

**Town of Weymouth** RECEIVED  
**Massachusetts**

Robert L. Hedlund  
Mayor

75 Middle Street  
Weymouth, MA 02189



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**MEMORANDUM**

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**TO:** TOWN COUNCIL  
**FROM:** MAYOR ROBERT L. HEDLUND  
**RE:** FY23 TAX CLASSIFICATION  
**DATE:** 11/09/2022

*Robert Hedlund*

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I submit the following measure for consideration by Town Council:

“That the Town of Weymouth approve a Classification Tax Rate Shift of 1.46 for commercial, industrial, and personal property taxes with no residential exemption for fiscal year 2023.”

This measure requires a legal notice and a public hearing.

Patricia A. O'Kane  
Principal Assessor

75 Middle Street  
Weymouth, MA 02189

(781) 682-3853

*Town of Weymouth  
Massachusetts*



Robert L. Hedlund  
Mayor

75 Middle Street  
Weymouth, MA 02189

(781) 335-2000

November 8, 2022

To: Mayor Robert L. Hedlund  
Town Council

From: Patricia O'Kane, MAA  
Principal Assessor

Re: Classification

Cc: James Malary, CFO

In accord with Chapter 3 Section 3-202b of the Municipal Code, the Board of Assessors voted unanimously at a meeting held on November 7, 2022, "to recommend to the Mayor and Town Council, a 1.46 shift for classification purposes and that no residential exemption be implemented for Fiscal Year 2023".

Patricia A. O'Kane  
Principal Assessor

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November 8, 2022

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 2023 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 2023 Tax Classification Hearing

Monday, November 21, 2022



# 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

# FISCAL YEAR 2023 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 to shift the burden towards Commercial & Industrial taxpayers to a maximum of 150%.

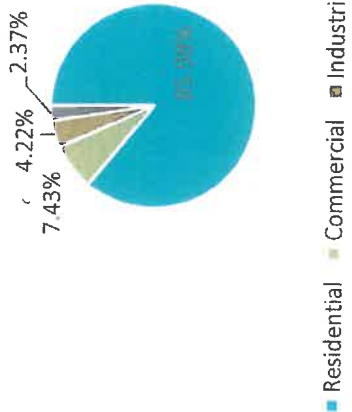
The shift is implemented by vote of the Town Council. The adopted percentage is then used to determine the tax levy paid by each class of property and calculate the resulting tax rates. Shifting taxes onto the CIP class *does not* increase the amount of revenue collected.

The Process: If Town Council votes to adopt a shift of 146% this year, the process would be to multiply the (% value) of the commercial, industrial and personal property classes by 146% (1.46) to determine the increased percentage of the tax levy that those various classes will pay. By increasing those percentages, the residential percentage is lowered by 6.45%

Put another way, once the factor of 146% (1.46) is applied to the commercial, industrial, and personal property, those classes then become responsible for 20.47% of the tax levy. That number is then subtracted from 100% to arrive at the residential proportion of 79.53% of the tax levy.

Therefore under the proposed adopted percentage, the owners of commercial, industrial and personal property, which represent 14.02% of the taxable value become responsible for 20.47% of the tax levy. The residential property owners, whose property represents 85.98% of the taxable value, become responsible for 79.53% of the property tax levy.

PROPERTY CLASS	SHARE %	FACTOR	ADJUSTED SHARE
Residential	85.98%		79.53%
Commercial	7.43%	146%	10.85%
Industrial	4.22%	146%	6.16%
Personal Property	2.37%	146%	3.46%
			100.00%



