

***Town of Plymouth
Property Tax Classification
Hearing
December 8, 2015***

Classification Overview

Classification Hearing

- Purpose of Tax Classification Hearing
- Overview of key changes
- Tax Valuations by Class
 - Current Year Values
 - Change between fiscal years
- Average Tax Bill Information by Class
 - Change between fiscal years
- Shift Information- *the impact of shifting from a unified to a split tax rate*
- Considerations
- Recommendation

Classification Hearing

- Purpose- to adopt the Town's Tax Policy by allocating or classifying the tax levy among property types
 - Board of Selectmen must vote on how to adopt the Tax Rate Policy; either by
 - A single or unified tax rate
 - A multiple or split tax rate
 - Additionally, can adopt exemptions and discounts
 - Open space discount;
 - up to 25% of the residential factor
 - Residential exemptions;
 - up to 20% of the average of all residential value
 - » Eligibility; must be owner's primary residence
 - Small commercial exemption
 - Up to 10% of assessed value of eligible properties
 - » Eligibility;
 - » occupied by business
 - » Value of less than \$1 million
 - » No more than 10 employees; aggregate

Overview of Key Changes

	FY 2015	FY 2016	Change
Unified Tax	\$ 15.54	\$ 16.27	\$ 0.73
Average			
Single Family Value	\$ 307,733.00	\$ 312,943.00	\$ 5,210.00
Single Family Tax	\$ 4,782.17	\$ 5,091.58	\$ 309.41
Median			
Single Family Value	\$ 272,400.00	\$ 278,000.00	\$ 5,600.00
Single Family Tax	\$ 4,233.10	\$ 4,523.06	\$ 289.96
Average			
Commercial Value	\$ 975,959.00	\$ 985,281.00	\$ 9,322.00
Commercial Tax	\$ 15,166.40	\$ 16,030.52	\$ 864.12
Median			
Commercial Value	\$ 373,400.00	\$ 372,000.00	\$ (1,400.00)
Commercial Tax	\$ 5,802.64	\$ 6,052.44	\$ 249.80

Community Comparison

	AVERAGE ASSESSED VALUE	AVERAGE RESIDENTIAL TAX BILL	FY15 TAX RATE		AVERAGE ASSESSED VALUE	AVERAGE RESIDENTIAL TAX BILL	FY15 TAX RATE	Tax Rate Diff
BARNSTABLE	474,237	4,415	9.31	*	457,349	4,253	9.30	0.01
SANDWICH	364,400	5,284	14.50		349,500	5,180	14.82	-0.32
PEMBROKE	345,000	5,265	15.26	**	333,000	4,908	14.74	0.52
DUXBURY	626,400	9,741	15.55		609,200	9,504	15.60	-0.05
MIDDLEBORO	268,100	4,268	15.92	*	261,500	4,126	15.78	0.14
PLYMOUTH	312,943	5,092	16.27	**	307,733	4,782	15.54	0.73
CARVER	267,400	4,554	17.03	*	259,100	4,407	17.01	0.02
BROCKTON	207,700	3,562	17.15	*	171,500	3,113	18.15	-1.00
KINGSTON	331,000	5,829	17.61		329,512	5,582	16.94	0.67

