

***Town of Plymouth
Property Tax Classification
Hearing
November 27, 2018***

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

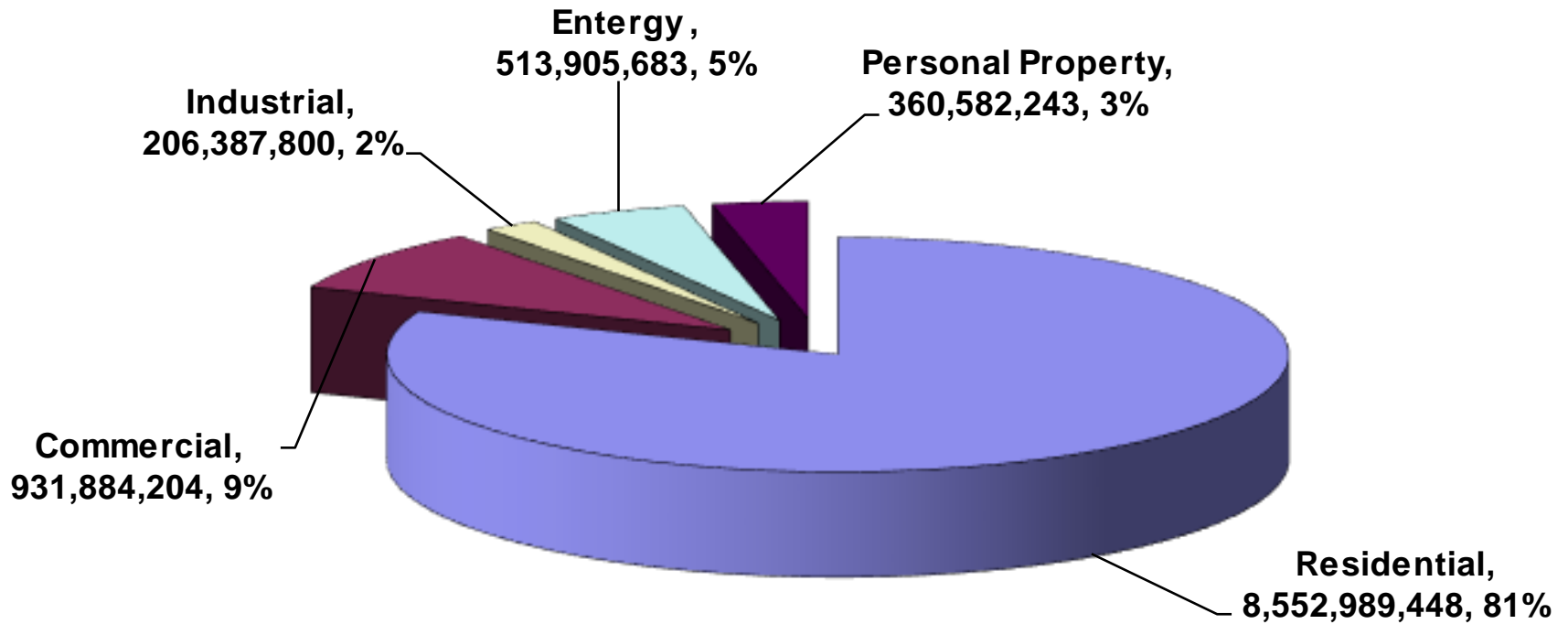
Overview of Key Changes

	FY 2018	FY 2019	Change
Unified Tax	\$ 16.46	\$ 16.54	\$ 0.08
Average			
Single Family Value	\$ 341,456.00	\$ 354,939.00	\$ 13,483.00
Single Family Tax	\$ 5,620.37	\$ 5,870.69	\$ 250.32
Median			
Single Family Value	\$ 303,500.00	\$ 317,600.00	\$ 14,100.00
Single Family Tax	\$ 4,995.61	\$ 5,253.10	\$ 257.49
Average			
Commercial Value	\$ 1,079,022.00	\$ 1,105,340.00	\$ 26,318.00
Commercial Tax	\$ 17,760.70	\$ 18,282.32	\$ 521.62
Median			
Commercial Value	\$ 399,700.00	\$ 397,700.00	\$ (2,000.00)
Commercial Tax	\$ 6,579.06	\$ 6,577.96	\$ (1.10)