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



# NEW GROWTH

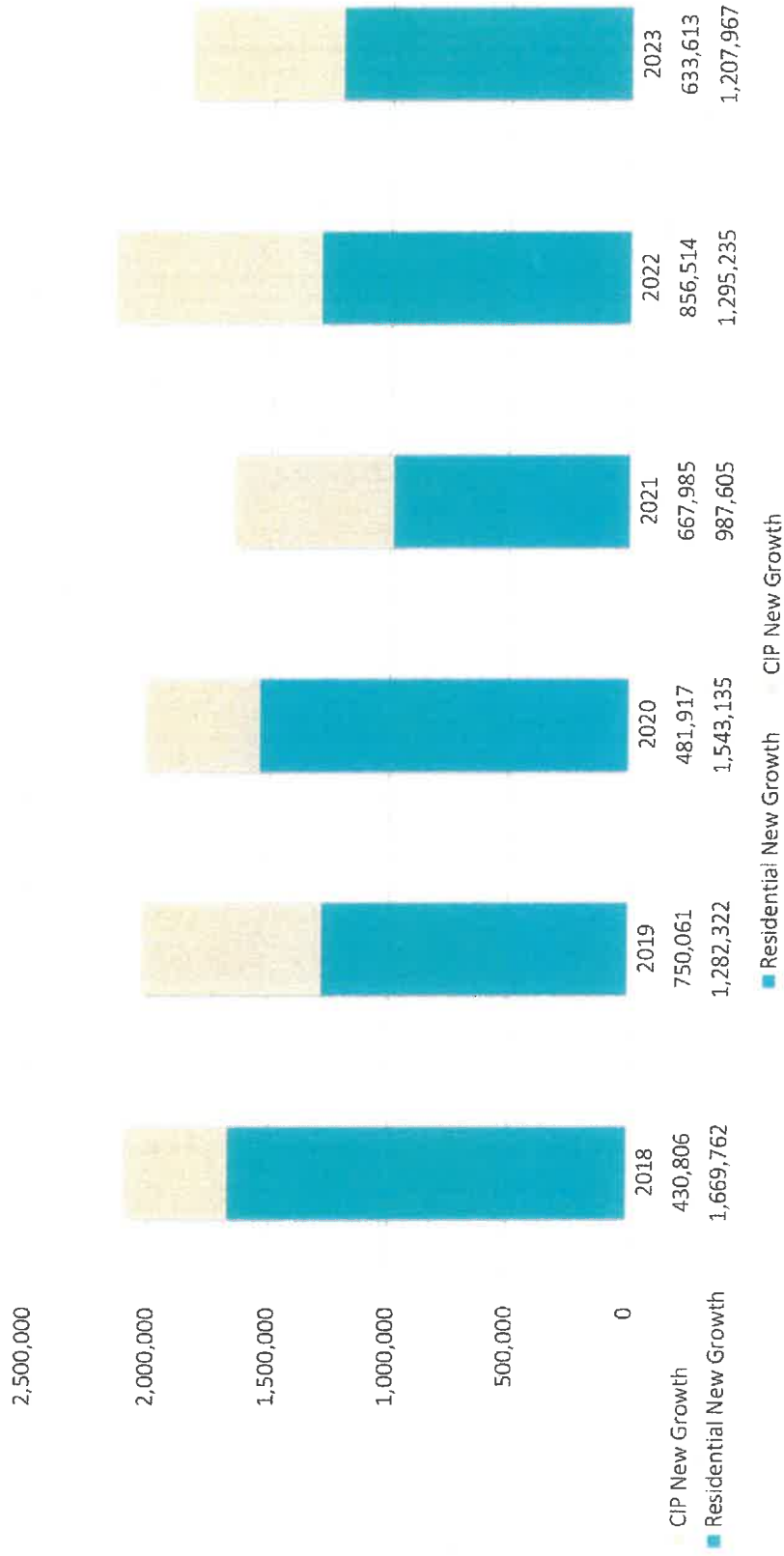
Proposition 2½ allows a community to increase its levy limit annually by an amount based upon the valuation of certain new construction and other growth in the tax base that is not the result of property revaluation. The purpose of this provision is to recognize that new development results in additional 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





CLASS	FY 2023 VALUE
Residential	\$9,934,410,954.00
Commercial	\$858,506,326
Industrial	\$487,738,500
Personal Property	\$273,443,510
<b>Total Value</b>	<b>\$11,554,099,290</b>
<b>Total Tax Levy*</b>	<b>Total Value</b>
<b>\$130,592,766</b>	<b>\$11,554,099,290</b>
	<b>Uniform Rate</b>
	<b>\$11.30</b>

The tax levy\* for fiscal year 2023 is \$130,592,766 divided by \$11,554,099,290 the total value of all real and personal property resulting in a single tax rate of \$13.30. \* Total tax levy includes the debt exclusion amount of \$4,457,638

The levy limit, which does not include the debt exclusion, is the figure that will be used as the base when calculating the FY2024 levy limit.