**Not Set

* Split rate

FY2015 – FY2016

- Fiscal 2016 Value = \$310,100
- Fiscal 2016 Tax = \$5,045

- Fiscal 2015 Value = \$303,200
- Fiscal 2015 Tax = \$4,712

- Value Change = \$6,900
- Tax Bill Change = \$333



FY2015 - FY2016

- Fiscal 2016 Value = \$312,400
- Fiscal 2016 Tax = \$5,083

- Fiscal 2015 Value = \$307,500
- Fiscal 2015 Tax = \$4,779

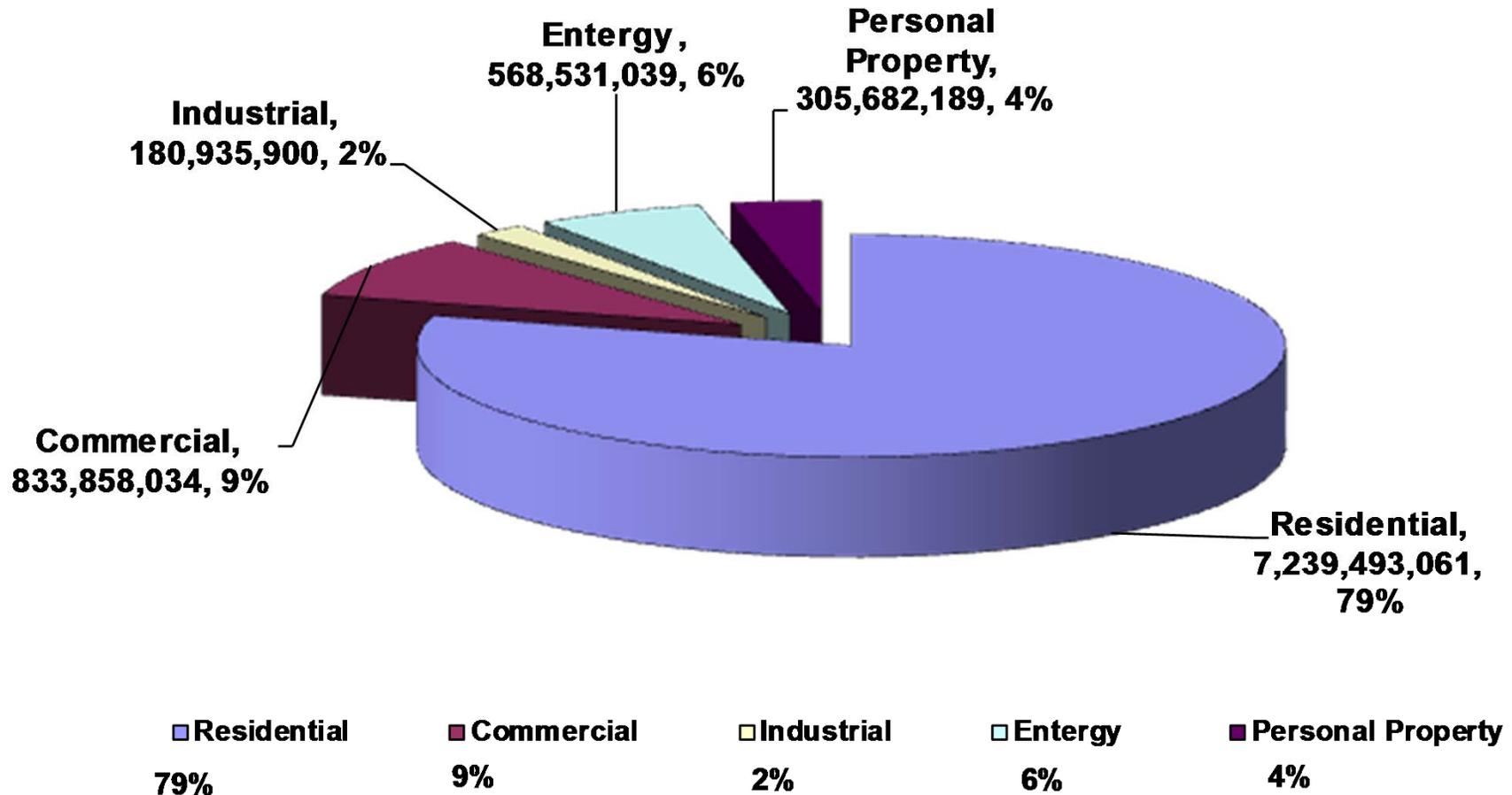
- Value Change = \$4,900
- Tax Bill Change = \$304



