

*Town of Weymouth
Massachusetts*

Patricia A. O'Kane
Principal Assessor

75 Middle Street
Weymouth, MA 02189

(781) 682-3853



Robert L. Hedlund
Mayor

75 Middle Street
Weymouth, MA 02189

(781) 335-2000

October 28, 2021

Arthur Matthews
Town Council
Town Hall
Weymouth, MA 02189

Dear President Matthews,

Herewith submitted are the sample tax rates and other supporting documentation for the Fiscal Year 2022 Classification Hearing.

It should be noted that the tax rates are approximations only. Actual tax rates will not be known until the tax rate recapitulation sheet is prepared and approved by the Department of Revenue.

The sample tax rates are, however, sufficiently accurate for you to make an informed decision regarding classification.

Respectfully,

Patricia O'Kane

Patricia A O'Kane, MAA
Principal Assessor

CC: Robert L. Hedlund, Mayor
James Malary, CFO

FISCAL YEAR 2022 TAX CLASSIFICATION HEARING

MONDAY, NOVEMBER 15, 2021



FISCAL YEAR 2022 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 175%. 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.

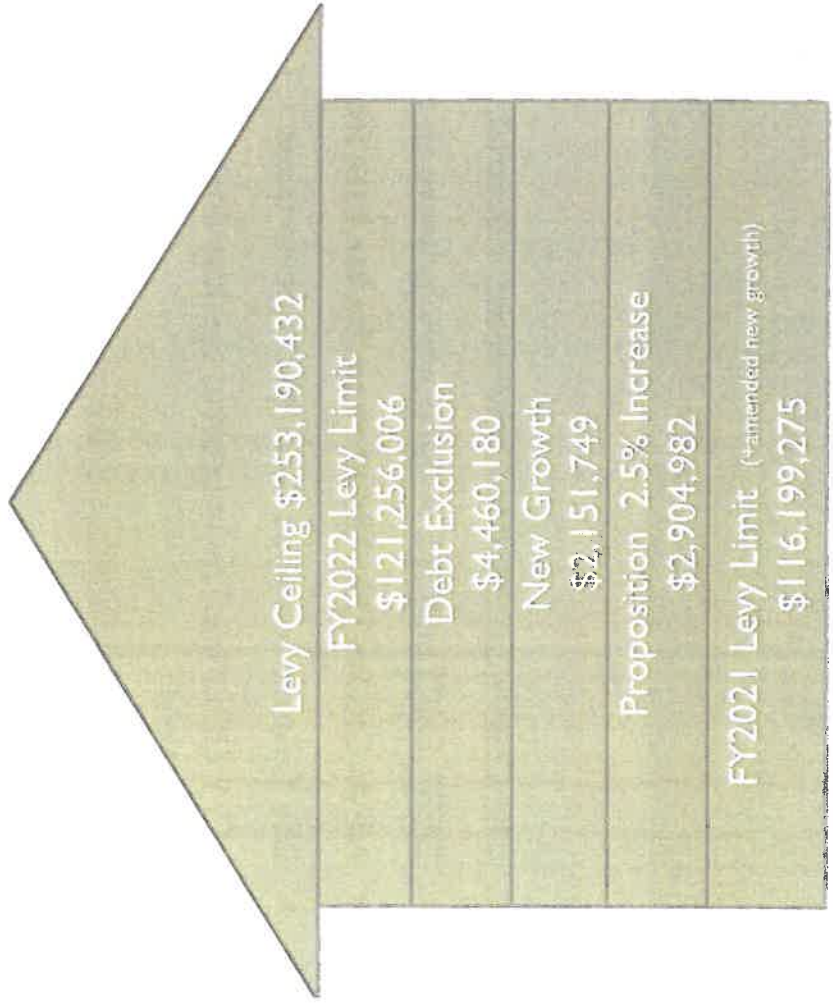
Classification of Properties

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

COMMONLY USED TERMS

- **CIP:** Class that includes Commercial, Industrial, and Personal Property
- **DEBT EXCLUSION:** A temporary increase to the levy to pay for capital projects as voted
- **NEW GROWTH:** Additions to the tax base from new construction and property improvements
- **LEVY:** Revenue raised through property taxes
