

Town of Weymouth
Massachusetts

Robert L. Hedlund
Mayor

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Weymouth, MA 02189



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www.weymouth.ma.us

MEMORANDUM

19 113

TO: TOWN COUNCIL
FROM: MAYOR ROBERT L. HEDLUND
RE: FY20 TAX CLASSIFICATION
DATE: 11/8/2019

Robert Hedlund

2019 NOV 14 AM 10:17

RECEIVED
TOWN OF WEYMOUTH
TOWN CLERK'S OFFICE

I submit the following measure for consideration by Town Council:

“That the Town of Weymouth approve a Classification Tax Rate Shift of 1.45 for commercial, industrial, and personal property taxes with no residential exemption for fiscal year 2020.”

This measure requires a legal notice and a public hearing.

Referral Dte. _____ PH Dte. _____
Comm. Referral _____ TC Vote _____
Comm. Vote _____ TC Vote Dte. _____
Comm. Vote Dte. _____

Weymouth
TOWN COUNCIL

2019 NOV 13 PM 10:20

RECEIVED

FISCAL YEAR 2020 TAX CLASSIFICATION HEARING

Monday, December 2nd, 2019



FISCAL YEAR 2020 TAX CLASSIFICATION HEARING

COMMONLY USED TERMS

- NEW GROWTH:** Additions to the tax base from new construction and property improvements
- LEVY:** Revenue raised through property taxes
- LEVY LIMIT :** Maximum dollar amount a Town can raise in a fiscal year.
(Prior years Levy + 2 ½% + New Growth)
- EXCESS LEVY CAPACITY:** Difference between the levy and the levy limit
- CIP:** Class that includes Commercial, Industrial, & Personal Property
- MRF:** Minimum Residential Factor. This factor represents the minimum percentage of the levy the residential class must pay

FISCAL YEAR 2020 TAX CLASSIFICATION HEARING

The purpose of the classification hearing is to determine the percentage share of the tax levy that each class of property will pay. The minimum residential factor is determined by the make up of the tax base. This factor allows the Town Council to shift the burden towards Commercial & Industrial taxpayers to a maximum of **150%**. The shift is implemented by vote of the Town Council.

The adopted percentage is then used to determine the tax levy paid by each class of property and calculate the resulting tax rates. Shifting taxes onto the CIP class does not increase the amount of revenue collected.

Classification of Properties

MGL Ch. 59 Section 2A(b) states that assessors must classify all real property within their jurisdiction into four classes:

- Residential
- Open Space (*Weymouth does not have an open space category*)
- Commercial
- Industrial

PROPERTY CLASS DISTRIBUTION



- Residential
- Commercial
- Industrial
- Personal Property

CLASS	VALUE	%	
Residential	\$7,399,991,486	85.5675	
Commercial	\$742,659,514	8.5875	
Industrial	\$332,041,200	3.8395	CIP TOTAL
Personal Property	\$173,439,260	2.0055	\$1,248,139,974.00
Total	\$8,648,131,460	100.00	14.4325%

FISCAL YEAR 2020 CLASSIFICATION OPTIONS

Levy	Value	Uniform Rate
\$111,575,293.00	8,648,131,460	\$12.90

The tax levy for fiscal year 2020 is \$111,573,293 divided by \$8,648,131,460 the total value of all real and personal property resulting in a single tax rate of \$12.90

FY2019		FISCAL YEAR 2020 SHIFT OPTIONS			
	45% SHIFT	45%	46%	48%	50.0%
Residential	78.6967%	79.0729	78.9286	78.7842	78.3513
C/I/P	21.3033%	20.9271%	21.0714%	21.2158%	21.6487%
TAX RATES					
	FY 2019	45%	46%	48%	50.0%
Residential	\$12.12	\$11.92	\$11.90	\$11.86	\$11.81
C/I/P	\$19.05	\$18.71	\$18.84	\$19.09	\$19.35

CLASSIFICATION IMPACT EXAMPLES

The chart shows the impact on different property types when the tax burden is shifted to the C/I/P Classes

