

**Now that the 2009 property tax rates are known, what is the impact of the circuit breaker?**

Even with two of the school corporations in Hendricks County having higher school property tax rates than Brownsburg Schools, the circuit breaker impact is far greater for Brownsburg Schools than any other Hendricks County tax unit.

The circuit breaker levels for 2009 were set such that taxpayer's obligations are no greater than 1.5% of the gross assessed valuation of owner-occupied residential property, 2.5% for rental residential and agricultural property and 3.5% for commercial and industrial properties. For 2010, the respective rate caps will move to 1%, 2% and 3%. The respective property taxpayers will not be charged for any property tax amounts over the above capped rates. The reduction of some property values from the declining economy will reduce the assessed values further for many properties for 2010. That reduction will likely result in an increase in some tax rates and further increase the impact of the circuit breaker losses for all communities for 2010.

Table 1 shows the 2009 total tax rates for some of the towns in Hendricks County for a comparison.

Table 2 provides a complete list of the circuit breaker losses for every unit of Hendricks County.

Table 3 shows the losses of each property tax fund for Brownsburg Schools.

**Table 1 2009 Total Tax Rates for Various Hendricks County Units**

<b>Town</b>	<b>School Corp</b>	<b>Total Tax Rate</b>	<b>School Tax Rate</b>	<b>School Rate as % of Total</b>
Avon	Avon	2.6181	1.5993	61.09
Brownsburg	Brownsburg	2.8542	1.4618	51.22
Danville	Danville	2.3291	1.2876	55.28
Plainfield	Plainfield	2.4954	1.0747	43.07
Pittsboro	NW Hendricks	2.4841	1.4808	59.61
North Salem	NW Hendricks	2.6890	1.4808	55.07
Clayton	Mill Creek	1.7911	0.9296	51.90
Lizton	NW Hendricks	2.4879	1.4808	59.52
Coatesville	Mill Creek	2.0203	0.9296	46.01
Amo	Mill Creek	2.1523	0.9296	43.19
Stilesville	Mill Creek	1.6949	0.9296	54.85
<b>Township</b>				
Washington	Avon	2.2927	1.5993	69.76
Brown	Brownsburg	2.1856	1.4618	66.88
Lincoln	Brownsburg	2.1797	1.4618	67.06
Gilford	Plainfield	1.8482	1.0747	58.15
Center	Danville	2.0820	1.2876	61.84
Middle	NW Hendricks	2.1220	1.4808	69.78
Clay	Mill Creek	1.4832	0.9296	62.68

**Table 2 - Circuit Breaker losses for Hendricks County Units**

Unit Name	Total Unit CB Loss
HENDRICKS COUNTY	71,602.97
BROWN TOWNSHIP	62.71
CENTER TOWNSHIP	0.74
CLAY TOWNSHIP	0.00
EEL RIVER TOWNSHIP	76.52
FRANKLIN TOWNSHIP	0.00
GUILFORD TOWNSHIP	28.81
LIBERTY TOWNSHIP	0.83
LINCOLN TOWNSHIP	1,123.64
MARION TOWNSHIP	0.00
MIDDLE TOWNSHIP	143.98
UNION TOWNSHIP	16.92
WASHINGTON TOWNSHIP	11,912.52
BROWNSBURG CIVIL TOWN	155,760.57
PLAINFIELD CIVIL TOWN	47,815.45
JAMESTOWN CIVIL TOWN	0.00
AMO CIVIL TOWN	0.00
CLAYTON CIVIL TOWN	2.89
COATSVILLE CIVIL TOWN	0.00
DANVILLE CIVIL TOWN	87.99
LIZTON CIVIL TOWN	117.71
NORTH SALEM CIVIL TOWN	2,041.81
PITTSBORO CIVIL TOWN	28.92
STILESVILLE CIVIL TOWN	0.00
AVON CIVIL TOWN	9,723.71
NORTHWEST HENDRICKS SCHOOL CORPORATION	7,519.10
BROWNSBURG COMMUNITY SCHOOL CORPORATION	220,422.26
AVON COMMUNITY SCHOOL CORPORATION	125,422.75
DANVILLE COMMUNITY SCHOOL CORPORATION	169.24
PLAINFIELD COMMUNITY SCHOOL CORPORATION	932.67
MILL CREEK COMMUNITY SCHOOL CORPORATION	14.21
WASHINGTON TOWNSHIP PUBLIC LIBRARY	4,830.97
BROWNSBURG PUBLIC LIBRARY	8,987.15
CLAYTON PUBLIC LIBRARY	0.93
COATESVILLE-CLAY TOWNSHIP PUBLIC LIBRARY	0.00
DANVILLE PUBLIC LIBRARY	13.14
PLAINFIELD - GUILFORD TWP PUBLIC LIBRARY	100.06