- **LEVY CEILING:** The maximum the levy limit can be. The ceiling equals 2.5 percent of the community's full and fair cash value.
- **LEVY LIMIT:** Maximum dollar amount a Town can raise in a fiscal year. (Prior years Levy + 2 ½% + New Growth)
- **MRF:** Minimum Residential Factor. This factor represents the minimum percentage of the levy the residential class must pay



BUILDING THE LEVY LIMIT

The levy limit, which does not include the debt exclusion, is the figure that will be used as the base when calculating the FY2023 levy limit.

The debt exclusion equates to approximately \$0.41 of the anticipated tax rate. Using the average single family home value of \$467,013 this will add an additional \$191.48 of tax.

The levy ceiling is equal 2.5% of the total assessed value

PROPOSITION 2 1/2

Proposition 2 1/2, 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. The Chapman School Project is the first debt exclusion Weymouth has had since the inception of Proposition 2.

NEW GROWTH

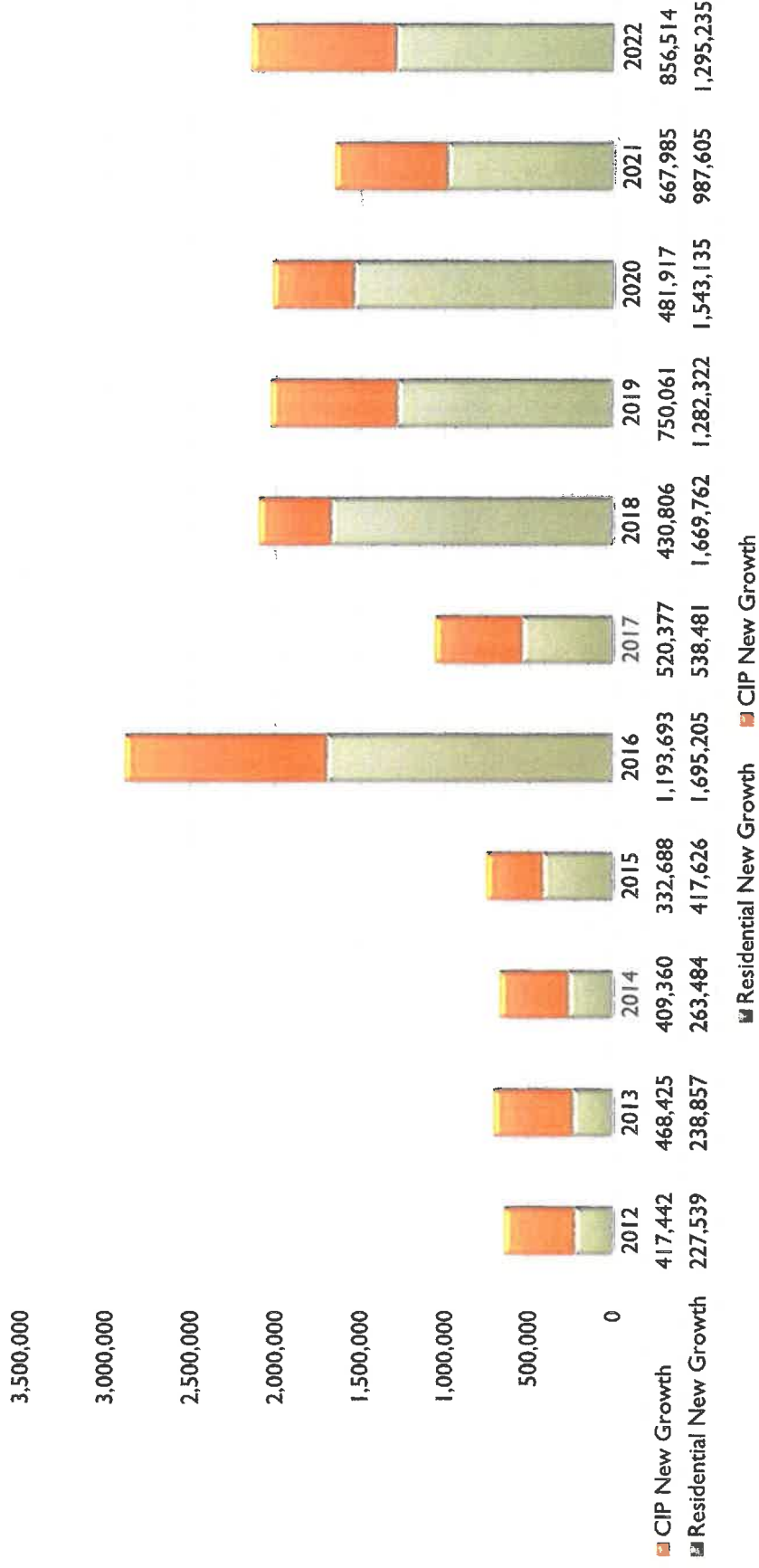
Proposition 2½ allows a community to increase its levy limit annually by an amount based upon the valuation of certain new construction and other growth in the tax base that is not the result of property revaluation. The purpose of this provision is to recognize that new development results in additional municipal costs; for instance, the construction of a new housing development may result in increased school enrollment, public safety costs and so on.