Type	Typical Property	FY2020 Assessment	100%	145%	146%	147%	148%	149%	150%
RESIDENTIAL	Average Res. Condo	\$257,068.00	\$3,316.18	\$3,064.25	\$3,059.11	\$3,053.97	\$3,048.83	\$3,043.69	\$3,035.97
RESIDENTIAL	Avg Single Family	\$400,380.00	\$5,164.90	\$4,772.53	\$4,764.52	\$4,756.51	\$4,748.51	\$4,740.50	\$4,728.49
RESIDENTIAL	Single Family #2	\$562,500.00	\$7,256.25	\$6,705.00	\$6,693.75	\$6,682.50	\$6,671.25	\$6,660.00	\$6,643.13
RESIDENTIAL	Single Family #3	\$785,300.00	\$10,130.37	\$9,360.78	\$9,345.07	\$9,329.36	\$9,313.66	\$9,297.95	\$9,274.39
RESIDENTIAL	Small Apartments	\$900,500.00	\$11,616.45	\$10,733.96	\$10,715.95	\$10,697.94	\$10,679.93	\$10,661.92	\$10,634.91
RESIDENTIAL	Large Apartment Complex	\$50,467,800.00	\$651,034.62	\$601,576.18	\$600,566.82	\$599,557.46	\$598,548.11	\$597,538.75	\$596,024.72
COMMERCIAL	Small Restaurant	\$436,300.00	\$5,628.27	\$8,163.17	\$8,219.89	\$8,272.25	\$8,328.97	\$8,385.69	\$8,442.41
INDUSTRIAL	MFG Bldg	\$609,700.00	\$7,865.13	\$11,407.49	\$11,486.75	\$11,559.91	\$11,639.17	\$11,718.43	\$11,797.70
COMMERCIAL	Gas Station	\$837,900.00	\$10,808.91	\$15,677.11	\$15,786.04	\$15,886.58	\$15,995.51	\$16,104.44	\$16,213.37
COMMERCIAL	Office Bldg	\$1,104,200.00	\$14,244.18	\$20,659.58	\$20,803.13	\$20,935.63	\$21,079.18	\$21,222.72	\$21,366.27
COMMERCIAL	Lg Medical Bldg	\$24,472,300.00	\$315,692.67	\$457,876.73	\$461,058.13	\$463,994.81	\$467,176.21	\$470,357.61	\$473,539.01
COMMERCIAL	Lg Retail Mall	\$24,372,700.00	\$314,407.83	\$456,013.22	\$459,181.67	\$462,106.39	\$465,274.84	\$468,443.29	\$471,611.75

RESIDENTIAL FACTOR

The minimum residential factor is 91.5665

This is the factor that would allow a split tax rate toward the CIP class up to 150%

- A 150% shift would **increase** the commercial tax rate by **\$6.45** per thousand and reduce the residential rate by **\$1.09** per thousand
- A 149% shift would **increase** the commercial tax rate by **\$6.32** per thousand and reduce the residential rate by **\$1.06** per thousand
- A 148% shift would **increase** the commercial tax rate by **\$6.19** per thousand and reduce the residential rate by **\$1.04** per thousand
- A 147% shift would **increase** the commercial tax rate by **\$6.06** per thousand and reduce the residential rate by **\$1.02** per thousand
- A 146% shift would **increase** the commercial tax rate by **\$5.94** per thousand and reduce the residential rate by **\$1.00** per thousand
- A 145% shift would **increase** the commercial tax rate by **\$5.81** per thousand and reduce the residential rate by **\$0.98** per thousand

The maximum allowable shift for Weymouth is 150%

Shifting taxes onto the CIP class does not increase the amount of revenue collected