# FISCAL YEAR 2023 CLASSIFICATION OPTIONS

	45%	46%	47%	48%	49%	50%
Residential Tax Rate	\$10.47	\$10.46	\$10.44	\$10.42	\$10.40	\$10.38
Share %	79.67%	79.53%	79.39%	79.25%	79.12%	78.97%
C/I/P Tax Rate	\$16.39	\$16.50	\$16.61	\$16.73	\$16.84	\$16.95
Share %	20.33%	20.47%	20.75%	20.75%	20.88%	21.03%

# RESIDENTIAL IMPACT EXAMPLES

## FISCAL YEAR 2023 SHIFT IMPACTS -- RESIDENTIAL

2022 VALUES	2022 TAX	TYPICAL PROPERTY	FY 23 VALUE	Single Rate	45%	46%	47%	48%	49%	50%
	\$11.46		Res. Rate	\$11.30	\$10.47	\$10.46	\$10.44	\$10.42	\$10.40	\$10.38
\$299,320	\$3,430.21	Average Res. Condo Tax Change Percent Change	\$326,522	\$3,689.70 \$259.49 7.56%	\$3,418.69 (\$11.52) -0.34%	\$3,415.42 (\$14.79) -0.43%	\$3,408.89 (\$21.32) -0.62%	\$3,402.36 (\$27.85) -0.81%	\$3,395.83 (\$34.38) -1.00%	\$3,389.30 (\$40.91) -1.19%
\$467,013	\$5,351.97	Avg Single Family Tax Change Percent Change	\$524,524	\$5,927.12 \$575.15 10.75%	\$5,491.77 \$139.80 2.61%	\$5,486.52 \$134.55 2.51%	\$5,476.03 \$124.06 2.32%	\$5,465.54 \$113.57 2.12%	\$5,455.05 \$103.08 1.93%	\$5,444.56 \$92.59 1.73%
\$646,600	\$7,410.04	Single Family #2 Tax Change Percent Change	\$725,500	\$8,198.15 \$788.11 10.64%	\$7,595.99 \$185.95 2.51%	\$7,588.73 \$178.69 2.41%	\$7,574.22 \$164.18 2.22%	\$7,559.71 \$149.67 2.02%	\$7,545.20 \$135.16 1.82%	\$7,530.69 \$120.65 1.63%
\$955,200	\$10,946.59	Single Family #3 Tax Change Percent Change	\$1,100,400	\$12,434.52 \$1,487.93 13.59%	\$11,521.19 \$574.60 5.25%	\$11,510.18 \$563.59 5.15%	\$11,488.18 \$541.58 4.95%	\$11,466.17 \$519.58 4.75%	\$11,444.16 \$497.57 4.55%	\$11,422.15 \$475.56 4.34%
\$1,204,300	\$13,801.28	Small Apartments Tax Change Percent Change	\$1,396,400	\$15,779.32 \$1,978.04 14.33%	\$14,620.31 \$819.03 5.93%	\$14,606.34 \$805.07 5.83%	\$14,578.42 \$777.14 5.63%	\$14,550.49 \$749.21 5.43%	\$14,522.56 \$721.28 5.23%	\$14,494.63 \$693.35 5.02%
\$57,293,600	\$656,584.66	Large Apartment Complex Tax Change Percent Change	\$66,299,600	\$749,185.48 \$92,600.82 14.10%	\$694,156.81 \$37,572.16 5.72%	\$693,493.82 \$36,909.16 5.62%	\$692,167.82 \$35,583.17 5.42%	\$690,841.83 \$34,257.18 5.22%	\$689,515.84 \$32,931.18 5.02%	\$688,189.85 \$31,605.19 4.81%

