

***Town of Plymouth
Property Tax Classification
Hearing
December 3, 2019***

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

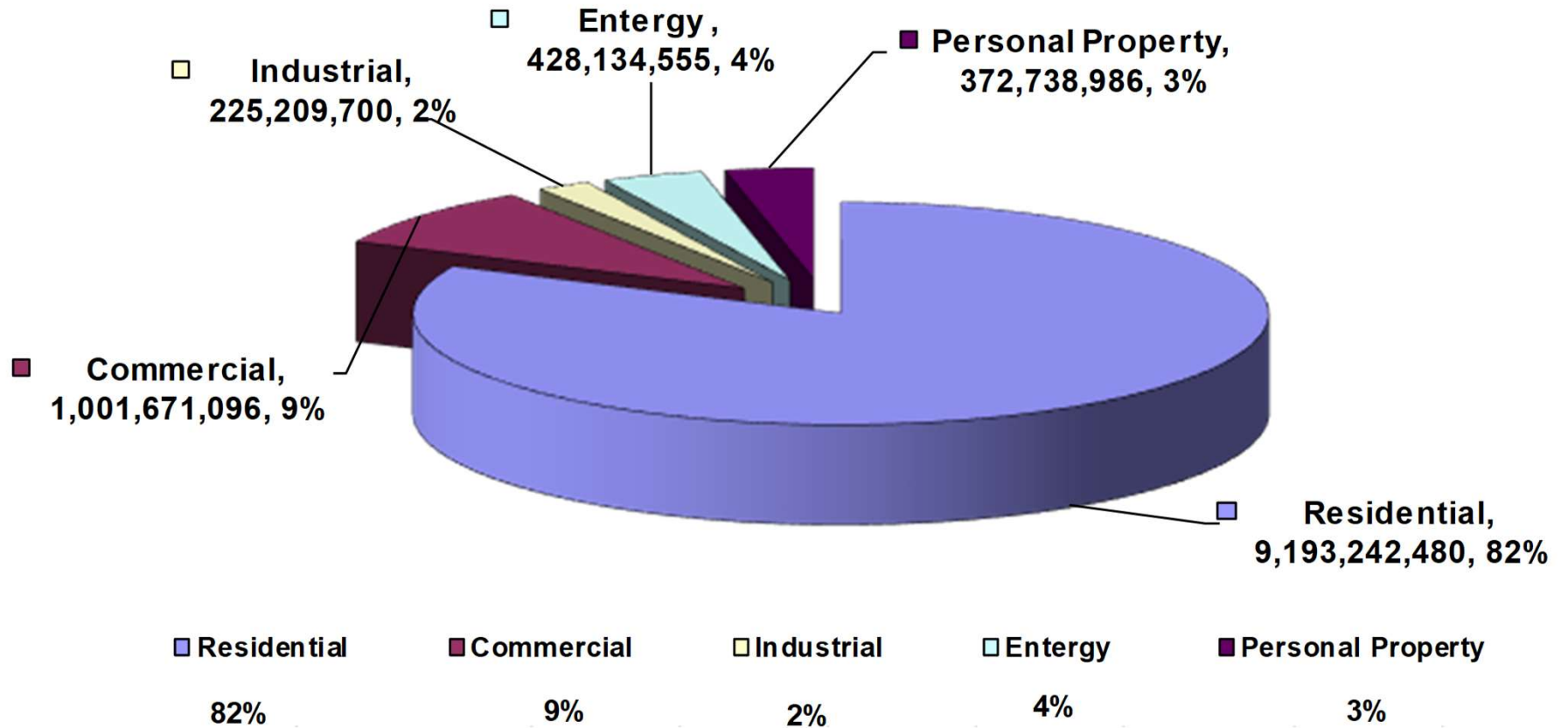
Overview of Key Changes

Unified Tax	\$ 16.54	\$ 16.35	\$ (0.19)
Average			
Single Family Value	\$ 354,939.00	\$ 373,697.00	\$ 18,758.00
Single Family Tax	\$ 5,870.69	\$ 6,109.95	\$ 239.26
Median			
Single Family Value	\$ 317,600.00	\$ 336,900.00	\$ 19,300.00
Single Family Tax	\$ 5,253.10	\$ 5,508.32	\$ 255.22
Average			
Commercial Value	\$1,105,340.00	\$1,199,366.00	\$ 94,026.00
Commercial Tax	\$ 18,282.32	\$ 19,609.64	\$ 1,327.32
Median			
Commercial Value	\$ 397,700.00	\$ 407,500.00	\$ 9,800.00
Commercial Tax	\$ 6,577.96	\$ 6,662.63	\$ 84.67

