

***Town of Plymouth  
Property Tax Classification  
Hearing  
December 19, 2017***

***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

	<b>FY 2017</b>	<b>FY 2018</b>	<b>Change</b>
<b>Unified Tax</b>	<b>\$ 16.58</b>	<b>\$ 16.46</b>	<b>\$ (0.12)</b>
<b>Average</b>			
<b>Single Family Value</b>	<b>\$ 322,156.00</b>	<b>\$ 341,456.00</b>	<b>\$ 19,300.00</b>
<b>Single Family Tax</b>	<b>\$ 5,341.35</b>	<b>\$ 5,620.37</b>	<b>\$ 279.02</b>
<b>Median</b>			
<b>Single Family Value</b>	<b>\$ 286,400.00</b>	<b>\$ 303,500.00</b>	<b>\$ 17,100.00</b>
<b>Single Family Tax</b>	<b>\$ 4,748.51</b>	<b>\$ 4,995.61</b>	<b>\$ 247.10</b>
<b>Average</b>			
<b>Commercial Value</b>	<b>\$ 1,009,913.00</b>	<b>\$ 1,079,022.00</b>	<b>\$ 69,109.00</b>
<b>Commercial Tax</b>	<b>\$ 16,744.35</b>	<b>\$ 17,760.70</b>	<b>\$ 1,016.35</b>
<b>Median</b>			
<b>Commercial Value</b>	<b>\$ 388,400.00</b>	<b>\$ 399,700.00</b>	<b>\$ 11,300.00</b>
<b>Commercial Tax</b>	<b>\$ 6,439.67</b>	<b>\$ 6,579.06</b>	<b>\$ 139.39</b>

# Community Comparison

	<b>AVERAGE ASSESSED VALUE</b>	<b>AVERAGE RESIDENTIAL TAX BILL</b>	<b>FY18 TAX RATE</b>		<b>AVERAGE ASSESSED VALUE</b>	<b>AVERAGE RESIDENTIAL TAX BILL</b>	<b>FY17 TAX RATE</b>	<b>Tax Rate Diff</b>
<b>BARNSTABLE</b>	<b>488,393</b>	<b>4,415</b>	<b>9.61</b>	<b>*</b>	<b>474,513</b>	<b>4,527</b>	<b>9.54</b>	<b>0.07</b>
<b>PEMBROKE</b>	<b>373,700</b>	<b>5,564</b>	<b>14.89</b>		<b>358,000</b>	<b>5,406</b>	<b>15.10</b>	<b>-0.21</b>
<b>DUXBURY</b>	<b>680,200</b>	<b>10,312</b>	<b>15.16</b>		<b>639,900</b>	<b>9,925</b>	<b>15.51</b>	<b>-0.35</b>
<b>MIDDLEBORO</b>	<b>296,300</b>	<b>4,622</b>	<b>15.60</b>	<b>*</b>	<b>278,900</b>	<b>4,398</b>	<b>15.77</b>	<b>-0.17</b>
<b>BROCKTON</b>	<b>244,043</b>	<b>3,919</b>	<b>16.06</b>	<b>*</b>	<b>224,854</b>	<b>3,113</b>	<b>17.15</b>	<b>-1.09</b>
<b>PLYMOUTH</b>	<b>341,456</b>	<b>5,620</b>	<b>16.46</b>	<b>**</b>	<b>322,156</b>	<b>5,341</b>	<b>16.58</b>	<b>-0.12</b>
<b>KINGSTON</b>	<b>381,689</b>	<b>6,298</b>	<b>16.50</b>		<b>363,528</b>	<b>5,998</b>	<b>16.50</b>	<b>0.00</b>
<b>CARVER</b>	<b>295,300</b>	<b>5,206</b>	<b>17.63</b>	<b>*</b>	<b>281,800</b>	<b>4,985</b>	<b>17.69</b>	<b>-0.06</b>