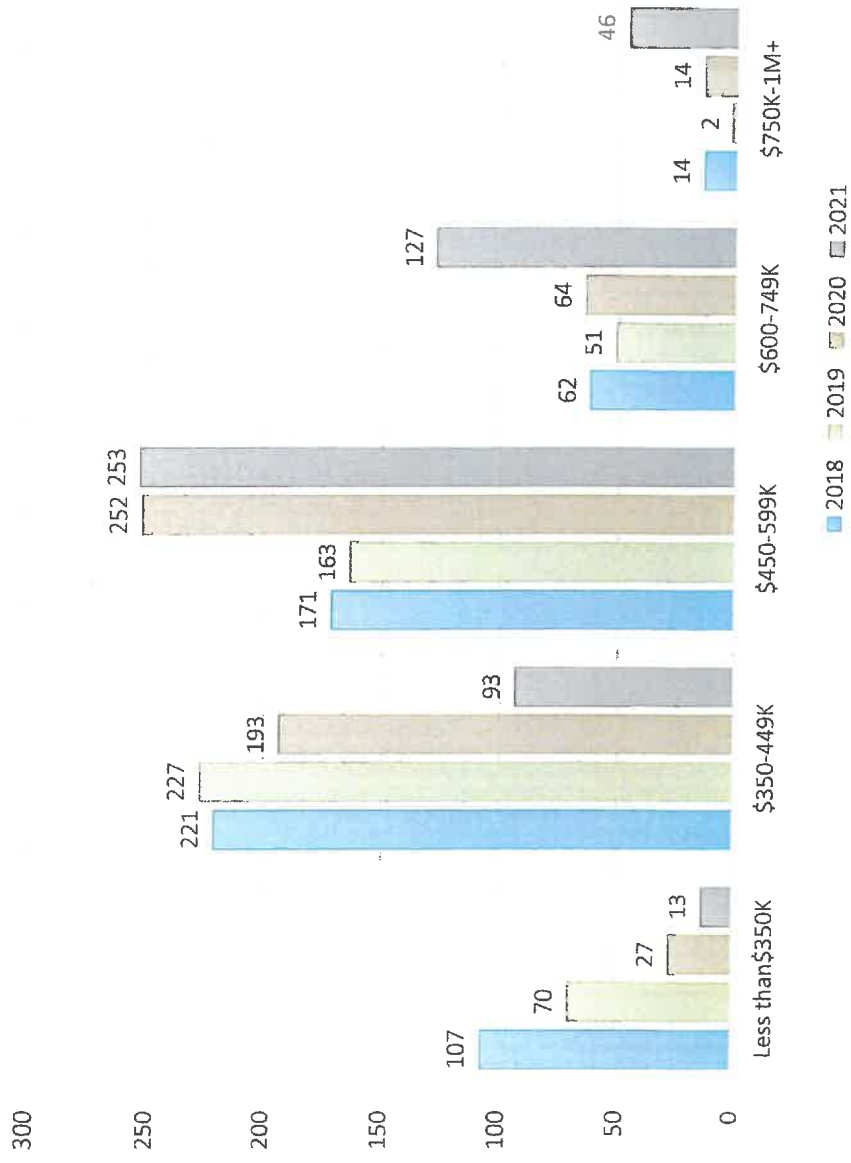


# COMMERCIAL/INDUSTRIAL IMPACT EXAMPLES

## FISCAL YEAR 2023 SHIFT IMPACTS — COMMERCIAL INDUSTRIAL

2022 VALUES	2022 TAX	TYPICAL PROPERTY	FY23 VALUE	Single Rate	45%	46%	47%	48%	49%	50%
	\$18.36		CIP/Rate	\$11.30	\$16.39	\$16.50	\$16.61	\$16.73	\$16.84	\$16.95
\$613,600	\$11,265.70	Small Restaurant	\$701,700	\$7,929.21	\$11,500.86	\$11,578.05	\$11,655.24	\$11,739.44	\$11,816.63	\$11,893.82
		Tax Change		(\$3,336.49)	\$235.17	\$312.35	\$389.54	\$473.75	\$550.93	\$628.12
		Percent Change		-29.62%	2.09%	2.77%	3.46%	4.21%	4.89%	5.58%
\$892,800	\$16,391.81	MFG Bldg	\$986,700	\$11,172.31	\$16,204.79	\$16,313.55	\$16,422.31	\$16,540.95	\$16,649.71	\$16,758.47
		Tax Change		(\$5,219.50)	(\$187.01)	(\$78.26)	\$30.50	\$149.14	\$257.90	\$366.66
		Percent Change		-31.84%	-1.14%	-0.48%	0.19%	0.91%	1.57%	2.24%
\$868,000	\$15,936.48	Gas Station	\$939,200	\$10,612.96	\$15,393.49	\$15,496.80	\$15,600.11	\$15,712.82	\$15,816.13	\$15,919.44
		Tax Change		(\$5,323.52)	(\$542.99)	(\$439.68)	(\$336.37)	(\$223.66)	(\$120.35)	(\$17.04)
		Percent Change		-33.40%	-3.41%	-2.76%	-2.11%	-1.40%	-0.76%	-0.11%
\$486,500	\$8,932.14	Office Bldg	\$535,000	\$6,045.50	\$8,768.65	\$8,827.50	\$8,886.35	\$8,950.55	\$9,009.40	\$9,068.25
		Tax Change		(\$2,886.64)	(\$163.49)	(\$104.64)	(\$45.79)	\$18.41	\$77.26	\$136.11
		Percent Change		-32.32%	-1.83%	-1.17%	-0.51%	0.21%	0.86%	1.52%
\$20,038,100	\$367,899.52	Lg Medical Bldg	\$22,903,600	\$258,810.68	\$375,390.00	\$377,909.40	\$380,428.80	\$383,177.23	\$385,696.62	\$388,216.02
		Tax Change		(\$109,088.84)	\$7,490.49	\$10,009.88	\$12,529.28	\$15,277.71	\$17,797.11	\$20,316.50
		Percent Change		-29.65%	2.04%	2.72%	3.41%	4.15%	4.84%	5.52%
\$33,329,600	\$611,931.46	Lg Retail Mall	\$36,555,400	\$ 413,076.02	\$599,143.01	\$603,164.10	\$607,185.19	\$611,571.84	\$615,592.94	\$619,614.03
		Tax Change		(\$198,855.44)	(\$12,788.45)	(\$9,767.36)	(\$4,746.26)	(\$359.61)	\$3,661.48	\$7,682.57
		Percent Change		-32.50%	-2.09%	-1.43%	-0.78%	-0.06%	0.60%	1.26%