Property Valuation

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
RES	6,863,843,938	6,708,046,206	6,739,080,284	7,020,390,187	7,239,493,061
COMM	809,775,342	807,144,212	796,421,860	829,010,333	833,858,034
IND	877,775,400	877,170,900	841,559,633	794,542,012	749,466,939
Sub C+I	1,687,550,742	1,684,315,112	1,637,981,493	1,623,552,345	1,583,324,973
PERS PROP	274,665,435	219,863,050	225,709,450	264,930,551	305,682,189
Sub CIP	1,962,216,177	1,904,178,162	1,863,690,943	1,888,482,896	1,889,007,162
TOTAL VALUE	8,826,060,115	8,612,224,368	8,602,771,227	8,908,873,083	9,128,500,223

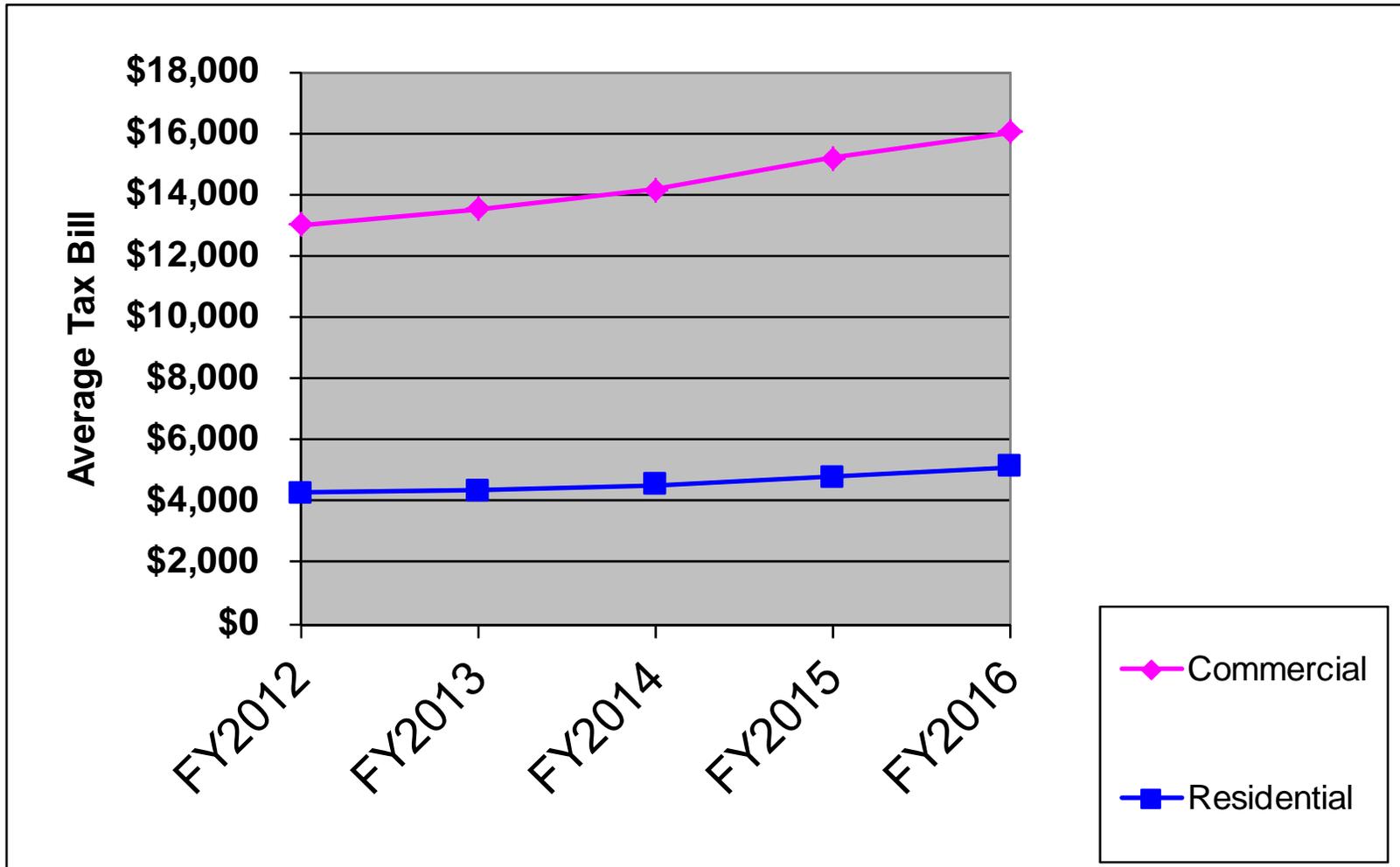
Property Values Percentages as of Fiscal Year 2016



