






County Wide:

Annexation financial impact

Annexation impact on revenue of selected local taxing units by the second year after annexation. (Amounts show by how much annexation would curb revenue growth. They do not mean taxing units would get less money after annexation — only that their revenue increase would be lowered by this amount.) H-T Article

Negative and Positive

	MONROE COUNTY GOVERNMENT -\$2,737,526
	MONROE VCOUNTY SCHOOL CORPORATION -\$486,047
	MONROE COUNTY PUBLIC LIBRARY -\$273,213
	Monroe Fire Protection District -\$501,370
	CITY OF BLOOMINGTON <u>+\$10,736,870</u>

This isn't including the following:

County Solid Waste	\$25,748
Ellettsville	\$88,913
Stinesville	\$519
RBB Schools	\$32,046
Townships	\$177,002

At least 20% of Van Buren residents are living on Social Security alone.



VAN BUREN IS NOT INTERESTED IN BECOMING A PART OF THE ANNEXATION

Township Assistance Provides:

Township Assistance Provides:	2020	2021	2022	2023	2024 YTD
Services of Physicians, Dentists, Opticians	\$ 103.00	\$ -	\$ 1,275.90	\$ -	\$ -
Prescriptions	\$ -	\$ -	\$ 374.93	\$ -	\$ -
Service of Burials	\$ 3,000.00	\$ 12,365.00	\$ 15,530.00	\$ 14,760.00	\$ 3,850.00
Food and Household Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing/Shoes/Miscellaneous	\$ -	\$ -	\$ -	\$ 26.94	\$ -
SHELTER	\$ 59,456.15	\$ 33,614.29	\$ 74,069.94	\$ 68,903.47	\$ 21,442.65
FUEL (Gas-Propane-Fuel Oil-Wood)	\$ 1,953.98	\$ 1,197.16	\$ 5,284.54	\$ 2,767.10	\$ 604.71
PUBLIC UTILITY SERVICES	\$ 23,673.54	\$ 20,955.38	\$ 37,809.09	\$ 37,757.34	\$ 6,026.05
Text Books	\$ -	\$ -	\$ -	\$ -	\$ -
Bus/Taxi	\$ 50.00	\$ 30.00	\$ -	\$ -	\$ -
Totals	\$ 89,326.67	\$ 68,161.79	\$134,344.40	\$124,184.85	\$ 31,923.41

1. Townships usually provide services for the above support services. Residents are welcome to walk in and request an application for assistance, submit on line applications or through a phone call requesting an appointment.
2. Generally speaking, we offer appointments through out the day. Do you have an open-door to your office to speak with the trustee or case worker who interviews a client? .
3. Time spent with a client who needs assistance usually occurs within 30 minutes or less.
4. The Trustee or Deputy Trustee is the only individual who can approve or deny a client. And must be decided within 72 hours after a completed application. Can you do this??
5. Any of the above is available to the residents through our guidelines.
6. Questions a client has concerning anything else will be directed to the Trustee. If unable to help with a situation, they will find an individual who they can call. Will the city be able to help with all the above in 72 hours?

Other assistance we offer:

- Overgrown noxious weeds
- Fence line disputes
- Community services – i.e. building a ramp for a disabled individual; making sure an individual has basic necessities, and, if needed, other services or items determined as a necessity.
- Bus tickets without charge
- Notary seals without charging
- Provide budgeting if desired