RESIDENTIAL IMPACT EXAMPLES WITH DETAIL

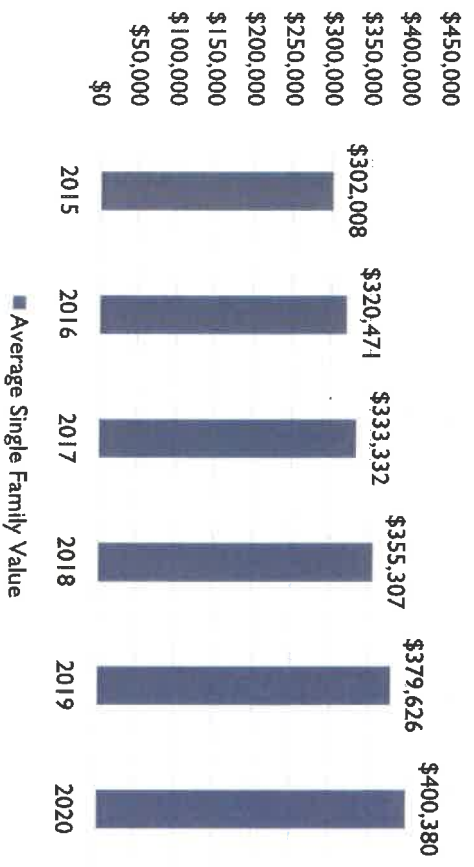
2019		2019		FISCAL YEAR 2020 SHIFT IMPACTS — RESIDENTIAL										
VALUES	TAX	TYPICAL PROPERTY	CLASS	FY 20 VALUE	Single Rate	45%	46%	47%	48%	49%	50%			
	\$12.12			\$12.90	\$11.92	\$11.90	\$11.88	\$11.86	\$11.84	\$11.81				
\$240,948	\$2,920.29	Average Res. Condo	RES	\$257,068	\$3,316.18	\$3,064.25	\$3,059.11	\$3,053.97	\$3,048.83	\$3,043.69	\$3,035.97			
		Tax Change			\$395.89	\$143.96	\$138.82	\$133.68	\$128.54	\$123.40	\$115.68			
		Percent Change			13.56%	4.93%	4.75%	4.58%	4.40%	4.23%	3.96%			
\$379,626	\$4,601.07	Avg Single Family	RES	\$400,380	\$5,164.90	\$4,772.53	\$4,764.52	\$4,756.51	\$4,748.51	\$4,740.50	\$4,728.49			
		Tax Change			\$563.83	\$171.46	\$163.45	\$155.45	\$147.44	\$139.43	\$127.42			
		Percent Change			12.25%	3.73%	3.55%	3.38%	3.20%	3.03%	2.77%			
\$543,500	\$6,587.22	Single Family #2	RES	\$562,500	\$7,256.25	\$6,705.00	\$6,693.75	\$6,682.50	\$6,671.25	\$6,660.00	\$6,643.13			
		Tax Change			\$669.03	\$117.78	106.53	95.28	84.03	72.78	55.91			
		Percent Change			10.16%	1.79%	1.62%	1.45%	1.28%	1.10%	0.85%			
\$750,100	\$9,091.21	Single Family #3	RES	\$785,300	\$10,130.37	\$9,360.78	\$9,345.07	\$9,329.36	\$9,313.66	\$9,297.95	\$9,274.39			
		Tax Change			\$1,039.16	\$269.56	253.86	238.15	222.45	206.74	183.18			
		Percent Change			11.43%	2.97%	2.79%	2.62%	2.45%	2.27%	2.01%			
\$798,600	\$9,679.03	Small Apartments	RES	\$900,500	\$11,616.45	\$10,733.96	\$10,715.95	\$10,697.94	\$10,679.93	\$10,661.92	\$10,634.91			
		Tax Change			\$1,937.42	\$1,054.93	\$1,036.92	\$1,018.91	\$1,000.90	\$982.89	\$955.87			
		Percent Change			20.02%	10.90%	10.71%	10.53%	10.34%	10.15%	9.88%			
\$48,368,900	\$586,231.07	Large Apartment Complex	RES	\$50,467,800	\$651,034.62	\$601,576.18	\$600,566.82	\$599,557.46	\$598,548.11	\$597,538.75	\$596,024.72			
		Tax Change			\$64,803.55	\$15,345.11	\$14,335.75	\$13,326.40	\$12,317.04	\$11,307.68	\$9,793.65			
		Percent Change			11.05%	2.62%	2.45%	2.27%	2.10%	1.93%	1.67%			

