

***Town of Plymouth
Property Tax Classification
Hearing
December 13, 2016***

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 2016	FY 2017	Change
Unified Tax	\$ 16.27	\$ 16.58	\$ 0.31
Average			
Single Family Value	\$ 312,943.00	\$ 322,156.00	\$ 9,213.00
Single Family Tax	\$ 5,091.58	\$ 5,341.35	\$ 249.77
Median			
Single Family Value	\$ 278,000.00	\$ 286,400.00	\$ 8,400.00
Single Family Tax	\$ 4,523.06	\$ 4,748.51	\$ 225.45
Average			
Commercial Value	\$ 985,281.00	\$ 1,009,913.00	\$ 24,632.00
Commercial Tax	\$ 16,030.52	\$ 16,744.35	\$ 713.83
Median			
Commercial Value	\$ 372,000.00	\$ 388,400.00	\$ 16,400.00
Commercial Tax	\$ 6,052.44	\$ 6,439.67	\$ 387.23

Community Comparison

	AVERAGE ASSESSED VALUE	AVERAGE RESIDENTIAL TAX BILL	FY17 TAX RATE		AVERAGE ASSESSED VALUE	AVERAGE RESIDENTIAL TAX BILL	FY16 TAX RATE	Tax Rate Diff
BARNSTABLE	474,513	4,415	9.54	*	474,237	4,415	9.31	0.23
PEMBROKE	358,000	5,406	15.10		345,000	5,265	15.26	-0.16
DUXBURY	639,900	9,925	15.51		626,400	9,741	15.55	-0.04
MIDDLEBORO	278,900	4,398	15.77	*	268,100	4,268	15.92	-0.15
PLYMOUTH	322,156	5,341	16.58	**	312,943	5,092	16.27	0.31
KINGSTON	363,528	6,027	16.58	**	331,000	5,829	17.61	-1.03
BROCKTON	224,854	3,856	17.15	*/**	207,700	3,113	17.15	0.00
CARVER	281,800	4,985	17.69	*	267,400	4,548	17.01	0.68