Property Valuation

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year % Change
RES	7,239,493,061	7,553,965,815	8,106,067,682	8,552,989,448	9,193,242,480	7.49%
COMM	833,858,034	846,438,347	902,270,034	931,884,204	1,001,671,096	7.49%
IND	749,466,939	746,047,286	741,252,873	720,293,483	653,344,255	-9.29%
Sub C+I	1,583,324,973	1,592,485,633	1,643,522,907	1,652,177,687	1,655,015,351	.17%
PERS PROP	305,682,189	330,381,327	358,520,182	360,582,243	372,738,986	3.37%
Sub CIP	1,889,007,162	1,922,866,960	2,002,043,089	2,012,759,930	2,027,754,337	.74%
TOTAL VALUE	9,128,500,223	9,476,832,775	10,108,110,771	10,565,749,378	11,220,996,817	6.20%

Property Values Percentages as of Fiscal Year 2020

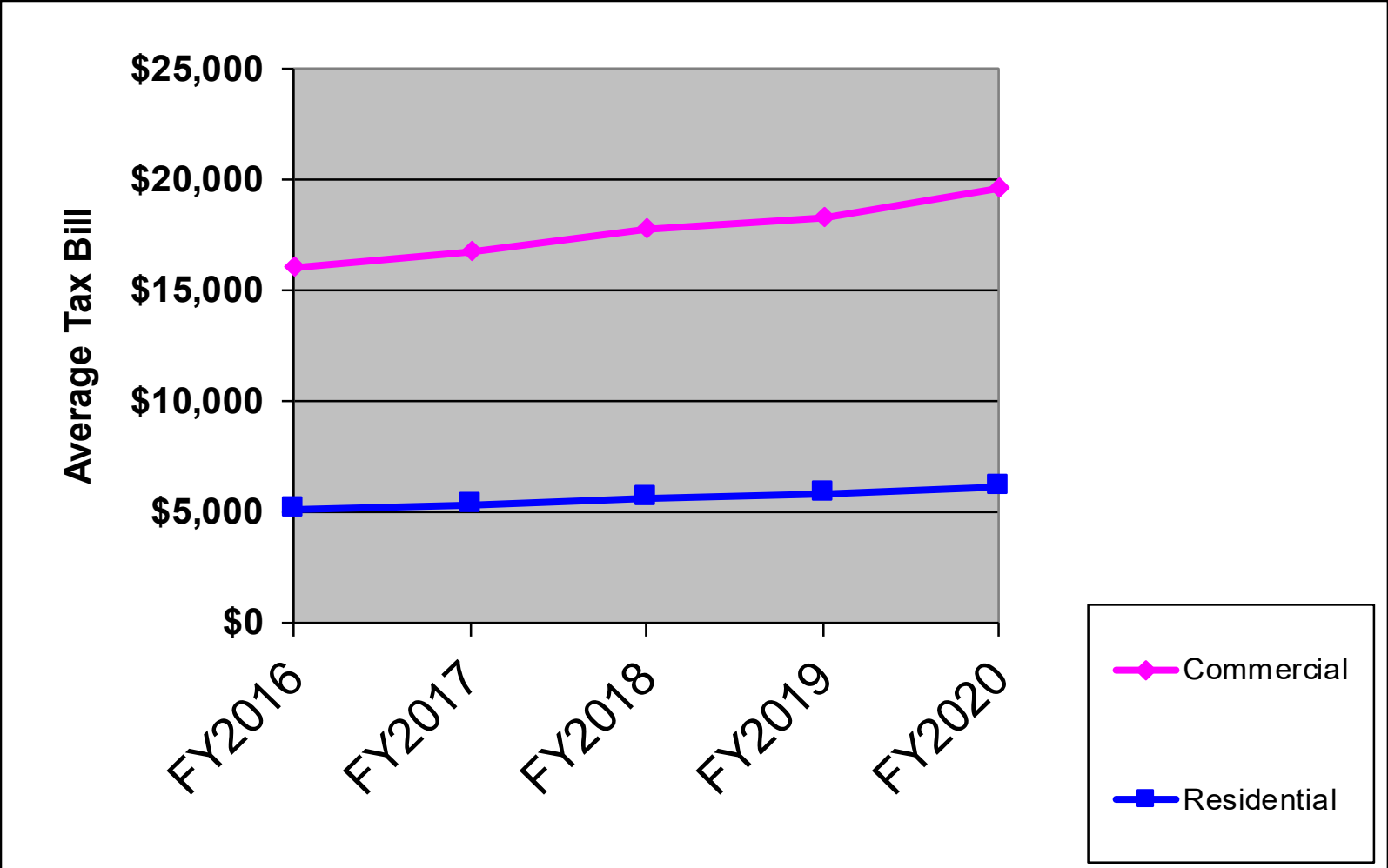


Residential and Commercial Data

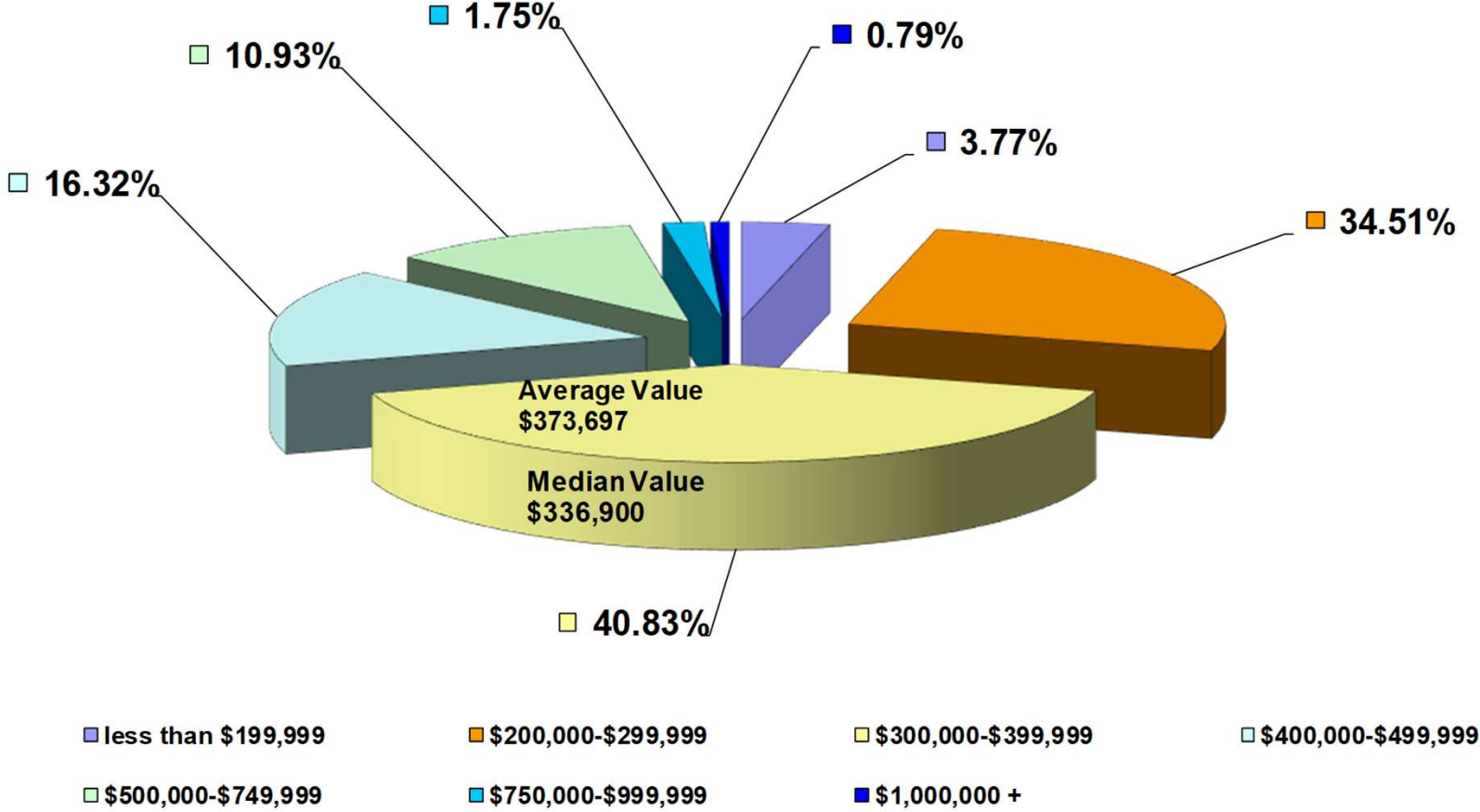
FISCAL YEAR

	2016	2017	2018	2019	2020
<u>Single Family</u>					
Average Single Family Tax Bill	5,091.58	5,341.35	5,620.37	5,870.69	6,109.94
Avg Value: Single Family	312,943	322,156	341,456	354,939	373,697
Number of Single Homes	18,264	18,394	18,595	18,768	18,970
<u>Commercial</u>					
Average Tax Bill	16,030.52	16,744.35	17,760.70	18,282.32	19,609.64
Average Value: Commercial	985,281	1,009,913	1,079,022	1,105,340	1,199,366
Number of Commercial Parcels	736	733	736	742	737