**\*\*Not Set**

**\* Split rate**

# FY2017 – FY2018

- Fiscal 2018 Value = \$342,600
- Fiscal 2018 Tax = \$5,639
  
- Fiscal 2017 Value = \$324,600
- Fiscal 2017 Tax = \$5,382
  
- Value Change = \$18,000
- Tax Bill Change = \$257



# FY2017 - FY2018

- Fiscal 2018 Value = \$344,100
- Fiscal 2018 Tax = \$5,664
  
- Fiscal 2017 Value = \$325,000
- Fiscal 2017 Tax = \$5,389
  
- Value Change = \$19,100
- Tax Bill Change = \$275

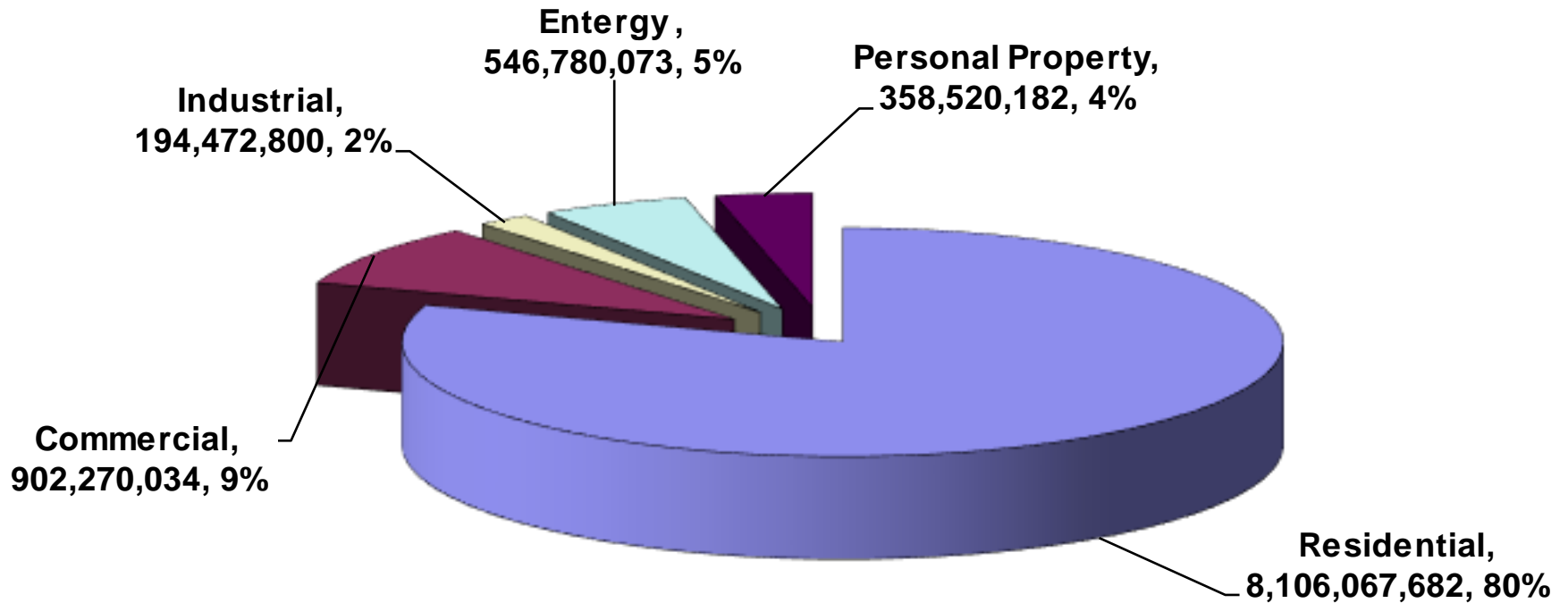


# Property Valuation

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year % Change
RES	6,739,080,284	7,020,390,187	7,239,493,061	7,553,965,815	8,106,067,682	7.30%
COMM	796,421,860	829,010,333	833,858,034	846,438,347	902,270,034	6.60%
IND	841,559,633	794,542,012	749,466,939	746,047,286	741,252,873	-0.60%
Sub C+I	1,637,981,493	1,623,552,345	1,583,324,973	1,592,485,633	1,643,522,907	6.00%
PERS PROP	225,709,450	264,930,551	305,682,189	330,381,327	358,520,182	8.50%
Sub CIP	1,863,690,943	1,888,482,896	1,889,007,162	1,922,866,960	2,002,043,089	
TOTAL VALUE	8,602,771,227	8,908,873,083	9,128,500,223	9,476,832,775	10,108,110,771	6.70%