**Not Set

* Split rate

FY2016 – FY2017

- Fiscal 2017 Value = \$322,400
- Fiscal 2017 Tax = \$5,345

- Fiscal 2016 Value = \$310,700
- Fiscal 2016 Tax = \$5,055

- Value Change = \$11,700
- Tax Bill Change = \$290



FY2016 - FY2017

- Fiscal 2017 Value = \$320,900
- Fiscal 2017 Tax = \$5,320

- Fiscal 2016 Value = \$310,500
- Fiscal 2016 Tax = \$5,051

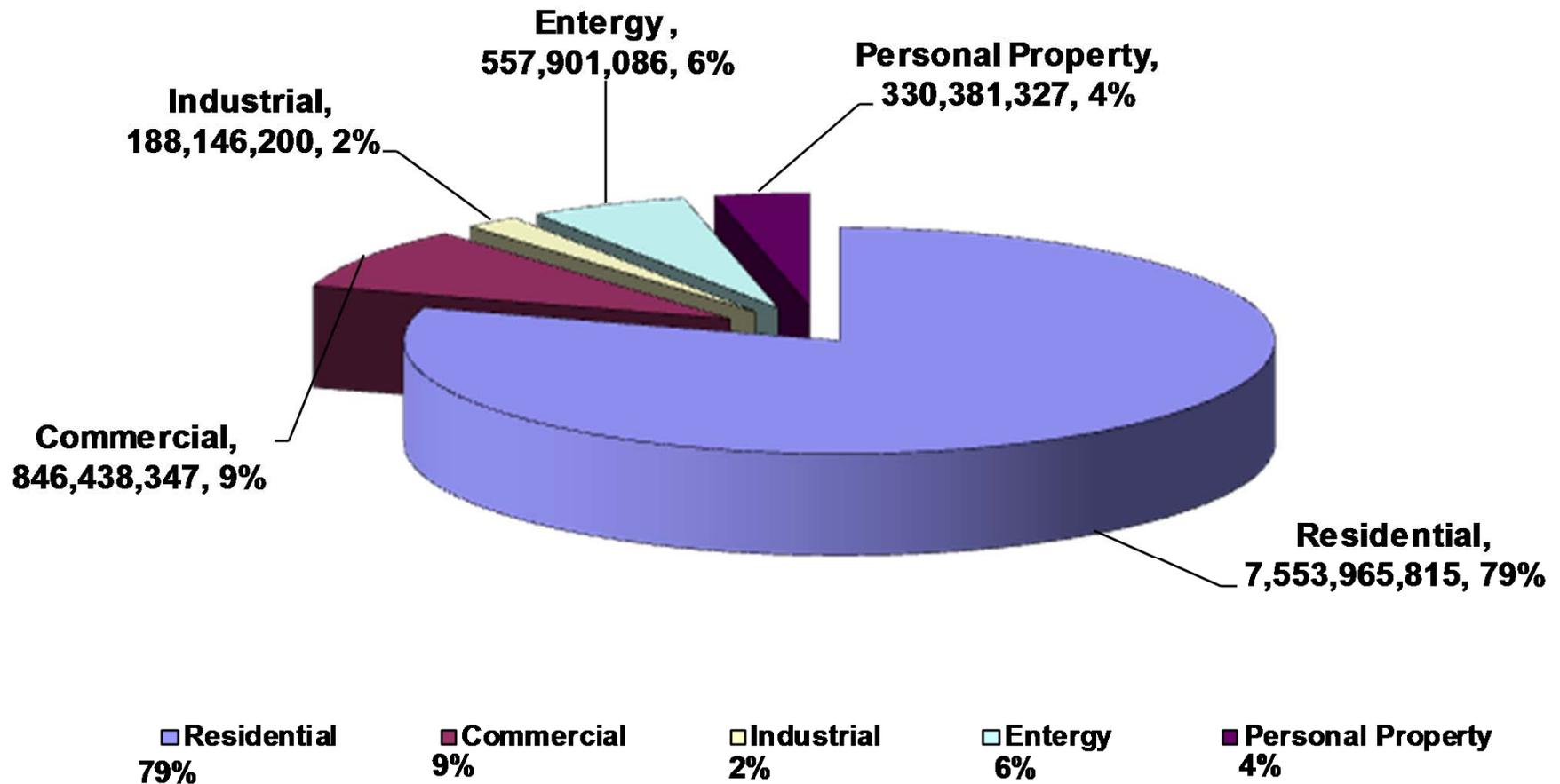
- Value Change = \$10,400
- Tax Bill Change = \$269



Property Valuation

	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
RES	6,708,046,206	6,739,080,284	7,020,390,187	7,239,493,061	7,553,965,815
COMM	807,144,212	796,421,860	829,010,333	833,858,034	846,438,347
IND	877,170,900	841,559,633	794,542,012	749,466,939	746,047,286
Sub C+I	1,684,315,112	1,637,981,493	1,623,552,345	1,583,324,973	1,592,485,633
PERS PROP	219,863,050	225,709,450	264,930,551	305,682,189	330,381,327
Sub CIP	1,904,178,162	1,863,690,943	1,888,482,896	1,889,007,162	1,922,866,960
TOTAL VALUE	8,612,224,368	8,602,771,227	8,908,873,083	9,128,500,223	9,476,832,775