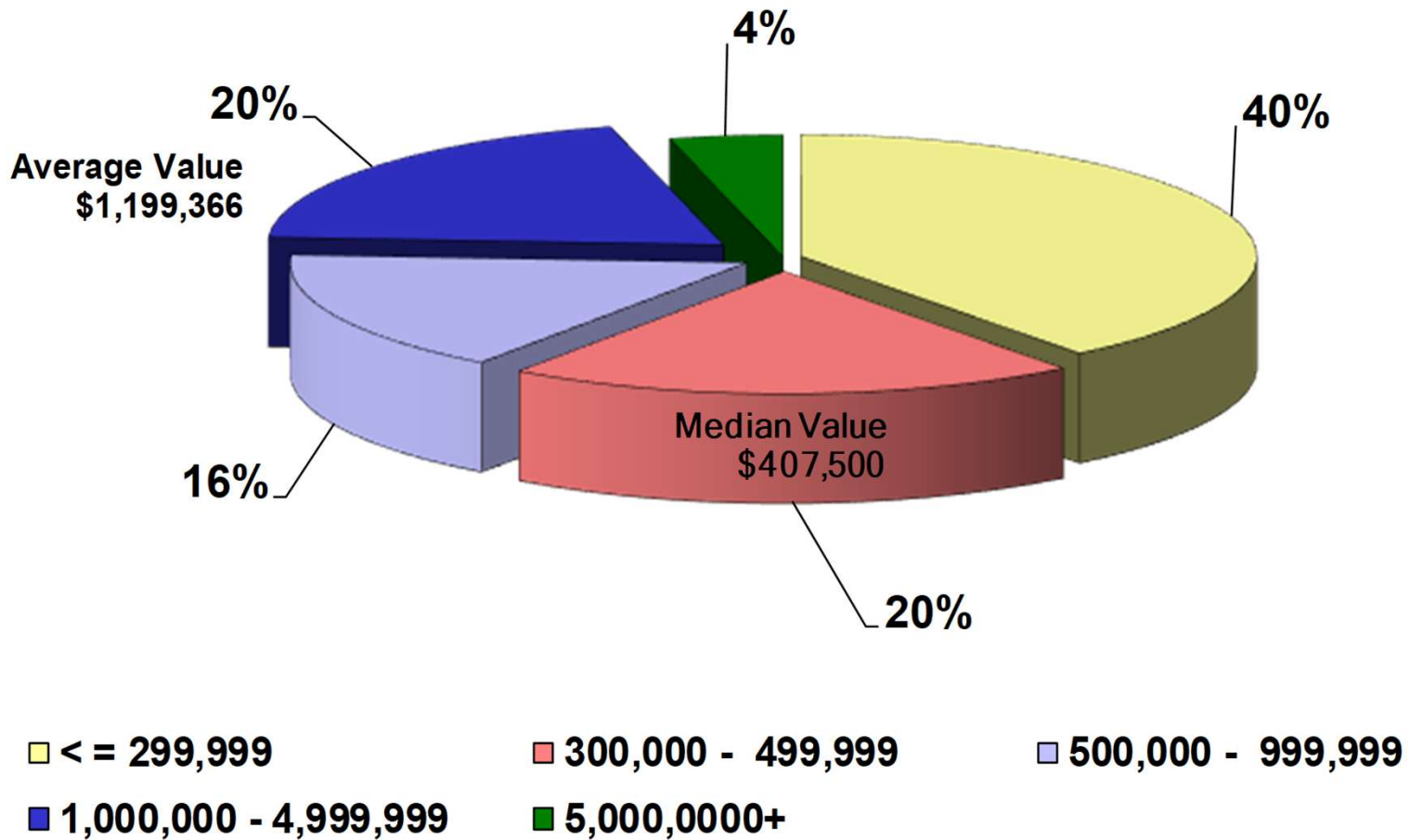
Average Tax Bill



FY2020 Single Family



FY2020 Commercial



Shift Impact

	Residential			Commercial		
	Average Tax Bill	Change	RATE	RATE	Average Tax Bill	Change
	Single Family					
	6,109.94		16.35	16.35	19,609.65	
Shifts						
1%	6,095.00	(14.94)	16.31	16.51	19,801.53	191.88
2%	6,083.79	(26.15)	16.28	16.68	20,005.42	395.77
3%	6,068.84	(41.10)	16.24	16.84	20,197.32	587.67
4%	6,057.63	(52.31)	16.21	17.00	20,389.22	779.57
5%	6,042.68	(67.26)	16.17	17.17	20,593.11	983.46
6%	6,027.73	(82.21)	16.13	17.33	20,785.01	1,175.36
7%	6,016.52	(93.42)	16.10	17.49	20,976.91	1,367.26
8%	6,001.57	(108.37)	16.06	17.66	21,180.80	1,571.15
9%	5,990.36	(119.58)	16.03	17.82	21,372.70	1,763.05
10%	5,975.42	(134.52)	15.99	17.99	21,576.59	1,966.94
15%	5,908.15	(201.79)	15.81	18.80	22,548.08	2,938.43
17%	5,881.99	(227.95)	15.74	19.13	22,943.87	3,334.22
30%	5,706.35	(403.59)	15.27	21.26	25,498.52	5,888.87
50%	5,437.29	(672.65)	14.55	24.52	29,408.45	9,798.80

Classification Considerations

- **Diversity of tax base**
 - Residential; \$ 9,193,242,480 or 82%
 - Commercial; \$ 1,001,671,096 or 9%
 - Industrial; \$ 653,344,255 or 6%
 - Personal Property; \$ 372,738,986 or 3%
- **Ability to absorb shift**
 - In order to maintain an “average” tax bill of approximately \$5,871 for the residential classification, a 17% shift will be necessitated. The impact to the residential and commercial classes are;