2021

MONROE COUNTY, INDIANA

**ESTIMATED REVENUE IMPACT TO OVERLAPPING TAXING UNITS
BLOOMINGTON CITY ANNEXATION**

	Baker Tilly Restated		Reedy Financial Group (report dated 05/13/21)		Year 1 Variance	Year 2 Variance
	Year 1	Year 2	Year 1	Year 2		
Van Buren Township						
Circuit Breaker Tax Credits	\$ (7,577)	\$ (7,577)	\$ (744)	\$ (744)	\$ 6,833	\$ 6,833
Vehicle Excise, FIT, and CVET Taxes	(1,198)	(1,198)	(22,744)	(22,744)	(21,546)	(21,546)
Local Income Tax	-	(22,633)	-	(28,113)	-	(5,480)
Totals	(8,775)	(31,408)	(23,488)	(51,601)	(14,713)	(20,193)
Assumed service level reduction	-	-	-	-	-	-
Net revenue impact	<u>\$ (8,775)</u>	<u>\$ (31,408)</u>	<u>\$ (23,488)</u>	<u>\$ (51,601)</u>	<u>\$ (14,713)</u>	<u>\$ (20,193)</u>
Monroe Fire Protection District						
Circuit Breaker Tax Credits	\$ (268,780)	\$ (268,780)	\$ (290,488)	\$ (290,488)	\$ (21,708)	\$ (21,708)
Vehicle Excise, FIT, and CVET Taxes	(25,221)	(25,221)	(68,932)	(68,932)	(43,711)	(43,711)
Local Income Tax	-	(207,369)	-	-	-	207,369
Totals	(294,001)	(501,370)	(359,420)	(359,420)	(65,419)	141,950
Assumed service level reduction	-	-	-	-	-	-
Net revenue impact	<u>\$ (294,001)</u>	<u>\$ (501,370)</u>	<u>\$ (359,420)</u>	<u>\$ (359,420)</u>	<u>\$ (65,419)</u>	<u>\$ 141,950</u>
Monroe Co. Solid Waste District						
Circuit Breaker Tax Credits	\$ (19,779)	\$ (19,779)	\$ (18,691)	\$ (18,691)	\$ 1,088	\$ 1,088
Vehicle Excise, FIT, and CVET Taxes	(5,969)	(5,969)	(6,371)	(6,371)	(402)	(402)
Local Income Tax	-	-	-	-	-	-
Totals	(25,748)	(25,748)	(25,062)	(25,062)	686	686
Assumed service level reduction	-	-	-	-	-	-
Net revenue impact	<u>\$ (25,748)</u>	<u>\$ (25,748)</u>	<u>\$ (25,062)</u>	<u>\$ (25,062)</u>	<u>\$ 686</u>	<u>\$ 686</u>

Notes:

- (1) Estimates of TIF and Storm Water revenues are based on Reedy Financial Group's report. Detailed calculations of the TIF and Storm Water revenue impacts were not available for analysis.
- (2) Estimates of assumed service level reduction are based on Reedy Financial Group's report. Detailed calculations of service level reduction were not available in the report to analyze.

Annexation Subpoena:

When contractors build into additions they request sewer and water. Example:

Cost of home and labor involved \$250,000.

Sewer and water installed from city is added on to the total cost of the home. Also, residents are paying a higher rate percentage for city utilities. So, residents aren't 'free loading'.. they are paying for installation cost of utilities. If they do drive into the city they usually are going to a restaurant, which helps the business and keeps them in operation. While on this, do we expect residents to pay for county roads going out of the city... maybe using the county road to get to Monroe Lake, or I-69.

Van Buren:

1. Assessed value was estimated for homes in 2021
 - a. Majority of highly effected residents were elderly. Some live on Social Security alone. Even with 65 and older deductions they are pressed to have an increase. In addition, any future increases with the assessed values increasing tax credits will be removed from circuit breaker
2. City's Van Buren 1A alone was targeted for 1297 parcels and 1B was targeted for 802 parcels. For a total of 2099 parcels in Van Buren alone.
3. Tax increases 62% for businesses. Average cost increase across all of the annexation estimated to be \$681.