Property Values Percentages as of Fiscal Year 2017

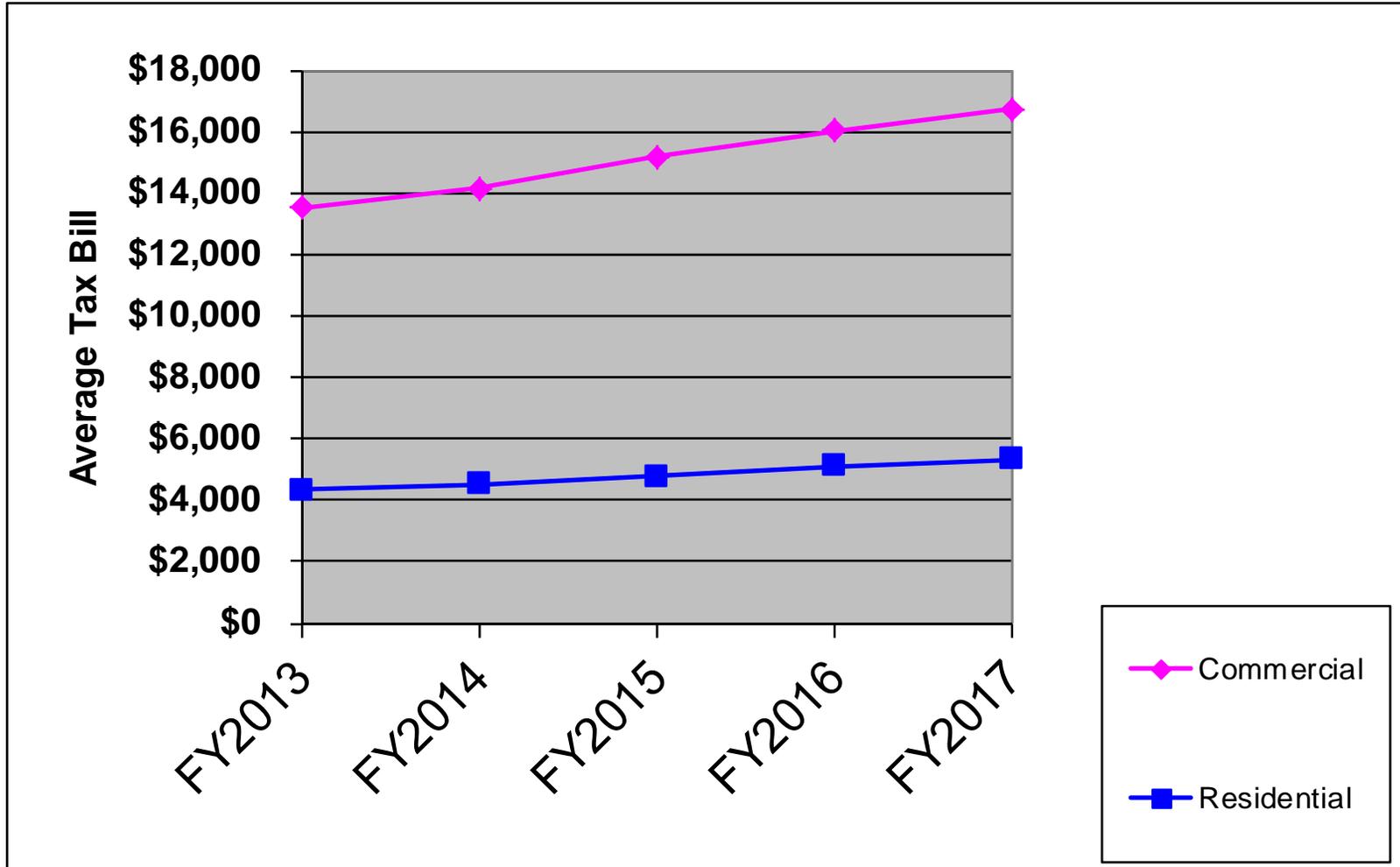


Residential and Commercial Data

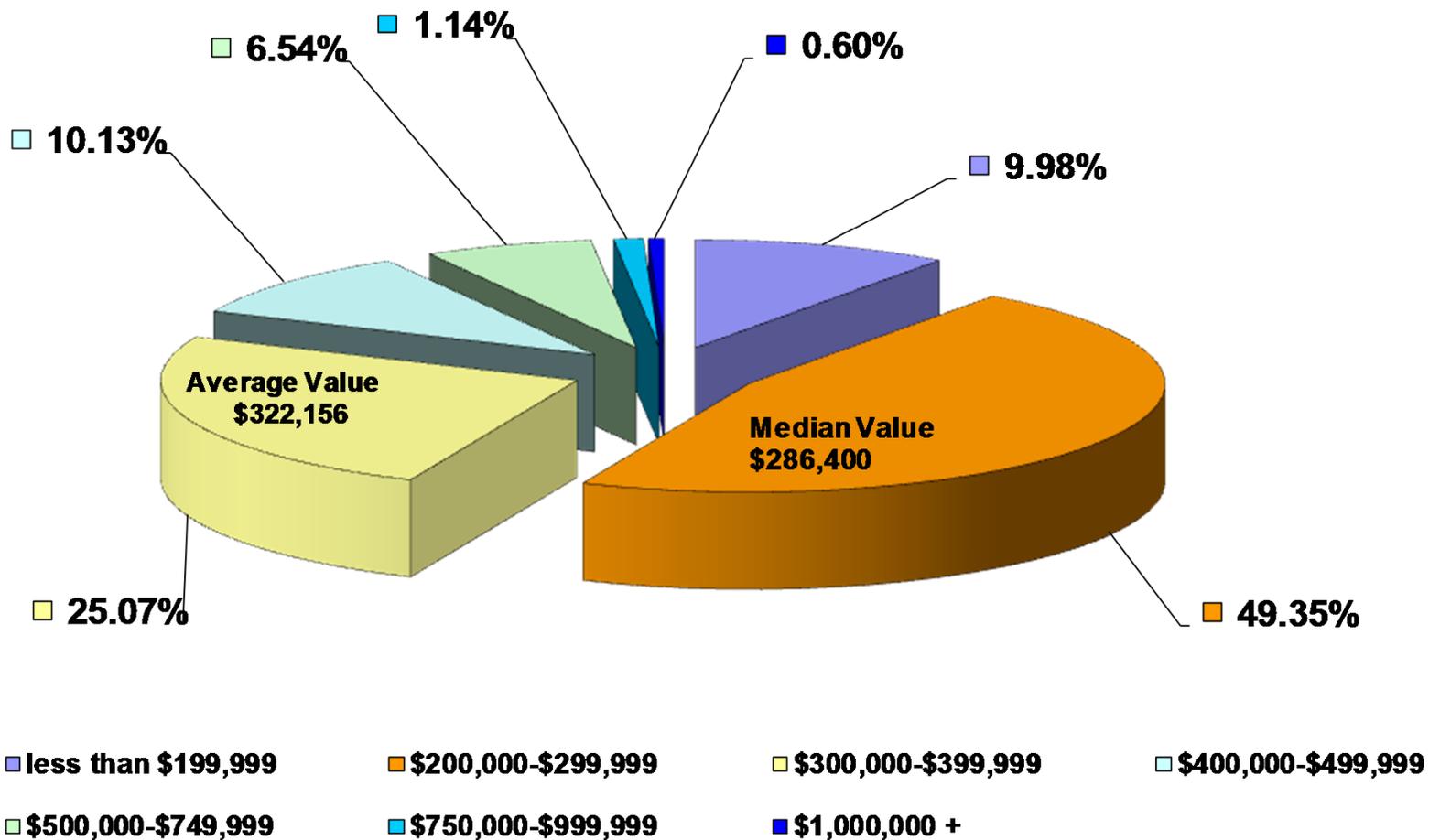
FISCAL YEAR

	2013	2014	2015	2016	2017
<u>Single Family</u>					
Average Single Family Tax Bill	4,333.30	4,536.49	4,782.17	5,091.58	5,341.35
Avg Value: Single Family	300,298	299,834	307,733	312,943	322,156
Number of Single Homes	17,935	18,039	18,157	18,264	18,394
<u>Commercial</u>					
Average Tax Bill	13,515.96	14,135.44	15,166.40	16,030.52	16,744.35
Average Value: Commercial	936,657	934,266	975,959	985,281	1,009,913
Number of Commercial Parcels	741	731	736	736	733