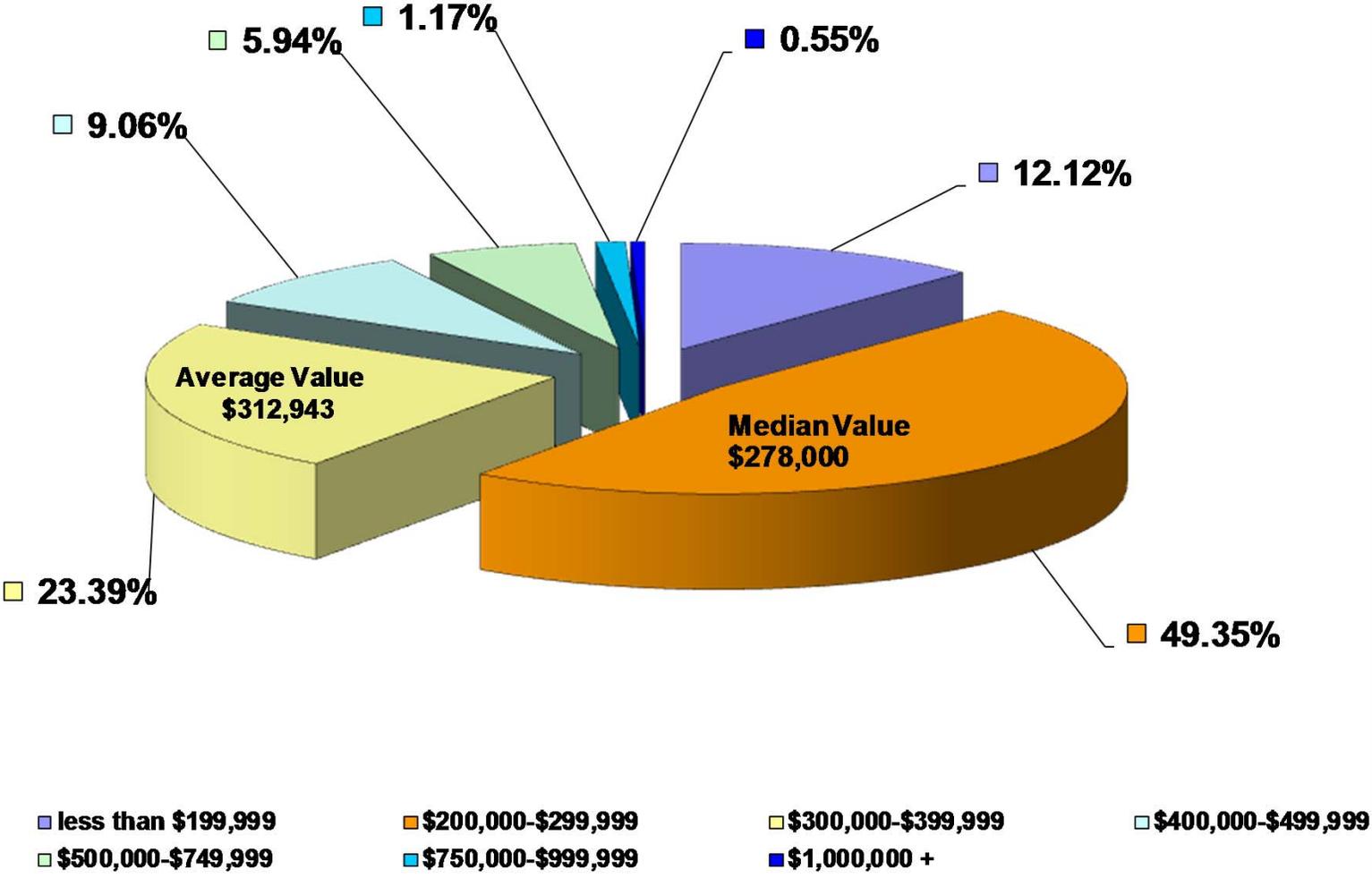
Residential and Commercial Data

	FISCAL YEAR				
	2012	2013	2014	2015	2016
<u>Single Family</u>					
Average Single Family Tax Bill	4,273.99	4,333.30	4,536.49	4,782.17	5,091.58
Avg Value: Single Family	308,814	300,298	299,834	307,733	312,943
Number of Single Homes	17,858	17,935	18,039	18,157	18,264
<u>Commercial</u>					
Average Tax Bill	13,001.52	13,515.96	14,135.44	15,166.40	16,030.52
Average Value: Commercial	939,416	936,657	934,266	975,959	985,281
Number of Commercial Parcels	742	741	731	736	736