COMMERCIAL INDUSTRIAL IMPACT EXAMPLES WITH DETAIL

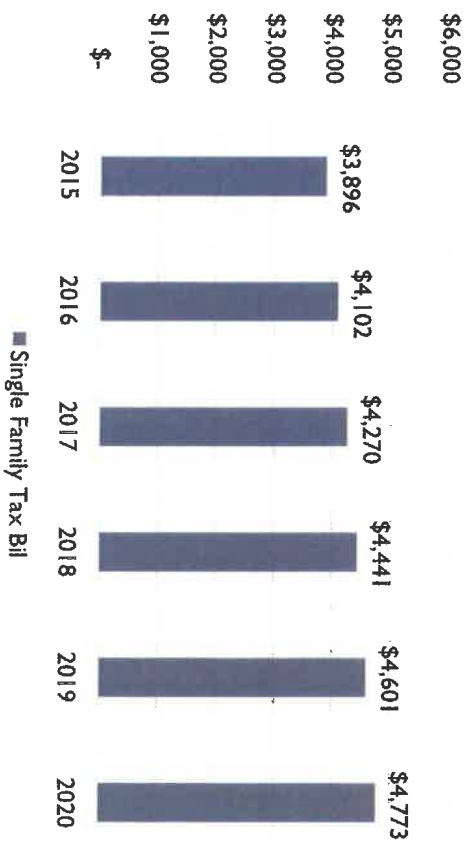
FISCAL YEAR 2020 SHIFT IMPACTS -- COMMERCIAL INDUSTRIAL												
2019	2019	TYPICAL PROPERTY	CLASS	FY 20 VALUE	Single Rate	45%	46%	47%	48%	49%	50%	
VALUES	TAX											
\$419,000	\$7,981.95	Small Restaurant	COMM	\$436,300	\$5,628.27	\$8,163.17	\$8,219.89	\$8,272.25	\$8,328.97	\$8,385.69	\$8,442.41	\$19.05
		Tax Change			-\$2,353.68	\$181.22	\$237.94	\$290.30	\$347.02	\$403.74	\$460.46	
		Percent Change			-29.49%	2.27%	2.98%	3.64%	4.35%	5.06%	5.77%	
\$587,600	\$11,193.78	MFG Bldg	IND	\$609,700	\$7,865.13	\$11,407.49	\$11,486.75	\$11,559.91	\$11,639.17	\$11,718.43	\$11,797.70	
		Tax Change			-\$3,328.65	\$213.71	\$292.97	\$366.13	\$445.39	\$524.65	\$603.92	
		Percent Change			-29.74%	1.91%	2.62%	3.27%	3.98%	4.69%	5.40%	
\$814,300	\$15,512.42	Gas Station	COMM	\$837,900	\$10,808.91	\$15,677.11	\$15,786.04	\$15,886.58	\$15,995.51	\$16,104.44	\$16,213.37	
		Tax Change			-\$4,703.51	\$164.69	\$273.62	\$374.17	\$483.10	\$592.02	\$700.95	
		Percent Change			-30.32%	1.06%	1.76%	2.41%	3.11%	3.82%	4.52%	
\$1,084,000	\$20,650.20	Office Bldg	COMM	\$1,104,200	\$14,244.18	\$20,659.58	\$20,803.13	\$20,935.63	\$21,079.18	\$21,222.72	\$21,366.27	
		Tax Change			-\$6,406.02	\$9.38	\$152.93	\$285.43	\$428.98	\$572.52	\$716.07	
		Percent Change			-31.02%	0.05%	0.74%	1.38%	2.08%	2.77%	3.47%	
\$23,676,500	\$451,037.33	Lg Medical Bldg	COMM	\$24,472,300	\$315,692.67	\$457,876.73	\$461,058.13	\$463,994.81	\$467,176.21	\$470,357.61	\$473,539.01	
		Tax Change			-\$135,344.66	\$6,839.41	\$10,020.81	\$12,957.48	\$16,138.88	\$19,320.28	\$22,501.68	
		Percent Change			-30.01%	1.52%	2.22%	2.87%	3.58%	4.28%	4.99%	
\$23,605,400	\$449,682.87	Lg Retail Mall	COMM	\$24,372,700	\$314,407.83	\$456,013.22	\$459,181.67	\$462,106.39	\$465,274.84	\$468,443.29	\$471,611.75	
		Tax Change			-\$135,275.04	\$6,330.35	\$9,498.80	\$12,423.52	\$15,591.97	\$18,760.42	\$21,928.88	
		Percent Change			-30.08%	1.41%	2.11%	2.76%	3.47%	4.17%	4.88%	