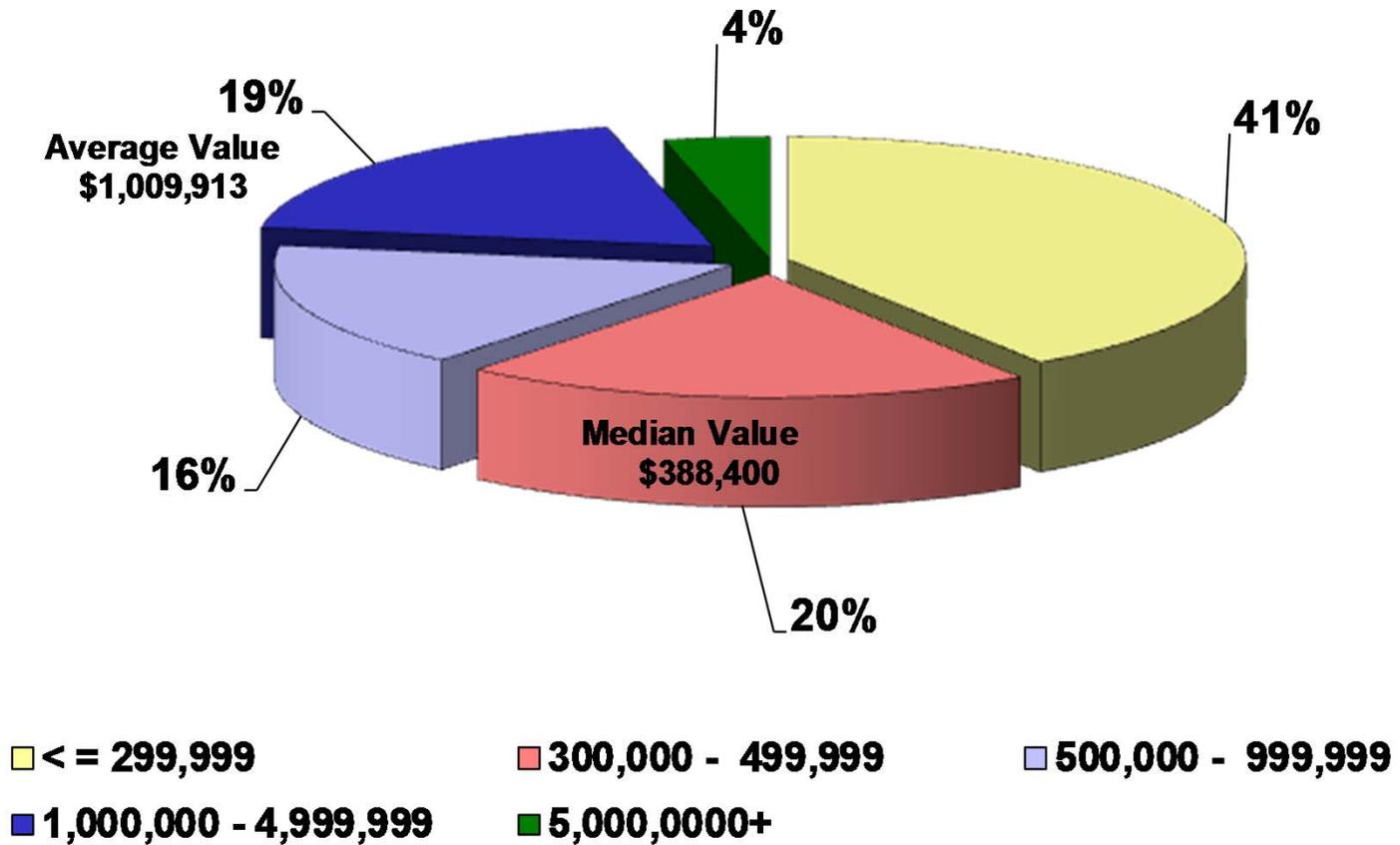
Average Tax Bill



FY2017 Single Family



FY2017 Commercial



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
	5,341.35		16.58	16.58	16,744.35	
Shifts						
1%	5,328.46	(12.89)	16.54	16.75	16,916.04	171.69
2%	5,315.57	(25.78)	16.50	16.91	17,077.63	333.28
3%	5,299.47	(41.88)	16.45	17.08	17,249.31	504.96
4%	5,286.58	(54.77)	16.41	17.24	17,410.90	666.55
5%	5,273.69	(67.66)	16.37	17.41	17,582.59	838.24
6%	5,260.81	(80.54)	16.33	17.57	17,744.17	999.82
7%	5,244.70	(96.65)	16.28	17.74	17,915.86	1,171.51
8%	5,231.81	(109.54)	16.24	17.91	18,087.54	1,343.19
9%	5,218.93	(122.42)	16.2	18.07	18,249.13	1,504.78
10%	5,206.04	(135.31)	16.16	18.24	18,420.81	1,676.46
15%	5,138.39	(202.96)	15.95	19.07	19,259.04	2,514.69
20%	5,070.74	(270.61)	15.74	19.90	20,097.27	3,352.92
30%	4,932.21	(409.14)	15.31	21.55	21,763.63	5,019.28
50%	4,661.60	(679.75)	14.47	24.87	25,116.54	8,372.19

Classification Considerations

- **Diversity of tax base**

- Residential; \$ 7,553,965,815 or 79%
- Commercial; \$ 846,438,347 or 9%
- Industrial; \$ 746,047,286 or 8%
- Personal Property; \$ 330,381,327 or 4%

- **Ability to absorb shift**

- In order to maintain an “average” tax bill of approximately \$5,092 for the residential classification, a 20% shift will be necessitated. The impact to the residential and commercial classes are;
 - A decrease in the average residential tax bill of **(\$270.61)**