This provision covers:

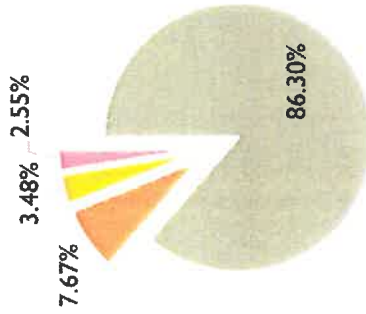
- New construction, additions, and alterations that result in increases in assessed valuation aside from revaluation effects;
- New personal property;
- Exempt property returned to the tax rolls; and Net increased valuation for subdivision parcels and condominium conversions

New growth is calculated by multiplying the increase in the assessed valuation of a newly taxable property by the prior year's tax rate for the appropriate class of property.

NEW GROWTH HISTORY



PROPERTY CLASS DISTRIBUTION



■ Residential
 ■ Commercial
 ■ Industrial
 ■ Personal Property

CLASS	FY 2022 VALUE
Residential	\$8,739,668,256
Commercial	\$776,463,904
Industrial	\$352,773,000
Personal Property	\$258,712,110
Total Value	\$10,127,617,270

Total Tax Levy**	Total Value	Uniform Rate
\$125,716,186	\$10,127,617,270	\$12.41

The tax levy* for fiscal year 2022 is \$125,716,186 divided by \$10,127,617,270 the total value of all real and personal property resulting in a single tax rate of \$12.41. *Total tax levy includes the debt exclusion amount of \$4,460,180

FISCAL YEAR 2022 CLASSIFICATION OPTIONS

SHIFT OPTIONS

	45%	48%	50%
Residential	80.13	79.72	79.44
C/I/P	19.87	20.28	20.56

FY21 1.4989 shift: Residential 79.4015 CIP 20.5985

FY21 Residential Rate \$11.74 CIP \$18.39 *Final rates may vary slightly

TAX RATES*

	45%	48%	50%
Residential	\$11.53	\$11.47	11.43
C/I/P	\$18.00	\$18.37	\$18.62

Shift	Increase to CIP Tax Rate	Decrease to Residential Tax Rate
1.00 (no shift) Single Rate = \$12.41 for all classes of property		
1.40	+\$4.97	-\$0.79
1.45	+\$5.59	-\$0.88
1.46	+\$5.71	-\$0.90
1.47	+\$5.84	-\$0.92
1.48	+\$5.96	-\$0.94
1.49	+\$6.09	-\$0.96
1.50	+\$6.21	-\$0.98
1.75 max. shift	+\$9.31	-\$1.48