# Weymouth Single Family Home Sales 2018-2021



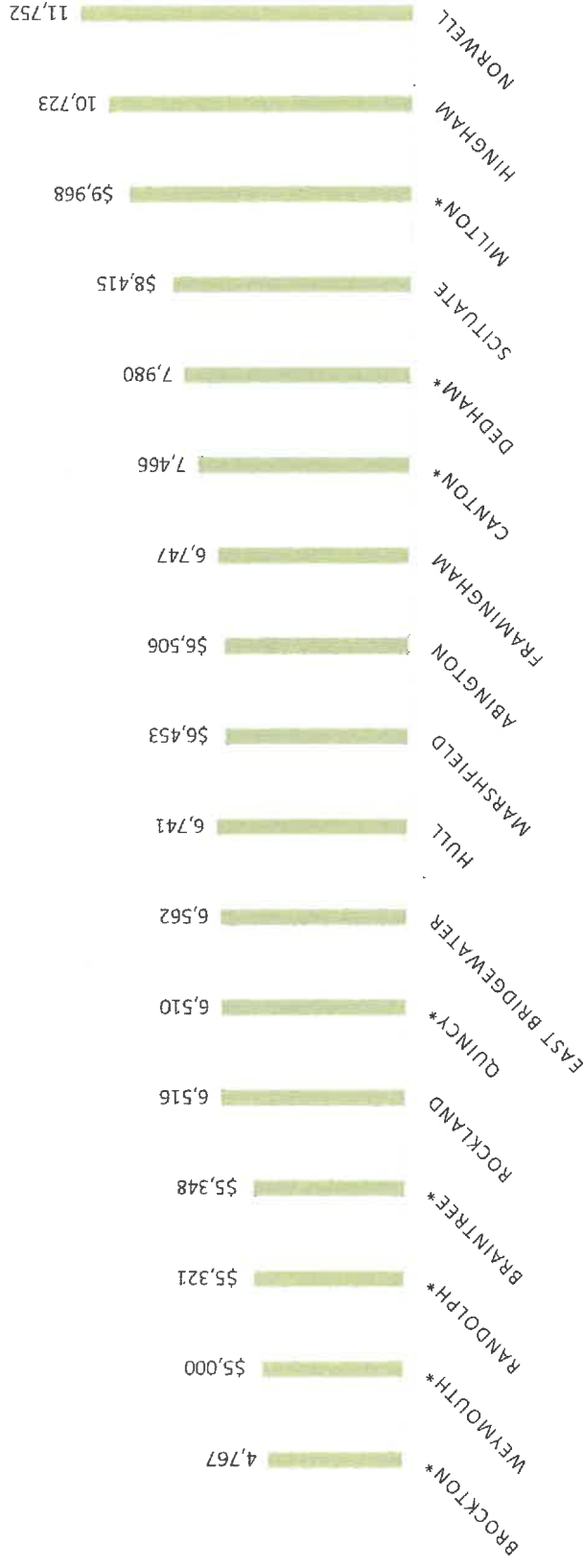
# HISTORICAL TRENDS FISCAL YEARS 2018 - 2022





# COMMUNITY COMPARISON

## AVERAGE SINGLE FAMILY TAX BILL 2022



To see additional communities, visit the Massachusetts Divisions of Local Services Interactive 2022 Tax Map <https://www.mass.gov/info-details/fy2022-massachusetts-average-single-family-tax>

# REVALUATION

The Assessors are required by Massachusetts General Law to list and value all real and personal property. For Fiscal Year 2023, assessed values in Massachusetts are based on “full and fair cash value,” or 100 percent of fair market value as of January 1, 2022.

Chapter 40 §56 of the MGL requires all cities and towns to conduct a revaluation every 5 years. Fiscal Year 2023 was a revaluation year, our appraisal company, the Board of Assessors, as well as the Department of Revenue performed a comprehensive review of sales and the market and thereby reassess various areas of the Town where the need is indicated. The Town received final certification of values on October 26, 2022.

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

# 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 who meet certain criteria
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
41A	TAX DEFERRAL 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>