Property Valuation

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year % Change
RES	7,020,390,187	7,239,493,061	7,553,965,815	8,106,067,682	8,552,989,448	5.51%
COMM	829,010,333	833,858,034	846,438,347	902,270,034	931,884,204	3.28%
IND	794,542,012	749,466,939	746,047,286	741,252,873	720,293,483	-2.83%
Sub C+I	1,623,552,345	1,583,324,973	1,592,485,633	1,643,522,907	1,652,177,687	.53%
PERS PROP	264,930,551	305,682,189	330,381,327	358,520,182	360,582,243	.58%
Sub CIP	1,888,482,896	1,889,007,162	1,922,866,960	2,002,043,089	2,012,759,930	.54%
TOTAL VALUE	8,908,873,083	9,128,500,223	9,476,832,775	10,108,110,771	10,565,749,378	4.53%

Property Values Percentages as of Fiscal Year 2019



■ Residential
81%

■ Commercial
9%

■ Industrial
2%

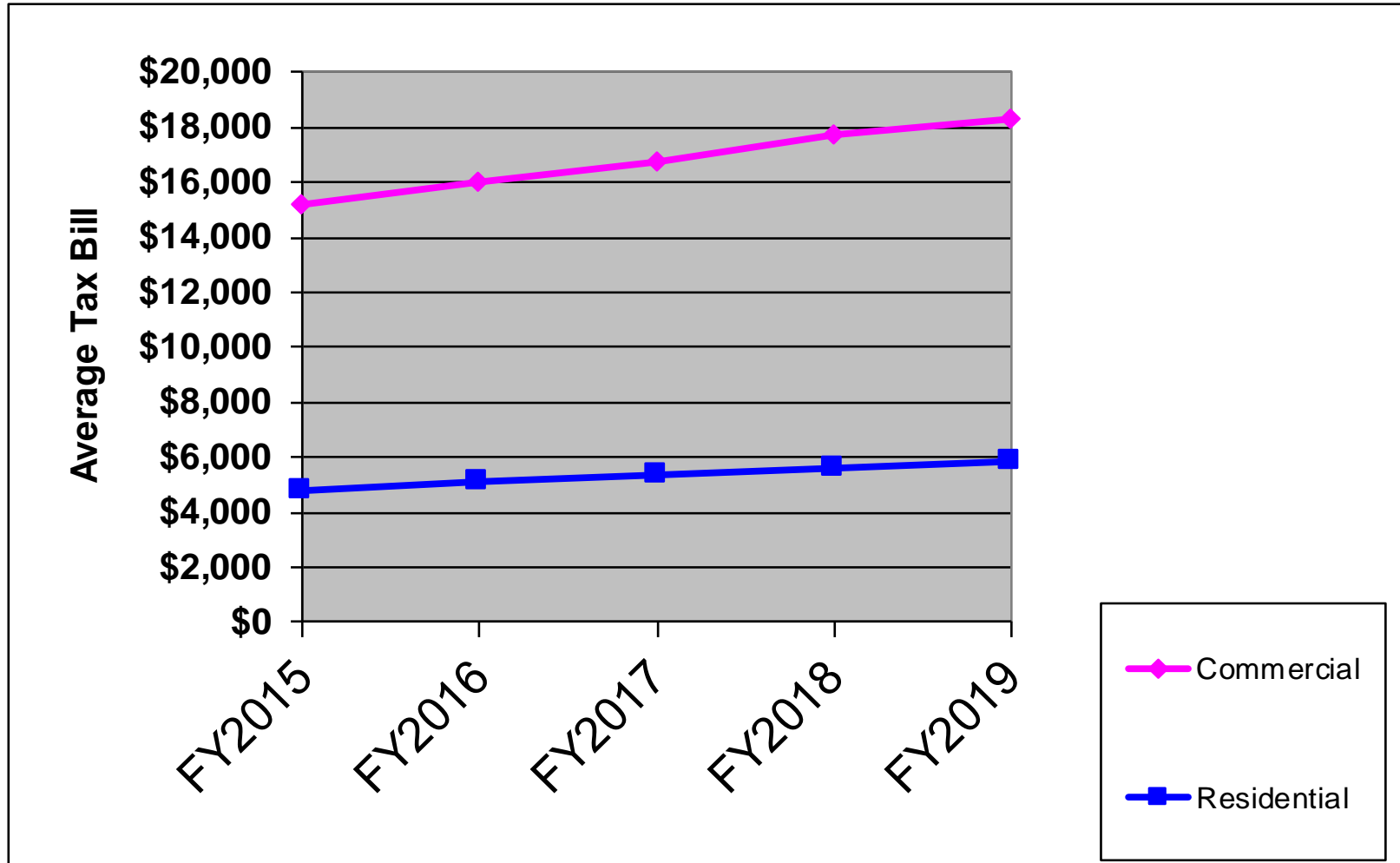
■ Entergy
5%

■ Personal Property
3%

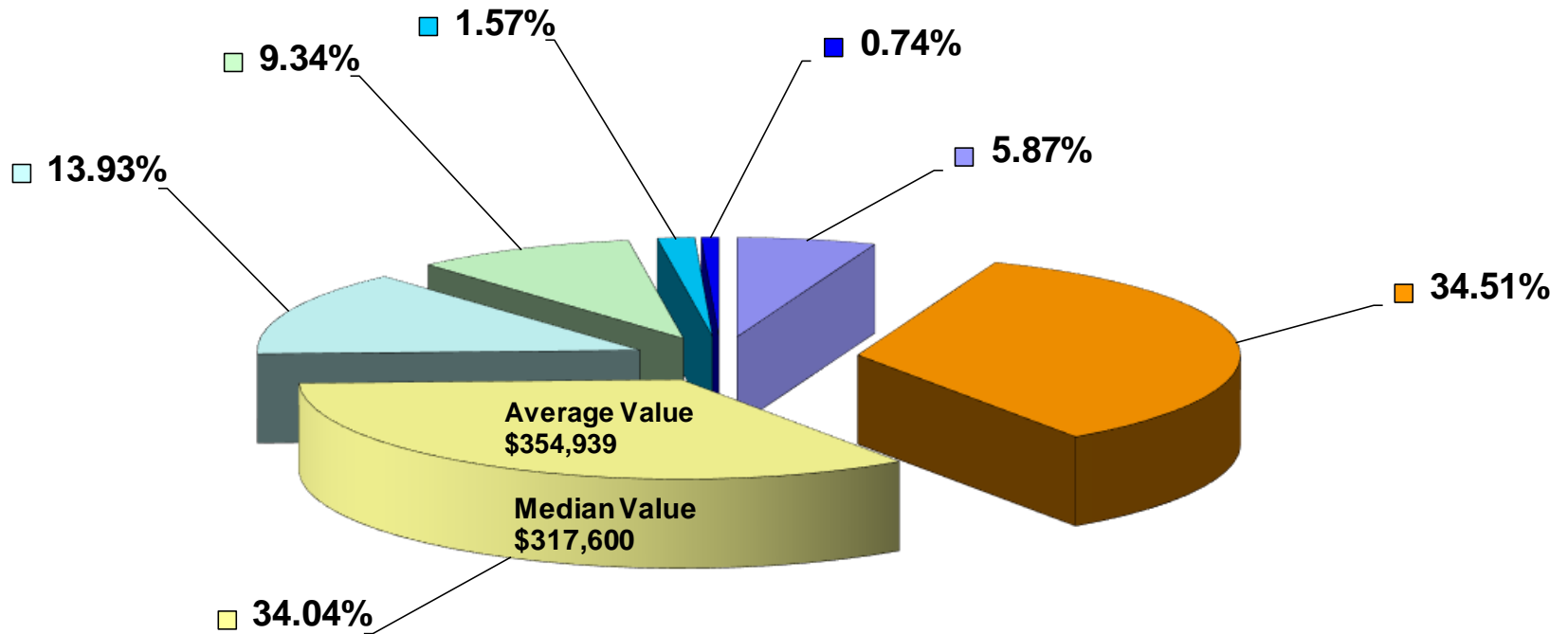
Residential and Commercial Data

	FISCAL YEAR				
	2015	2016	2017	2018	2019
<u>Single Family</u>					
Average Single Family Tax Bill	4,782.17	5,091.58	5,341.35	5,620.37	5,870.69
Avg Value: Single Family	307,733	312,943	322,156	341,456	354,939
Number of Single Homes	18,157	18,264	18,394	18,595	18,768
<u>Commercial</u>					
Average Tax Bill	15,166.40	16,030.52	16,744.35	17,760.70	18,282.32
Average Value: Commercial	975,959	985,281	1,009,913	1,079,022	1,105,340
Number of Commercial Parcels	736	736	733	736	742

