1%
Hanover Township	7	3	0	0	10	64,114	0.0%
Hendricks Township	0	0	0	4	4	21,335	0.0%
Jackson Township	202	75	48	19	343	19,326	1.8%
Liberty Township	7	0	0	2	8	21,441	0.0%
Marion Township	267	63	0	19	348	34,202	1.0%
Moral Township	46	0	0	158	204	180,630	0.1%
Noble Township	69	0	0	0	69	29,145	0.2%
Shelby Township	191	6	0	50	246	53,409	0.5%
Sugar Creek Township	0	0	0	31	31	64,392	0.0%
Union Township	0	0	0	0	0	24,723	0.0%
Van Buren Township	0	0	0	0	0	53,975	0.0%
Washington Township	5	0	0	1	6	26,336	0.0%
Shelbyville Civil City	133,299	325,600	0	5,946	464,845	9,077,918	5.1%
St. Paul Civil Town	0	0	0	5	5	17,052	0.0%
Edinburgh Civil Town	40,664	16,185	10,423	0	67,273	182,291	36.9%
Morristown Civil Town	474	195	0	0	669	280,287	0.2%
Fairland Civil Town	0	0	0	308	308	31,788	1.0%
Decatur County Community School Corp	0	0	0	10	10	20,482	0.0%
Shelby Eastern School Corp	2,705	467	0	61	3,234	4,408,304	0.1%
Northwestern Consol School Corp	332	114	0	2,251	2,698	2,970,757	0.1%
Southwestern Consol Shelby County School	14,059	5,325	3,429	869	23,682	1,865,097	1.3%
Shelbyville Central School Corp	133,173	323,520	0	7,870	464,564	10,338,542	4.5%
Shelbyville-Shelby County Public Library	4,231	9,047	123	343	13,743	596,882	2.3%
Shelby County Solid Waste Mgt Dist	1,186	2,536	34	96	3,852	167,292	2.3%
Morristown Redevelopment Comm	0	0	0	0	0	0	
Shelbyville Redevelopment Comm	0	0	0	0	0	0	
TIF - Shelbyville Addison 002	0	0	0	0	0	1,527,812	0.0%
TIF - Shelbyville Brandywine 005	0	130	0	0	130	1,720,244	0.0%
TIF - Morristown 008	0	1	0	0	1	682,108	0.0%

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.