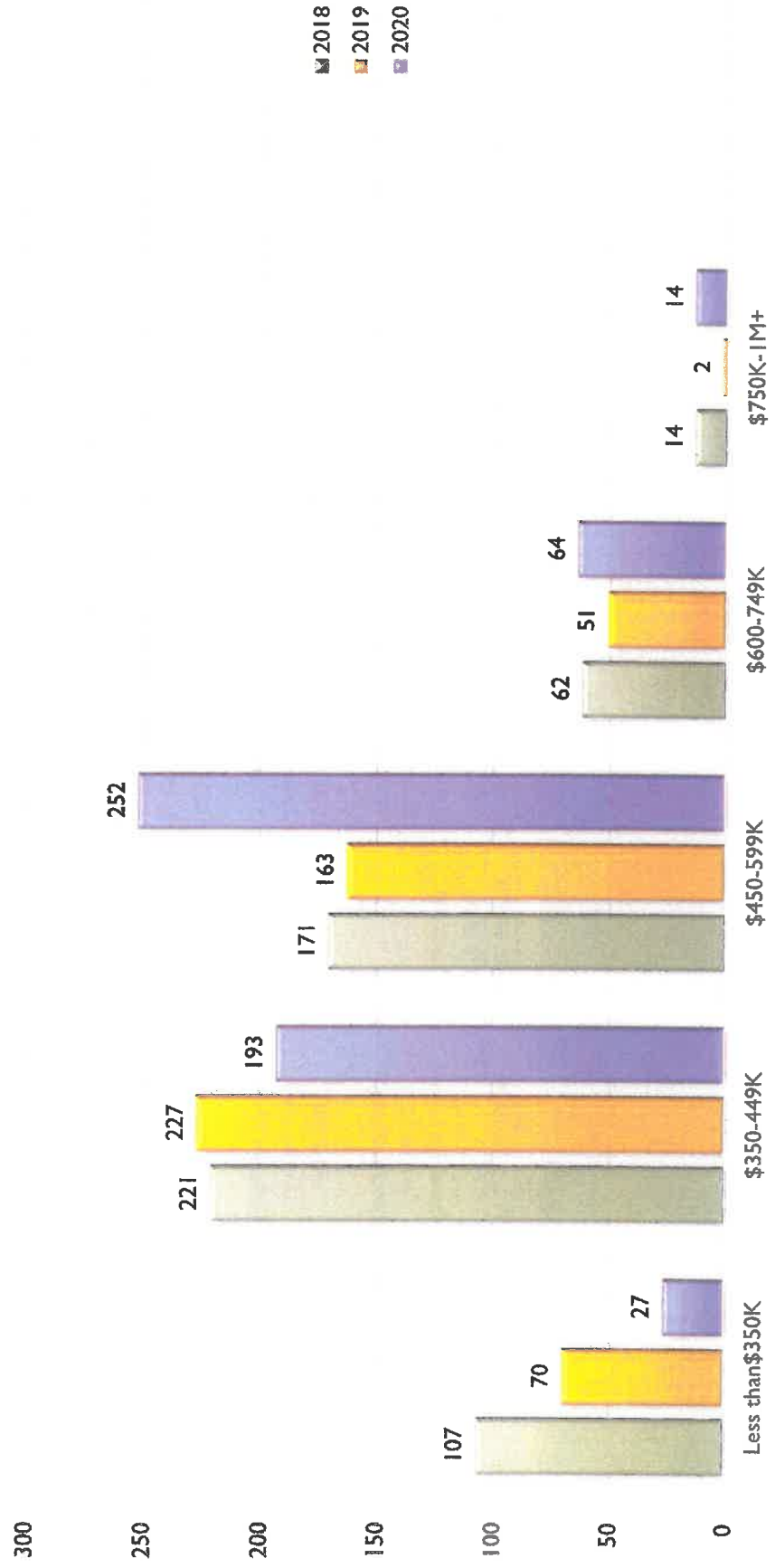
RESIDENTIAL IMPACT EXAMPLES

2021 VALUES	2021 TAX	TYPICAL PROPERTY	FY 22 VALUE	Single Rate	45%	46%	47%	48%	49%	50%
	\$11,74	Res. Rate	\$11.53	\$12.41	\$11.51	\$11.49	\$11.47	\$11.45	\$11.43	
\$273,255	\$3,208.01	Average Res. Condo Tax Change Percent Change	\$299,320	\$3,714.56 \$506.55 15.79%	\$3,445.17 \$237.16 7.39%	\$3,439.19 \$231.17 7.21%	\$3,433.20 \$225.19 7.02%	\$3,427.21 \$219.20 6.83%	\$3,421.23 \$213.21 6.65%	
\$425,895	\$5,000.01	Avg Single Family Tax Change Percent Change	\$467,013	\$5,795.63 \$795.62 15.91%	\$5,384.66 \$384.65 7.69%	\$5,365.98 \$365.97 7.32%	\$5,356.64 \$356.63 7.13%	\$5,347.30 \$347.29 6.95%	\$5,337.96 \$337.95 6.76%	
\$650,800	\$7,640.39	Single Family #2 Tax Change Percent Change	\$695,700	\$8,633.64 \$993.25 13.00%	\$8,007.51 367.12 4.80%	\$7,993.59 353.20 4.62%	\$7,979.68 339.29 4.44%	\$7,965.77 325.37 4.26%	\$7,951.85 311.46 4.08%	
\$864,000	\$10,143.36	Single Family #3 Tax Change Percent Change	\$908,600	\$11,275.73 \$1,132.37 11.16%	\$10,476.16 \$332.80 3.28%	\$10,439.81 296.45 2.92%	\$10,421.64 278.28 2.74%	\$10,403.47 260.11 2.56%	\$10,385.30 241.94 2.39%	
\$1,078,200	\$12,658.07	Small Apartments Tax Change Percent Change	\$1,204,300	\$14,945.36 \$2,287.30 18.07%	\$13,861.49 \$1,203.43 9.51%	\$13,837.41 \$1,179.34 9.32%	\$13,813.32 \$1,155.25 9.13%	\$13,789.24 \$1,131.17 8.94%	\$13,765.15 \$1,107.08 8.75%	
\$51,905,600	\$609,371.74	Large Apartment Complex Tax Change Percent Change	\$57,293,600	\$711,013.58 \$101,641.83 16.68%	\$659,449.34 \$50,077.59 8.22%	\$658,303.46 \$48,931.72 8.03%	\$657,157.59 \$47,765.85 7.84%	\$656,011.72 \$46,639.98 7.65%	\$654,865.85 \$45,494.10 7.47%	