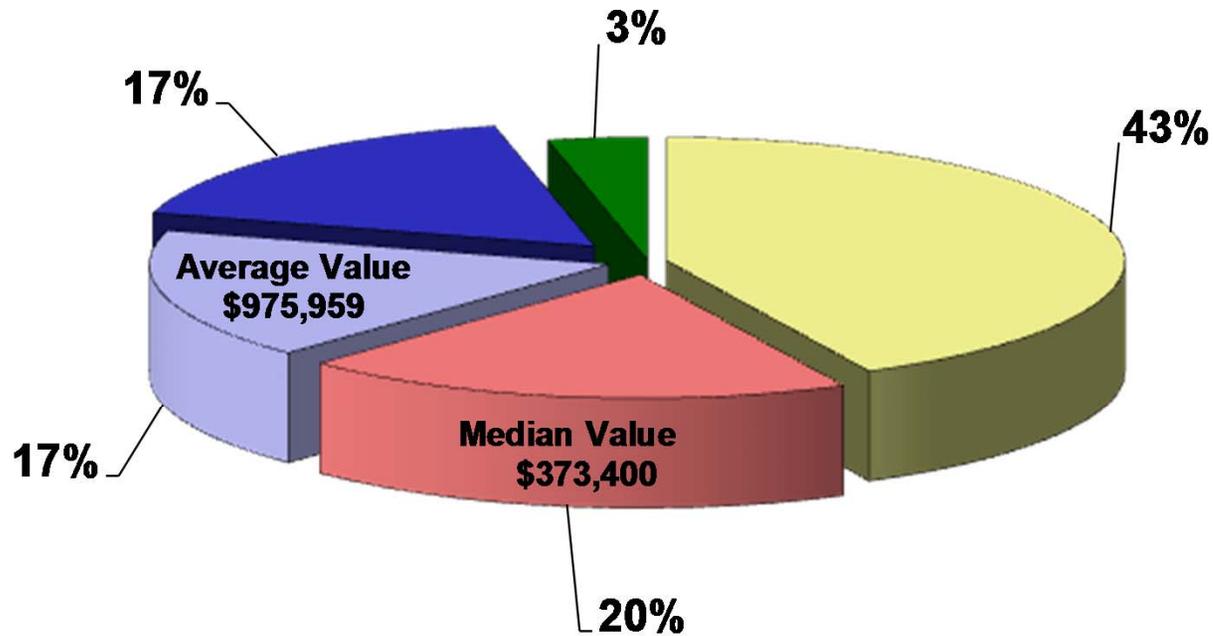
Average Tax Bill



FY2016 Single Family



FY2016 Commercial



■ <= 299,999

■ 300,000 - 499,999

■ 500,000 - 999,999

■ 1,000,000 - 4,999,999

■ 5,000,000+

Classification Considerations

- Diversity of tax base
- Ability of CIP tax base to absorb shift

Shift Impact

	Residential			Commercial		
	Average Tax Bill Single Family	Change	RATE	RATE	Average Tax Bill	Change
Shifts	5,091.58		16.27	16.27	16,030.52	
1%	5,079.06	(12.52)	16.23	16.43	16,188.17	157.65
2%	5,066.55	(25.03)	16.19	16.60	16,355.66	325.14
3%	5,050.90	(40.68)	16.14	16.76	16,513.31	482.79
4%	4,827.33	(264.25)	16.10	16.92	16,670.95	640.43
5%	4,815.33	(276.25)	16.06	17.08	16,828.60	798.08
6%	4,803.34	(288.24)	16.02	17.25	16,996.10	965.58
7%	4,788.35	(303.23)	15.97	17.41	17,153.74	1,123.22
8%	4,776.36	(315.22)	15.93	17.57	17,311.39	1,280.87
9%	4,764.36	(327.22)	15.89	17.73	17,469.03	1,438.51
10%	4,752.37	(339.21)	15.85	17.90	17,636.53	1,606.01
15%	4,686.41	(405.17)	15.63	18.71	18,434.61	2,404.09
20%	4,623.44	(468.14)	15.42	19.52	19,232.69	3,202.17
30%	4,497.51	(594.07)	15.00	21.15	20,838.69	4,808.17
50%	4,242.65	(848.93)	14.15	24.41	24,050.71	8,020.19

Classification Considerations

- **Diversity of tax base**

- Residential; \$ 7,239,493,061 or 79.3%
- Commercial; \$ 833,858,034 or 9.1%
- Industrial; \$ 749,466,939 or 8.2%
- Personal Property; \$ 305,682,189 or 3.5%

- **Ability to absorb shift**

- In order to maintain an “average” tax bill of approximately \$4,782 for the residential classification, a 7% shift will be necessitated. The impact to the residential and commercial classes are;