HISTORICAL TRENDS FISCAL YEARS 2015 - 2020

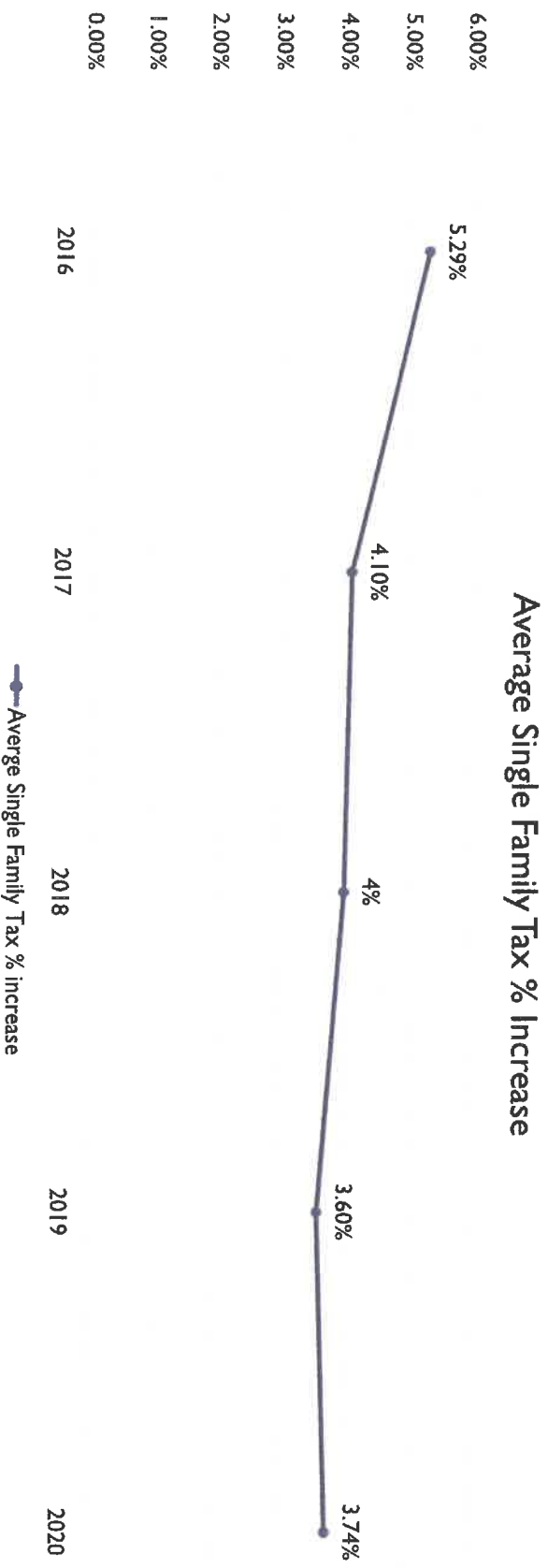
AVERAGE SINGLE FAMILY ASSESSED VALUE



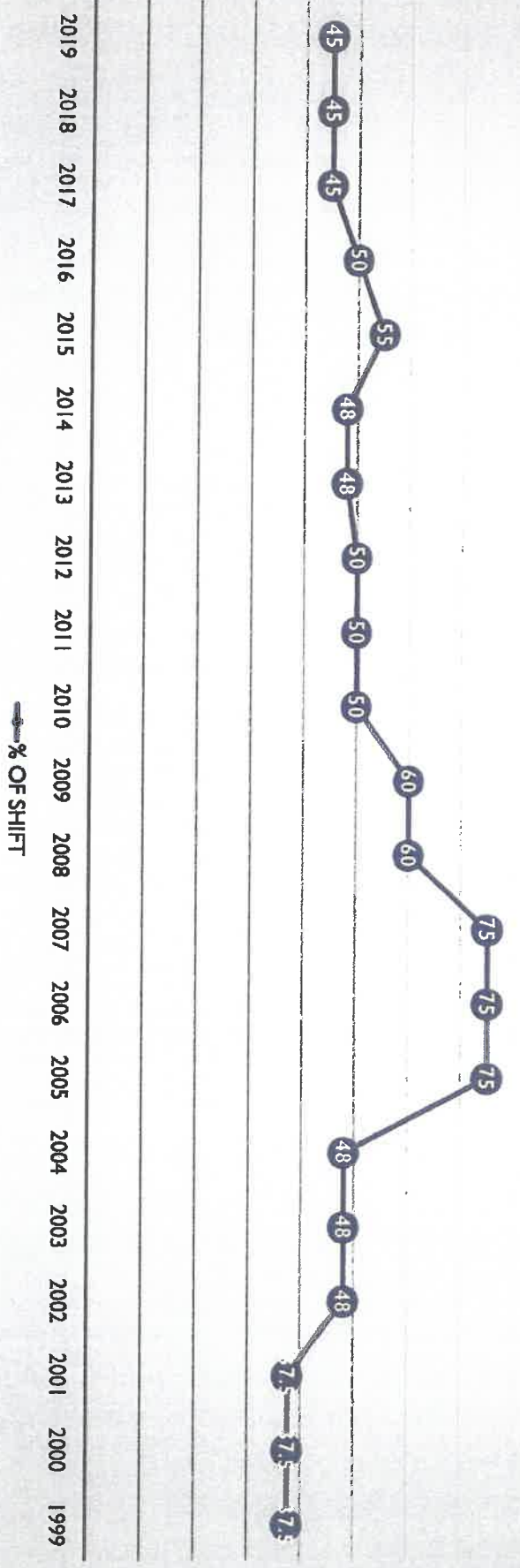
AVERAGE SINGLE FAMILY TAX BILL



AVERAGE SINGLE FAMILY TAX % INCREASE FISCAL YEAR 2016 - 2020



HISTORY OF THE SHIFT



COMMUNITY COMPARISON — 2019

Municipality	Count of Single Family Parcels	Average Single Family Value	Single Family Tax Bill*	Residential Tax Rate	Shift	CIP Tax Rate
Abington	3,806	\$363,439	\$6,320	17.39	N	\$17.39
Braintree	9,069	\$485,982	\$4,904	10.09	Y	\$22.20
Brockton	16,676	\$270,506	\$4,204	15.54	Y	\$31.67
Canton	5,425	\$540,942	\$6,708	12.40	Y	\$25.77
Cohasset	2,383	\$978,800	\$12,627	12.90	N	\$12.90
Dedham	6,613	\$499,901	\$7,074	14.15	Y	\$29.79
Duxbury	4,891	\$727,031	\$10,673	14.68	N	\$14.68
Hanover	4,207	\$509,802	\$8,366	16.41	Y	\$17.38
Hingham	6,227	\$826,745	\$9,764	11.81	N	\$11.81
Holbrook	3,193	\$304,646	\$5,928	19.46	Y	\$36.19
Hull	3,785	\$445,524	\$5,814	13.05	N	\$13.05
Kingsston	4,020	\$409,128	\$6,734	16.46	N	\$16.46
Mansfield	5,417	\$446,300	\$6,793	15.22	Y	\$20.44
Milton	7,174	\$713,849	\$9,409	13.18	Y	\$20.20
Norwell	3,420	\$640,212	\$10,499	16.40	N	\$16.40