 - An increase in the average commercial tax bill of \$3,353

Impact of Tax Rate Shift

IMPACT OF TAX RATE SHIFT - FISCAL 2017

Property Value		\$250,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.58	\$16.58	\$4,145.00	\$4,145.00		
1%	\$16.54	\$16.75	\$4,135.00	\$4,187.50	\$10.00	\$42.50
4%	\$16.41	\$17.24	\$4,102.50	\$4,310.00	\$42.50	\$165.00
10%	\$16.16	\$18.24	\$4,040.00	\$4,560.00	\$105.00	\$415.00

Property Value		\$500,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.58	\$16.58	\$8,290.00	\$8,290.00		
1%	\$16.54	\$16.75	\$8,270.00	\$8,375.00	\$20.00	\$85.00
7%	\$16.41	\$17.24	\$8,205.00	\$8,620.00	\$85.00	\$330.00
10%	\$16.16	\$18.24	\$8,080.00	\$9,120.00	\$210.00	\$830.00

Impact of Tax Rate Shift

Property Value		\$750,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.58	\$16.58	\$12,435.00	\$12,435.00		
1%	\$16.54	\$16.75	\$12,405.00	\$12,562.50	\$30.00	\$127.50
4%	\$16.41	\$17.24	\$12,307.50	\$12,930.00	\$127.50	\$495.00
10%	\$16.16	\$18.24	\$12,120.00	\$13,680.00	\$315.00	\$1,245.00

Property Value		\$1,000,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.58	\$16.58	\$16,580.00	\$16,580.00		
1%	\$16.54	\$16.75	\$16,540.00	\$16,750.00	\$40.00	\$170.00
4%	\$16.41	\$17.24	\$16,410.00	\$17,240.00	\$170.00	\$660.00
10%	\$16.16	\$18.24	\$16,160.00	\$18,240.00	\$420.00	\$1,660.00

Classification Recommendation

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