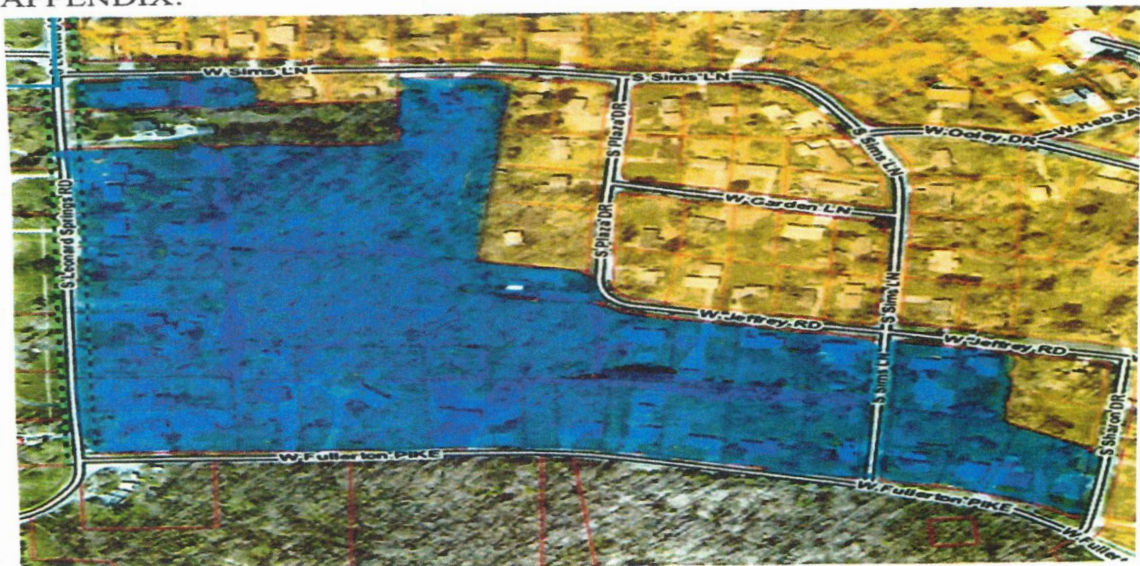
VB expected decrease in certified shares from Baker-Tilly and Reedy will drastically reduce revenues.

See Data sheet

City officials have stated that it has come time to annex parts of the county that look like the city. Are we to think that one house looks like the city and its direct neighbor does not? Take for example: 1. The houses on the southern side of Sims Ln leading up to Plaza Dr. Four houses were annexed, while two were not. 2. There are four houses on the East side of Plaza Dr. that were targeted for annexation, but the most southern house was not. 3. On the Southern side of Jeffery Rd. from where it turns off of Plaza all the way west to Sharon Dr. six homes were left off the annexation rolls, but one was not. There could be some innocent explanation to this, but I am left to speculate that the city is not as dedicated to its mission as they let on and are interested in only annexing properties where they can draw immediate revenues off of. Is it possible that the city does not want to put in a lift station so some of these residents can hook onto the sewer? Look at the image in the appendix below. These residents in blue look nearly identical to their neighbors. Do they not look “urban” enough for the city? The residents in blue are closer to the city center than some other targeted residents. Are they too far out in the sticks to be part of the city?

What metric did the administration use when targeting these areas? They certainly made no attempt to keep existing communities together in these cases. Either Garden Acres is city material or it is not. The same stands for the Fullerton Pike neighborhood. The only other case would have to be that those residents not targeted did not stand to bring in the revenue (or would cost too much) to bring into the city. The administration will look residents’ dead in the eye and say that this is not a money grab, but when looking at these maps, I’m not sure how that can be true.

APPENDIX:



Blue = NOT targeted for annexation
Yellow = targeted for annexation

Police:

In 2019 the city commission to study said we needed 121 officers. Currently we have 105. If you bring in 14k more residents the requirement would need 146 officers. National average indicates a community needs 1.6 officers for every 1K people. Scaling this they would need 160 officers, a short fall of 55.

The city struggles to maintain the number of officers they currently have let alone, increasing the number of officers. City police officers have reach out to us telling us their poor working conditions. They have mandated double shifts which equates to 17 hours of straight work. Often without breaks. The struggle is not just about the number of people, but the increase of high volume call areas they will be required to respond to. Nine out ten places areas currently that the Sheriffs called to will now be placed under the care of the city. Just think about the number of calls Walmart gets alone.

Circuit breaker:

Residential only .01% assessed value. Assessed value \$180,000 – to \$250,000 even if you haven't done anything to your home. Less tax rate on frozen levy only increase a certain % year over year by levy growth. Tied to personal income growth quotation. If assessed value grow because the city will grow. New construction. Market price of housing higher assessed on existing value.

If your house, the one you would call your main residence, has a property value of \$100,000, the cap guaranteed that taxes on that house will never exceed 1 percent of its valuation, or \$1,000.

But there's a flip side to the tax caps, and new research by Justin Ross, associate professor of public finance at Indiana University, shows that they may not be beneficial to low-income taxpayers.

In Indiana, there are three levels of property tax caps: a 1 percent cap for a homestead, or main residence, property; a 2 percent cap for a second residence, a multi-building residential property, property leased for placement of a mobile home, agricultural use or a long-term care facility; and a 3 percent cap for nonresidential properties. There also is a credit for property owners 65 years old or older.