# Property Values Percentages as of Fiscal Year 2018



■ Residential  
80%

■ Commercial  
9%

■ Industrial  
2%

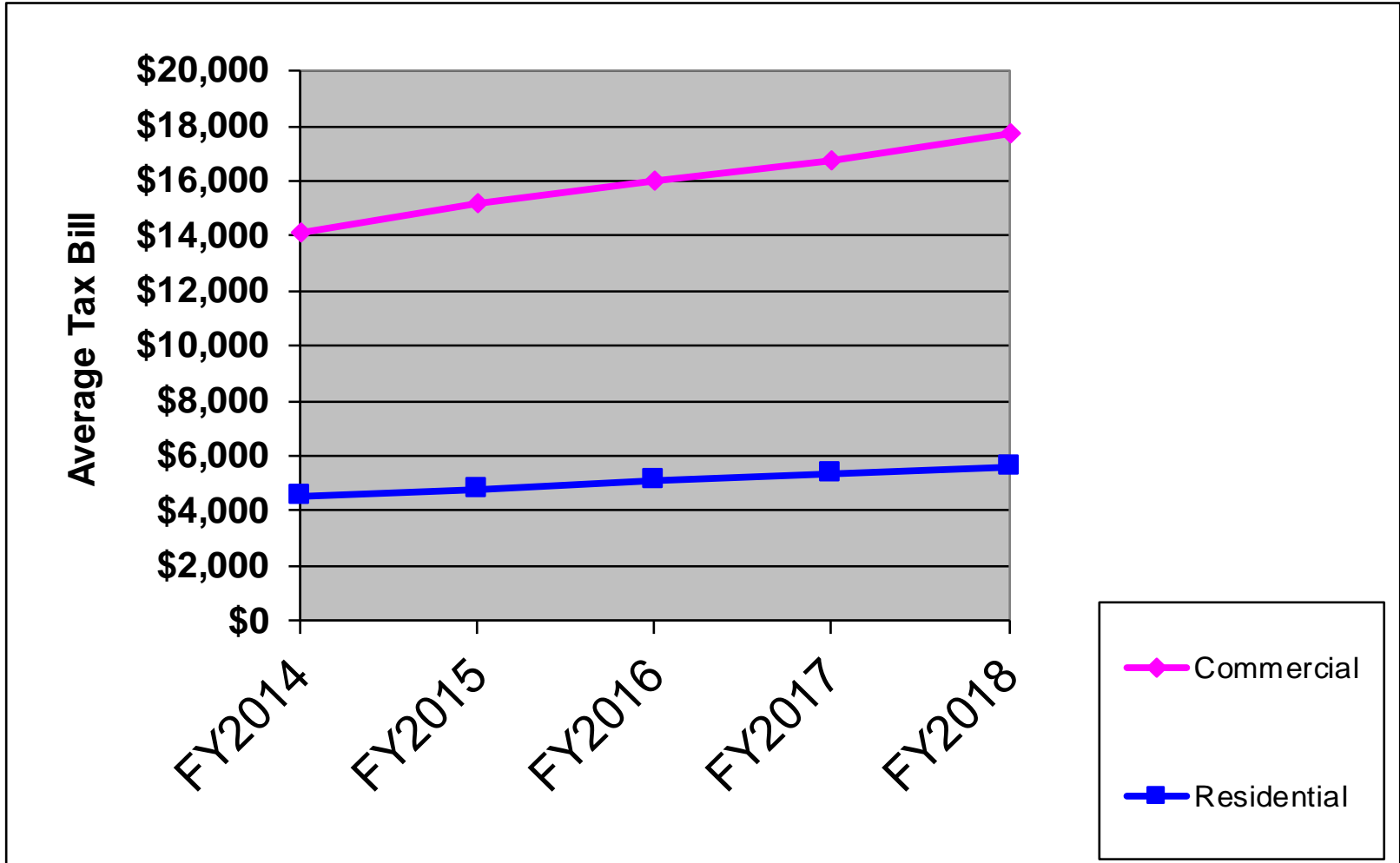
■ Entergy  
5%

■ Personal Property  
4%

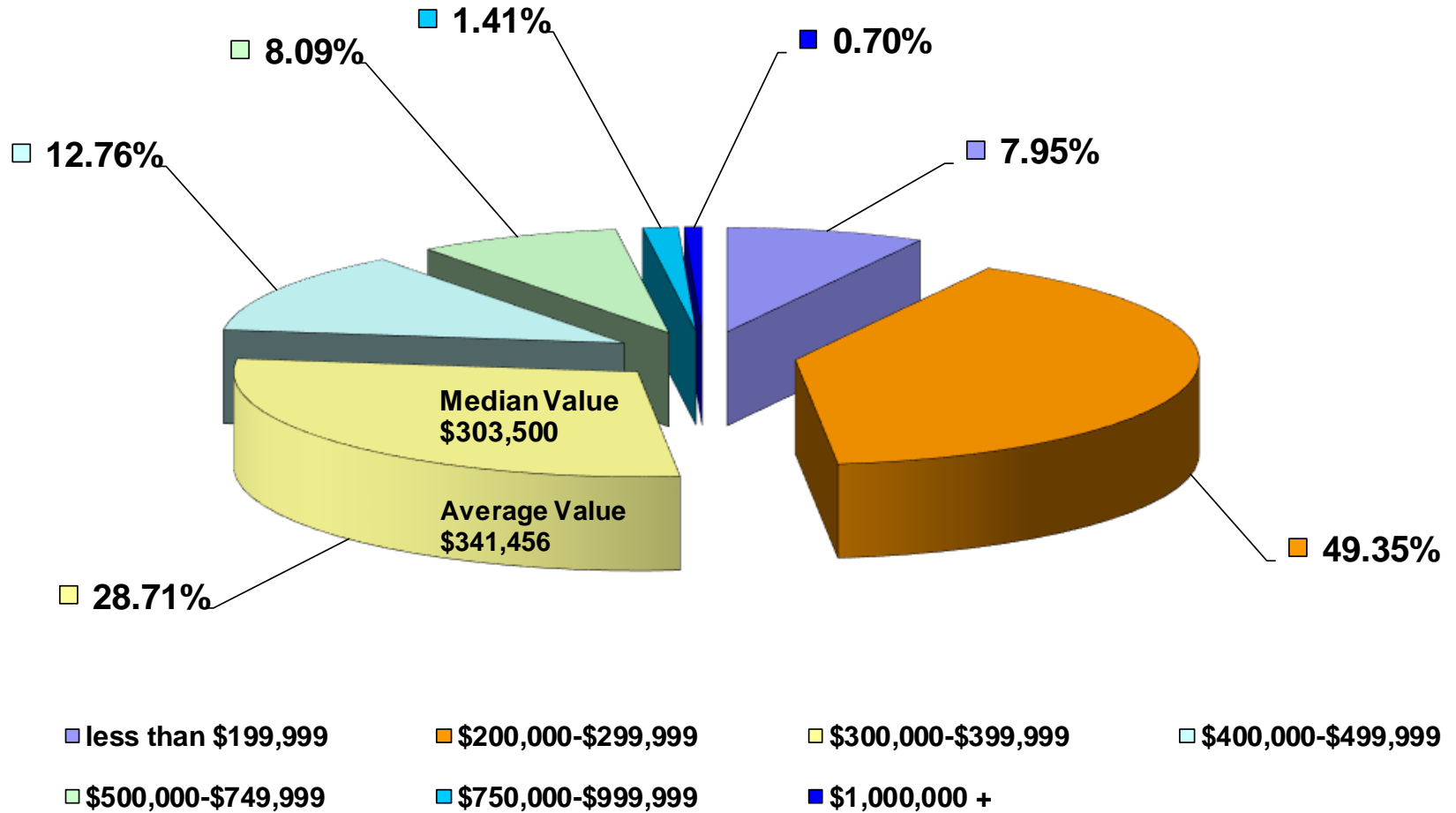
# Residential and Commercial Data

	FISCAL YEAR				
	2014	2015	2016	2017	2018
<b><u>Single Family</u></b>					
<b>Average Single Family Tax Bill</b>	<b>4,536.49</b>	<b>4,782.17</b>	<b>5,091.58</b>	<b>5,341.35</b>	<b>5,620.37</b>
<b>Avg Value: Single Family</b>	<b>299,834</b>	<b>307,733</b>	<b>312,943</b>	<b>322,156</b>	<b>341,456</b>
<b>Number of Single Homes</b>	<b>18,039</b>	<b>18,157</b>	<b>18,264</b>	<b>18,394</b>	<b>18,595</b>
<b><u>Commercial</u></b>					
<b>Average Tax Bill</b>	<b>14,135.44</b>	<b>15,166.40</b>	<b>16,030.52</b>	<b>16,744.35</b>	<b>17,760.70</b>
<b>Average Value: Commercial</b>	<b>934,266</b>	<b>975,959</b>	<b>985,281</b>	<b>1,009,913</b>	<b>1,079,022</b>
<b>Number of Commercial Parcels</b>	<b>731</b>	<b>736</b>	<b>736</b>	<b>733</b>	<b>736</b>