 - A decrease in the average residential tax bill of **(\$303.23)**
 - An increase in the average commercial tax bill of \$1,123.22

Impact of Tax Rate Shift

Property Value		\$250,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.27	\$16.27	\$4,067.50	\$4,067.50		
1%	\$16.23	\$16.43	\$4,057.50	\$4,107.50	\$10.00	\$40.00
7%	\$15.97	\$17.41	\$3,992.50	\$4,352.50	\$75.00	\$285.00
10%	\$15.85	\$17.90	\$3,962.50	\$4,475.00	\$105.00	\$407.50

Property Value		\$500,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.27	\$16.27	\$8,135.00	\$8,135.00		
1%	\$16.23	\$16.43	\$8,115.00	\$8,215.00	\$20.00	\$80.00
7%	\$15.97	\$17.41	\$7,985.00	\$8,705.00	\$150.00	\$570.00
10%	\$15.85	\$17.90	\$7,925.00	\$8,950.00	\$210.00	\$815.00

Impact of Tax Rate Shift

Property Value		\$750,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.27	\$16.27	\$12,202.50	\$12,202.50		
1%	\$16.23	\$16.43	\$12,172.50	\$12,322.50	\$30.00	\$120.00
7%	\$15.97	\$17.41	\$11,977.50	\$13,057.50	\$225.00	\$855.00
10%	\$15.85	\$17.90	\$11,887.50	\$13,425.00	\$315.00	\$1,222.50

Property Value		\$1,000,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.27	\$16.27	\$16,270.00	\$16,270.00		
1%	\$16.23	\$16.43	\$16,230.00	\$16,430.00	\$40.00	\$160.00
7%	\$15.97	\$17.41	\$15,970.00	\$17,410.00	\$300.00	\$1,140.00
10%	\$15.85	\$17.90	\$15,850.00	\$17,900.00	\$420.00	\$1,630.00

Classification Recommendation

- Recommend a unified tax rate
 - Due to the inability of the CIP base to absorb shift