COMMERCIAL/INDUSTRIAL IMPACT EXAMPLES

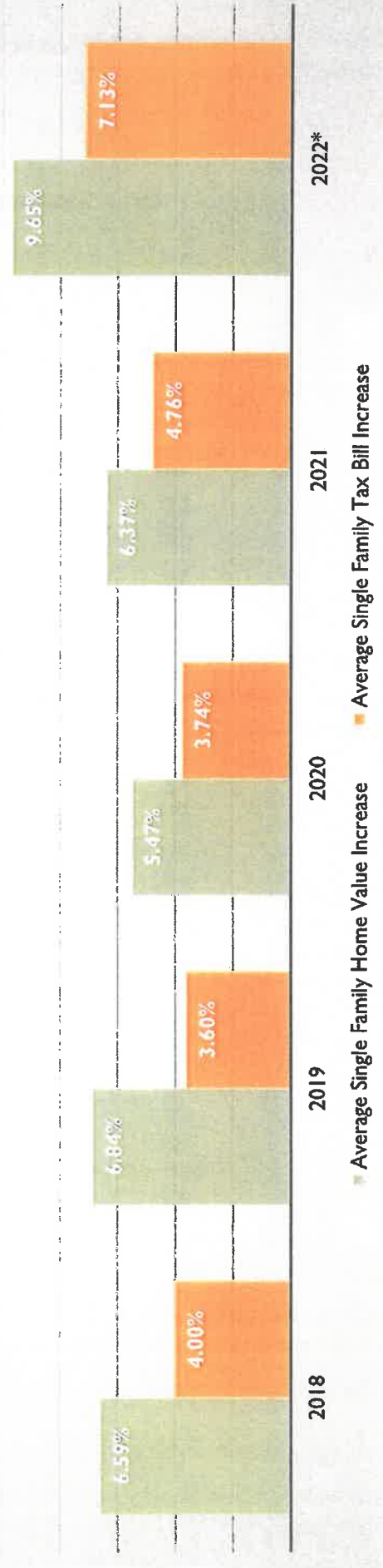
2021 VALUES	2021 TAX	TYPICAL PROPERTY	FY22 VALUE	Single Rate	45%	46%	47%	48%	49%	50%
\$592,400	\$18.39 \$10,894.24	Small Restaurant Tax Change Percent Change	\$613,600 CIP/Rate	\$12.41 \$7,614.78 -\$3,279.46 -30.10%	\$18.00 \$11,044.80 \$150.56 1.38%	\$18.12 \$11,118.43 \$224.20 2.06%	\$18.25 \$11,198.20 \$303.96 2.79%	\$18.37 \$11,271.83 \$377.60 3.47%	\$18.50 \$11,351.60 \$457.36 4.20%	\$18.62 \$11,425.23 \$531.00 4.87%
\$879,200	\$16,168.49	MFG Bldg Tax Change Percent Change	\$892,800	\$11,079.65 -\$5,088.84 -31.47%	\$16,070.40 -\$98.09 -0.61%	\$16,177.54 \$9.05 0.06%	\$16,293.60 \$125.11 0.77%	\$16,400.74 \$232.25 1.44%	\$16,516.80 \$348.31 2.15%	\$16,623.94 \$455.45 2.82%
\$850,500	\$15,640.70	Gas Station Tax Change Percent Change	\$868,000	\$10,771.88 -\$4,868.82 -31.13%	\$15,624.00 -\$16.69 -0.11%	\$15,728.16 \$87.47 0.56%	\$15,841.00 \$200.31 1.28%	\$15,945.16 \$304.47 1.95%	\$16,058.00 \$417.31 2.67%	\$16,162.16 \$521.47 3.33%
\$479,300	\$8,814.33	Office Bldg Tax Change Percent Change	\$486,500	\$6,037.47 -\$2,776.86 -31.50%	\$8,757.00 -\$57.33 -0.65%	\$8,815.38 \$1.05 0.01%	\$8,878.63 \$64.30 0.73%	\$8,937.01 \$122.68 1.39%	\$9,000.25 \$185.92 2.11%	\$9,058.63 \$244.30 2.77%
\$25,011,700	\$459,965.16	Lg Medical Bldg Tax Change Percent Change	\$25,712,800	\$319,095.85 -\$140,869.32 -30.63%	\$462,830.40 \$2,865.24 0.62%	\$465,915.94 \$5,950.77 1.29%	\$469,258.60 \$9,293.44 2.02%	\$472,344.14 \$12,378.97 2.69%	\$475,686.80 \$15,721.64 3.42%	\$478,772.34 \$18,807.17 4.09%
\$2,108,600	\$590,477.15	Lg Retail Mall Tax Change Percent Change	\$33,329,600	\$ 413,620.34 -\$176,856.82 -29.95%	\$599,932.80 \$9,455.65 1.60%	\$603,932.35 \$13,455.20 2.28%	\$608,265.20 \$17,788.05 3.01%	\$612,264.75 \$21,787.60 3.69%	\$616,597.60 \$26,120.45 4.42%	\$620,597.15 \$30,120.00 5.10%