**Brownsburg Community School Corporation  
Circuit Breaker Loss Analysis  
Based on 100% Property Tax collection  
September 18, 2009**

**Total CB loss 220,422.26**

<b>Fund</b>	<b>Tax Rate</b>	<b>Tax Levy</b>	<b>% of Total</b>	<b>\$ Lost</b>
<b>Debt Service</b>	<b>0.9134</b>	<b>15,230,720</b>	<b>62.48</b>	<b>137,729.98</b>
<b>Pension Debt</b>	<b>0.0433</b>	<b>722,017</b>	<b>2.96</b>	<b>6,529.13</b>
<b>Capital Projects</b>	<b>0.2825</b>	<b>4,710,618</b>	<b>19.33</b>	<b>42,597.68</b>
<b>Transportation</b>	<b>0.1846</b>	<b>3,078,160</b>	<b>12.63</b>	<b>27,835.51</b>
<b>Bus Replacement</b>	<b>0.038</b>	<b>633,641</b>	<b>2.60</b>	<b>5,729.96</b>
<b>Total</b>	<b>1.4618</b>	<b>24,375,156</b>	<b>100.00</b>	<b>220,422.26</b>

As shown in Table 3, circuit breaker losses for Brownsburg Schools for 2009 will be \$220,422.26. How will those losses be managed? As the collections begin to diminish the actual balances in each of the above funds will shrink and, in most cases, that will then cause each of the tax rates to increase to compensate for the loss where possible, or services provided by those respective funds will need to be reduced. In the case of the Debt Service Funds, the law requires that debt must be paid, so the remaining funds will be further reduced to cover the remaining debt payments. As the impact of the circuit breaker continues, transportation and capital projects funds will be further reduced and transportation services, building repairs and technology purchases will necessarily be reduced. However, as assessed values increase, tax rates will decrease and the impact of the circuit breaker will eventually be reduced, but it will be many years before assessed values “grow us” out of that financial shortfall.

When the lower percents for circuit breakers start in 2010, The Indiana State Legislative Services Agency has forecasted that the tax levy losses for Brownsburg Schools will increase to \$1,281,385, and the losses for each fund will be similar ratios as in Table three, with the actual loss almost six times greater. There is at present, assuming state funding can continue to support it, a state subsidy for 2010 tax collections that will provide \$512,855 to Brownsburg Schools to help lessen the impact of the circuit breaker for 2010. For 2011, however, the amount lost will continue to increase and the subsidy will no longer be available.

Unless significant changes are made in current laws, or unless there is a huge growth in property values, many services will need to be reduced over the next two years and beyond.

**Why is the lost revenue, or tax credit, larger for Brownsburg than other schools?**

There are two reasons. First, the total community tax rates are higher for Brownsburg than other Hendricks County communities. The second and more pronounced reason is the ratio of residential property value to non-residential values for our community when compared to many other communities. Ideally, the relationship of commercial and residential properties would be closer to 50% each. For Brownsburg School Corporation, the last data collected indicated that 81% of the assessed value was for residential property. Therefore, for Brownsburg, a much larger portion of the taxpayers' tax bills will be reduced by the circuit breaker limits than for communities with higher commercial/industrial tax bases.