Ross looked at the state as a whole, and taking away factors such as government overspending, found that the loss of revenue from the tax caps, also called circuit breakers, tend to be higher in economically distressed areas. That doesn't mean those taxpayers are seeing the most savings from the caps. Most circuit breaker losses are tax savings for owners of commercial and industrial property.

"The savings the tax caps get are not flowing to the impoverished areas," Ross said.

Because those areas are seeing the most loss of tax revenue, those governments are the ones cutting their services to taxpayers.

It's probably not the effect Indiana legislators hoped for when the tax cap system was approved in 2008. It became a part of the state's constitution in 2010.

"There is this idea that maybe tax caps will make us a more competitive state," Ross said.

There's not a good way to measure tax competitiveness. The standard used is total property taxes paid divided by population, which tends to make states with a low population or high taxes look better than they actually are, Ross said.

Indiana has been fairly progressive with reforms, doing away with the personal property tax years ago. However, the state left the business personal property tax in place, and taking it away now becomes a problem for many communities under the caps.

So far, Monroe County isn't losing very much to the caps. In 2014, the entire county lost \$819,506.61. It collected a total of about \$130 million for the year.

“The whole kit-and-kaboodle has not hit this county hard,” said Monroe County Auditor Steve Saulter.

The only area where tax caps have had an impact is the northwestern part of the county, where school debt caused many properties to hit the caps.

That doesn't mean more of the county won't feel the squeeze. Saulter mentioned changes to the way commercial buildings are assessed -- thanks to a December ruling by the Indiana Board of Tax Review which said an Indianapolis Meijer store should be assessed as if there is no business located there.

If that ruling stands and is applied statewide, it could cause residential property taxpayers to hit the caps sooner and create larger revenue losses for Monroe County.

Saulter said he wasn't aware of anything local governments could do to prevent revenue losses caused by the tax caps.

“You would probably have to have something in the Legislature,” Saulter said.

The big problem for local governments is the way budgets are figured.

“Local governments were built on property taxes,” Ross said. “You set the spending level, and property taxes filled the cup.”

But because local governments aren't entirely sure how much they will get from property taxes when budgets are set in the fall, they have to go through what Ross called an “ad-hoc budget process,” amending the budget throughout the year.

Most counties tend to raid other funds to make up shortfalls.

However, there's no easy fix to the tax code.

For every \$1 lost to the caps, significant cuts would need to be made to recoup that lost tax dollar, Ross said.

“There's just not that kind of inefficiency anywhere” to cut, Ross said.

Some counties issue tax abatements to prevent commercial areas from hitting the caps, Ross said. But, like Saulter, he thinks a legislative change is probably necessary.

In Oregon and California -- which have similar property tax freezes -- legislators ended up freezing the assessed value growth, too, using a growth formula to increase it each year.

“You can’t have autonomous local governments that choose their own revenue and have these caps,” Ross said.

Eventually, Indiana will need to do something to ease the tax cap troubles for local governments.

“It’s going to be a matter of figuring out how to live with it,” Ross said.

Over 65 Circuit Breaker Credit

The over 65 circuit breaker credit limits how much your taxes will increase each year. With this credit, your taxes will increase no more than 2 percent each year.

The maximum credit you can receive = tax liability – (prior year tax x 1.02).

You must meet these requirements to receive the deduction:

- Turned 65 or older by December 31 of the prior year.
- Have qualified for the homestead standard deduction on the property this year and last year.
- Have an adjusted gross income of \$30,000 or less, or a combined adjusted gross income with your spouse of \$40,000 or less.
- Have a gross assessed property value of \$200,000 or less on the homestead portion of the property. You can find the value of the homestead portion of your property on your tax bill or property record card.
- Own, be buying on recorded contract, or have a beneficial interest in the property.

City gives grants to the following:

2022	\$338,966
2023	\$323,000

Van Buren donated:

2022	00000
2023	\$12,500

American Red Cross	\$1000
Community Kitchen	\$3000
Hoosier Hills Bank	\$3500
Beacon	\$1000
New Hope Family Shelter	\$500
Salvation Army	\$2000
Monroe County United Ministries	<u>\$1500</u>
Total	\$12,500