Pembroke	5,265	\$394,650	\$5,762	14.60	N	\$14.60
Plymouth	18,767	\$354,936	\$5,871	16.54	N	\$16.54
Quincy	13,683	\$466,552	\$5,855	12.55	Y	\$25.18
Randolph	7,205	\$333,983	\$5,003	14.98	Y	\$29.01
Rockland	3,805	\$318,194	\$5,702	17.92	N	\$17.92
Taunton	10,673	\$263,505	\$4,153	15.76	Y	\$34.24
Weymouth	13,395	\$379,626	\$4,601	12.12	Y	\$19.05

PROPOSITION 2 1/2

Proposition 2½, an initiative petition, was approved by the citizens of the Commonwealth in 1980. Its principal provisions relative to the property tax are to:

- Limit the property tax levy in a city or town to no more than 2.5% of the total fair cash value of all taxable real and personal property.
- Limit the property tax levy to no more than a 2.5% increase over the prior year's levy limit, with certain provisions for new growth and construction. Taxpayers should note that the 2.5% limit applies to the entire levy, not to individual tax bills.
- Provide for local overrides of the levy limit and a local option to exclude certain debt from the limit. Since the inception of Proposition 2½, the Town of Weymouth has not voted either to override the levy limitations or exclude any debt as allowed by Proposition 2½.