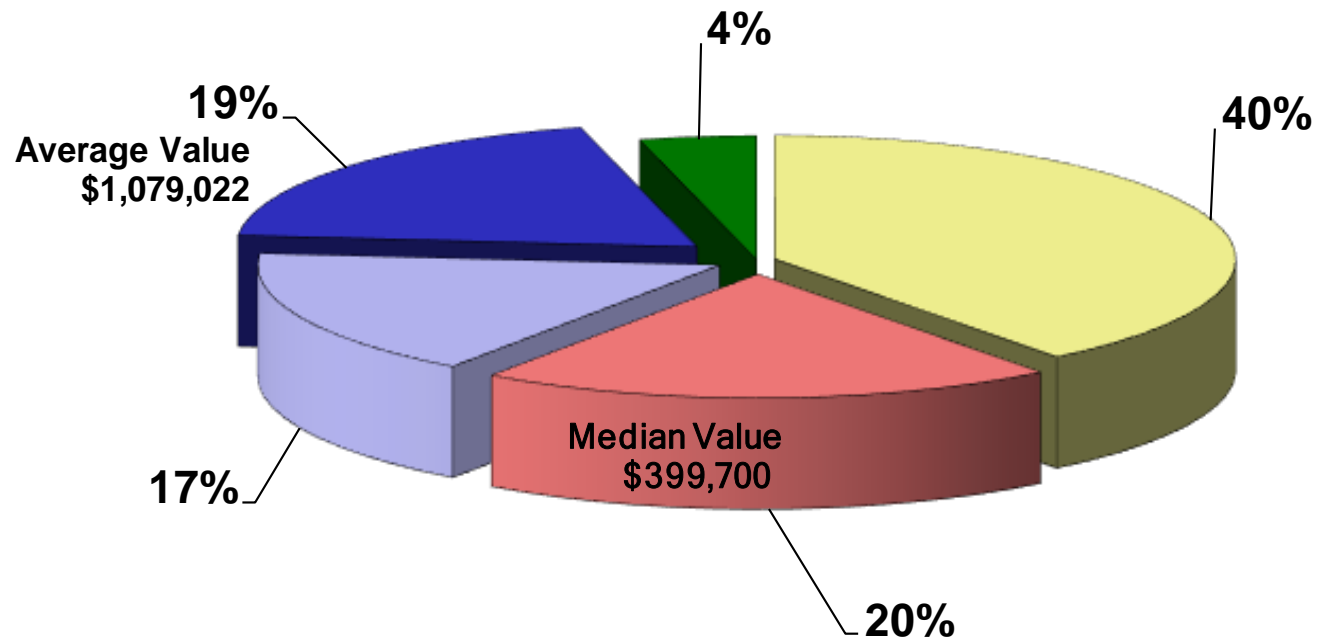
# Average Tax Bill



# FY2018 Single Family



# FY2018 Commercial



■ <= 299,999

■ 300,000 - 499,999

■ 500,000 - 999,999

■ 1,000,000 - 4,999,999

■ 5,000,000+

# Shift Impact

	Residential			Commercial		
	Average Tax Bill Single Family	Change	RATE	RATE	Average Tax Bill	Change
Shifts	5,620.37		16.46	16.46	17,760.70	
1%	5,606.71	(13.66)	16.42	16.62	17,933.35	172.65
2%	5,593.05	(27.32)	16.38	16.79	18,116.78	356.08
3%	5,579.39	(40.98)	16.34	16.95	18,289.42	528.72
4%	5,565.73	(54.64)	16.3	17.12	18,472.86	712.16
5%	5,552.07	(68.30)	16.26	17.28	18,645.50	884.80
6%	5,538.42	(81.95)	16.22	17.45	18,828.93	1,068.23
7%	5,524.76	(95.61)	16.18	17.61	19,001.58	1,240.88
8%	5,507.69	(112.68)	16.13	17.78	19,185.01	1,424.31
9%	5,494.03	(126.34)	16.09	17.94	19,357.65	1,596.95
10%	5,480.37	(140.00)	16.05	18.11	19,541.09	1,780.39
15%	5,412.08	(208.29)	15.85	18.93	20,425.89	2,665.19
<b>20%</b>	<b>5,343.79</b>	<b>(276.58)</b>	<b>15.65</b>	<b>19.75</b>	<b>21,310.68</b>	<b>3,549.98</b>
30%	5,203.79	(416.58)	15.24	21.40	23,091.07	5,330.37
50%	4,927.21	(693.16)	14.43	24.69	26,641.05	8,880.35

# Classification Considerations

- **Diversity of tax base**

- Residential; \$ 8,106,067,682 or 80%
- Commercial; \$ 902,270,034 or 9%
- Industrial; \$ 741,252,873 or 7%
- Personal Property; \$ 358,520,182 or 4%

- **Ability to absorb shift**

- In order to maintain an “average” tax bill of approximately \$5,341 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 **(\$276.58)**