Average Tax Bill



FY2019 Single Family



■ less than \$199,999

■ \$200,000-\$299,999

■ \$300,000-\$399,999

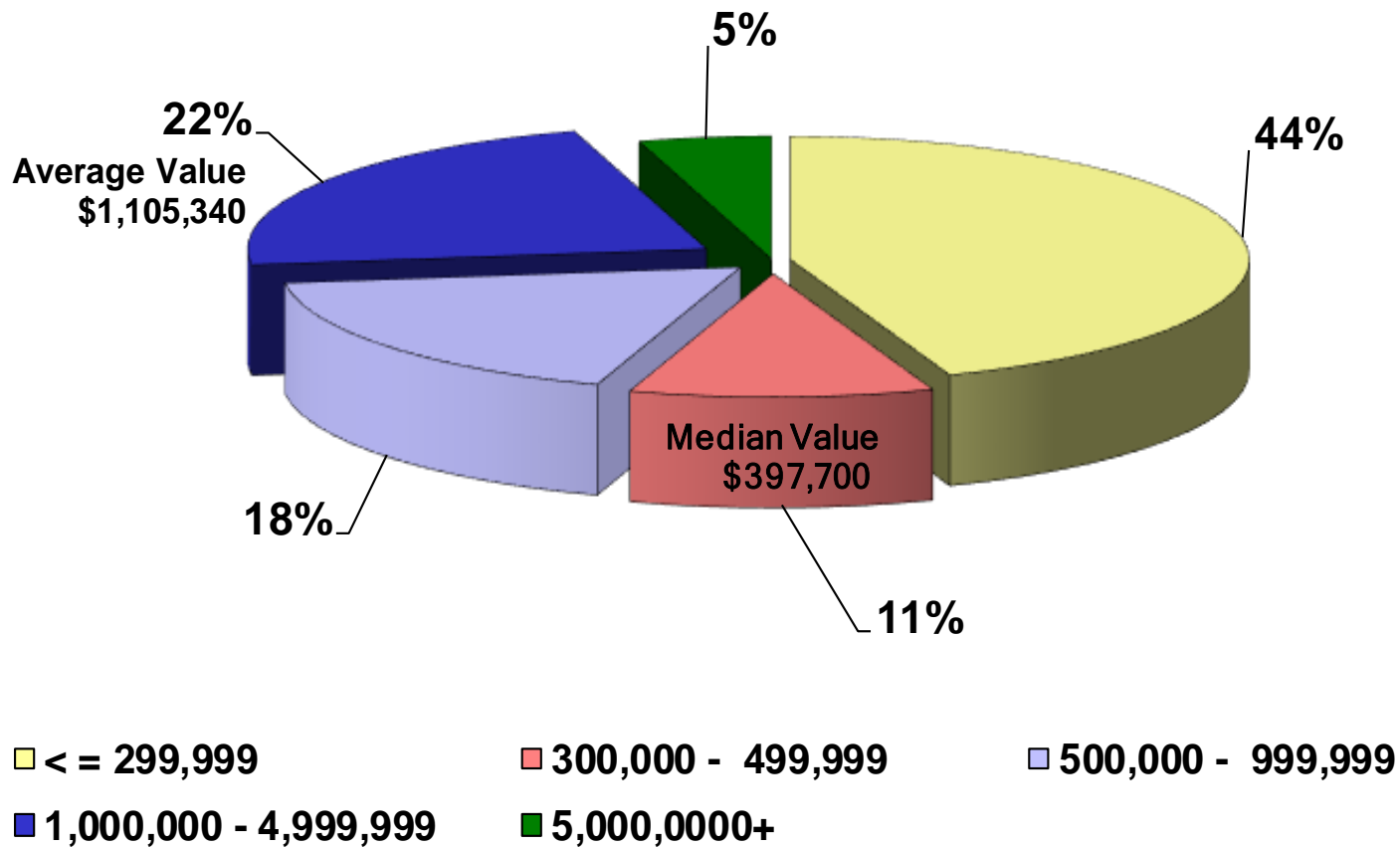
■ \$400,000-\$499,999

■ \$500,000-\$749,999

■ \$750,000-\$999,999

■ \$1,000,000 +

FY2019 Commercial



Shift Impact

	Residential			Commercial		
	Average Tax Bill	Change	RATE	RATE	Average Tax Bill	Change
	Single Family					
	5,870.70		16.54	16.54	18,282.33	
Shifts						
1%	5,856.49	(14.21)	16.50	16.71	18,470.23	187.90
2%	5,842.30	(28.40)	16.46	16.87	18,647.09	364.76
3%	5,828.10	(42.60)	16.42	17.04	18,834.99	552.66
4%	5,813.90	(56.80)	16.38	17.20	19,011.85	729.52
5%	5,803.25	(67.45)	16.35	17.37	19,199.76	917.43
6%	5,789.06	(81.64)	16.31	17.53	19,376.61	1,094.28
7%	5,774.86	(95.84)	16.27	17.70	19,564.52	1,282.19
8%	5,760.66	(110.04)	16.23	17.86	19,741.37	1,459.04
9%	5,746.46	(124.24)	16.19	18.03	19,929.28	1,646.95
10%	5,732.26	(138.44)	16.15	18.19	20,106.13	1,823.80
15%	5,664.83	(205.87)	15.96	19.02	21,023.57	2,741.24
18%	5,622.23	(248.47)	15.84	19.85	21,941.00	3,658.67
30%	5,455.41	(415.29)	15.37	21.50	23,764.81	5,482.48
50%	5,178.56	(692.14)	14.59	24.81	27,423.49	9,141.16

Classification Considerations

- **Diversity of tax base**

- Residential; \$ 8,552,989,448 or 81%
- Commercial; \$ 931,884,204 or 9%
- Industrial; \$ 720,293,483 or 7%
- Personal Property; \$ 360,582,243 or 3%

- **Ability to absorb shift**

- In order to maintain an “average” tax bill of approximately \$5,620 for the residential classification, a 18% shift will be necessitated. The impact to the residential and commercial classes are;