 - A decrease in the average residential tax bill of **(\$228)**
 - An increase in the average commercial tax bill of **\$3,334**

Impact of Tax Rate Shift

IMPACT OF TAX RATE SHIFT - FISCAL 2020

Property Value		\$250,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.35	\$16.35	\$4,087.50	\$4,087.50		
5%	\$16.17	\$17.17	\$4,042.50	\$4,292.50	\$45.00	\$205.00
10%	\$15.99	\$17.99	\$3,997.50	\$4,497.50	\$90.00	\$410.00
15%	\$15.81	\$18.80	\$3,952.50	\$4,700.00	\$135.00	\$612.50

Property Value		\$500,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.35	\$16.35	\$8,175.00	\$8,175.00		
5%	\$16.17	\$17.17	\$8,085.00	\$8,585.00	\$90.00	\$410.00
10%	\$15.99	\$17.99	\$7,995.00	\$8,995.00	\$180.00	\$820.00
15%	\$15.81	\$18.80	\$7,905.00	\$9,400.00	\$270.00	\$1,225.00

Impact of Tax Rate Shift

Property Value		\$750,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.35	\$16.35	\$12,262.50	\$12,262.50		
5%	\$16.17	\$17.17	\$12,127.50	\$12,877.50	\$135.00	\$615.00
10%	\$15.99	\$17.99	\$11,992.50	\$13,492.50	\$270.00	\$1,230.00
15%	\$15.81	\$18.80	\$11,857.50	\$14,100.00	\$405.00	\$1,837.50

Property Value		\$1,000,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.35	\$16.35	\$16,350.00	\$16,350.00		
5%	\$16.17	\$17.17	\$16,170.00	\$17,170.00	\$180.00	\$820.00
10%	\$15.99	\$17.99	\$15,990.00	\$17,990.00	\$360.00	\$1,640.00
15%	\$15.81	\$18.80	\$15,810.00	\$18,800.00	\$540.00	\$2,450.00

Classification Considerations

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