Single Family Sales by Price Range 2018 – 2021



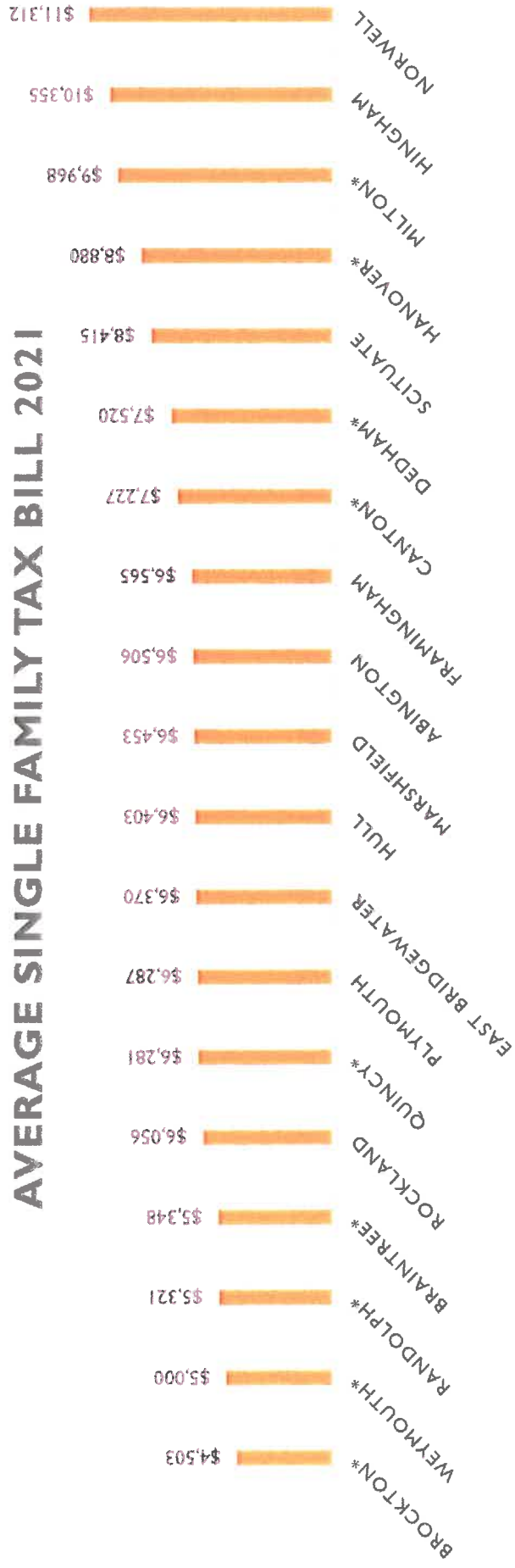
HISTORICAL TRENDS FISCAL YEARS 2018 - 2022

Average Single Family Value vs Tax Bill Increase



COMMUNITY COMPARISON

AVERAGE SINGLE FAMILY TAX BILL 2021



ASSESSMENT PROCESS

The Assessors are required by Massachusetts General Law to list and value all real and personal property. For Fiscal Year 2022, assessed values in Massachusetts are based on “full and fair cash value,” or 100 percent of fair market value as of January 1, 2021.

Revaluation

Chapter 40 §56 of the MGL requires all cities and towns to conduct a revaluation every 5 years. Fiscal year 2023 will be a revaluation year, our appraisal company, the Board of Assessors, as well as the Department of Revenue will perform 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, according 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 that 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 that 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 marketplace. 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 the market value decreases, so does the assessment. The Assessor has not created the value. Value is determined by recorded transactions in the marketplace. The Assessor simply has the legal and moral responsibility to study those transactions and appraise property accordingly.

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

22-22E

Qualified Veteran homeowner with a service-connected disability

37A

Homeowners who are legally blind

41C

Elderly homeowner over the age of 65 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 or visit the Assessor's webpage
<https://www.weymouth.ma.us/assessor/pages/real-estate-tax-exemptions>