  - An increase in the average commercial tax bill of \$3,550

# Impact of Tax Rate Shift

## IMPACT OF TAX RATE SHIFT - FISCAL 2018

Property Value		\$250,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.46	\$16.46	\$4,115.00	\$4,115.00		
1%	\$16.42	\$16.62	\$4,105.00	\$4,155.00	\$10.00	\$40.00
7%	\$16.18	\$17.61	\$4,045.00	\$4,402.50	\$70.00	\$287.50
10%	\$16.05	\$18.11	\$4,012.50	\$4,527.50	\$102.50	\$412.50

Property Value		\$500,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.46	\$16.46	\$8,230.00	\$8,230.00		
1%	\$16.42	\$16.62	\$8,210.00	\$8,310.00	\$20.00	\$80.00
7%	\$16.18	\$17.61	\$8,090.00	\$8,805.00	\$140.00	\$575.00
10%	\$16.05	\$18.11	\$8,025.00	\$9,055.00	\$205.00	\$825.00



# Impact of Tax Rate Shift

Property Value		\$750,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.46	\$16.46	\$12,345.00	\$12,345.00		
1%	\$16.42	\$16.62	\$12,315.00	\$12,465.00	\$30.00	\$120.00
7%	\$16.18	\$17.61	\$12,135.00	\$13,207.50	\$210.00	\$862.50
10%	\$16.05	\$18.11	\$12,037.50	\$13,582.50	\$307.50	\$1,237.50

Property Value		\$1,000,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.46	\$16.46	\$16,460.00	\$16,460.00		
1%	\$16.42	\$16.62	\$16,420.00	\$16,620.00	\$40.00	\$160.00
7%	\$16.18	\$17.61	\$16,180.00	\$17,610.00	\$280.00	\$1,150.00
10%	\$16.05	\$18.11	\$16,050.00	\$18,110.00	\$410.00	\$1,650.00

# Classification Considerations

- Diversity of tax base
- Ability of CIP tax base to absorb shift
- Economic Development
- Recommend a unified tax rate