ASSESSMENT PROCESS

The Assessors are required by Massachusetts General Law to list and value all real and personal property. For Fiscal Year 2020, assessed values in Massachusetts are based on “full and fair cash value,” or 100 percent of fair market value as of January 1, 2019.

REVALUATION

Chapter 40A, §56 of the MGL requires all cities and towns to conduct a revaluation every 5 years. A recent change in state law moved the revaluation cycle from every 3 years to every 5 years, with most cities and towns making the transition to this new schedule in the coming years. Fiscal 2018 was a Revaluation year for Weymouth. Our appraisal company, the Board of Assessors, as well as the Department of Revenue, do a comprehensive review of sales and the market and thereby reassess various areas of the Town where the need is indicated.

In the years between revaluations, the Town, pursuant to state law, must adjust property assessments consistent with real estate market trends.

ASSESSMENT PROCESS

The Assessors do not raise or lower taxes. The Assessors do not make the laws which affect property owners. The Assessors Office has nothing to do with the total amount of taxes collected. The Assessor's primary responsibility is to find the "full and fair cash value" of a property. Full and fair cash value is defined as the price an owner willing, but not under compulsion, to sell ought to receive from a buyer willing, but not under compulsion, to purchase.

The tax rate is determined by all the taxing agencies within the Town and is the basis for the budget needed to provide services, such as schools, roads, fire, and law enforcement, etc. The tax rates are simply those rates which will provide funds to pay for those services.

The market value of your home can increase even if no improvements are made to the property. The market value can also decrease after making improvements. To arrive at "full and fair cash value" for a property, the Assessors must know what "willing sellers" and "willing buyers" have done in the market place. The Assessors also must collect, record and analyze a great deal of information about property and market characteristics in order to estimate fair market value.

When market value increases, naturally, so does the assessed value. If market value decreases, so does the assessment. The Assessor has not created the value. Value is determined by recorded transactions in the market place. The Assessor simply has the legal and moral responsibility to study those transactions and appraise property accordingly.

ASSESSMENT PROCESS

APPEAL PROCESS

If an opinion of the value of a property differs from the assessed value, the taxpayer should collect the pertinent data to support the opinion and file for an abatement. Property Information is available on the Online Property Viewer at www.weymouth.ma.us or on the public access computer on the first floor of Town Hall.

Keep in mind that **2018** sale prices, condition, and location are critical factors in the valuation process.

An appeal is based upon assessments, not taxes.

The application for abatement must be filed with the Board of Assessors no later than February 1, 2020 or have a *United States* post office postmark of no later than February 1, 2020. The information regarding the filing of an abatement application is also on the tax bill. The Board of Assessors has until May 1, 2020, to review the abatement applications and may request an extension, if necessary.

If an abatement is approved, the taxpayer will receive an abatement certificate indicating the amount of the abatement. If an abatement is granted after a bill is paid in full, the taxpayer will automatically receive a refund check.

If an abatement is denied, a notice so indicating will be mailed. The taxpayer may call 781-682-3677 to set up an appointment for an inspection of the property and to meet with the Board of Assessors to discuss the reason for the denial or the taxpayer may appeal to the State Appellate Tax Board 617-727-3100 within three months of the date of the Assessors decision.

PROPERTY TAX RELIEF

The Town provides a number of property tax relief programs for qualified homeowners. These programs are provided through the State and require certain requirements to receive the exemption. These programs include personal exemptions and tax deferrals.

A personal exemption releases a taxpayer from an obligation to pay all or a portion of the taxes assessed on a parcel of property, based on specific conditions.

Taxpayers over the age of 65 may consider participation in a tax deferral program if they are having difficulty affording their tax liability.

CLAUSE	PROGRAM
17D	Surviving Spouse; Minor Child of a Deceased Parent; Elderly Persons over the Age of 70
22-22D	Qualified Veteran homeowner with a service-connected disability
37A	Homeowners who are legally blind
41C	Elderly homeowner over the age of 70 who meets certain financial requirements
42	Surviving Spouse of a Firefighter or Police Officer killed in the line of duty
TAX DEFERRAL	
41A	Tax Deferral for persons over the age of 65

For more information on these exemptions, please call the Assessors Office 781-682-3677