 - A decrease in the average residential tax bill of **(\$248.47)**
 - An increase in the average commercial tax bill of \$3,659

Impact of Tax Rate Shift

IMPACT OF TAX RATE SHIFT - FISCAL 2019

Property Value		\$250,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.54	\$16.54	\$4,135.00	\$4,135.00		
5%	\$16.35	\$17.37	\$4,087.50	\$4,342.50	\$47.50	\$207.50
10%	\$16.15	\$18.19	\$4,037.50	\$4,547.50	\$97.50	\$412.50
18%	\$15.84	\$19.52	\$3,960.00	\$4,880.00	\$175.00	\$745.00

Property Value		\$500,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.54	\$16.54	\$8,270.00	\$8,270.00		
5%	\$16.35	\$17.37	\$8,175.00	\$8,685.00	\$95.00	\$415.00
10%	\$16.15	\$18.19	\$8,075.00	\$9,095.00	\$195.00	\$825.00
18%	\$15.84	\$19.52	\$7,920.00	\$9,760.00	\$350.00	\$1,490.00

Impact of Tax Rate Shift

Property Value		\$750,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.54	\$16.54	\$12,405.00	\$12,405.00		
5%	\$16.35	\$17.37	\$12,262.50	\$13,027.50	\$142.50	\$622.50
10%	\$16.15	\$18.19	\$12,112.50	\$13,642.50	\$292.50	\$1,237.50
18%	\$15.84	\$19.52	\$11,880.00	\$14,640.00	\$525.00	\$2,235.00

Property Value		\$1,000,000				
Shift%	Res Rat	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$16.54	\$16.54	\$16,540.00	\$16,540.00		
5%	\$16.35	\$17.37	\$16,350.00	\$17,370.00	\$190.00	\$830.00
10%	\$16.15	\$18.19	\$16,150.00	\$18,190.00	\$390.00	\$1,650.00
18%	\$15.84	\$19.52	\$15,840.00	\$19,520.00	\$700.00	\$2,980.00

Classification Considerations

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