

TOWN OF WEYMOUTH

IN COUNCIL

ORDER NO. 23 130

November 9, 2023

INTRODUCED: MAYOR

FY24 TAX CLASSIFICATION

Upon request of his Honor, Mayor Hedlund, the Town of Weymouth, through the Weymouth Town Council approved a Classification Tax Rate Shift of 1.47 for commercial, industrial and personal property taxes with no residential exemption for fiscal year 2024.

Passed in Council – November 20, 2023
Presented to Mayor – November 21, 2023
A True Copy. Attest:

Approved 11/21/23
Date


Kathleen A. Dere, Town Clerk


Mayor

YEAS: Abbott, Belmarsh, Burga, DiFazio, Happel, Heffernan,
Kiely, MacDougall, Mathews, Molisse, Shanahan

NAYS: Abbott, Belmarsh, Burga, DiFazio, Happel, Heffernan,
Kiely, MacDougall, Mathews, Molisse, Shanahan

ABSENT: Belmarsh

*Town of Weymouth
Massachusetts*

Robert L. Hedlund
Mayor

75 Middle Street
Weymouth, MA 02189




Office: 781.340.5012
Fax: 781.335.8184

www.weymouth.ma.us

MEMORANDUM

23 130

TO: TOWN COUNCIL
FROM: MAYOR ROBERT L. HEDLUND 
RE: FY24 TAX CLASSIFICATION
DATE: 11/8/2023

RECEIVED
TOWN OF WEYMOUTH
TOWN CLERK'S OFFICE
2023 NOV - 8 AM 10: 30

I submit the following measure for consideration by Town Council:

“That the Town of Weymouth approve a Classification Tax Rate Shift of 1.47 for commercial, industrial, and personal property taxes with no residential exemption for fiscal year 2024.”

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

October 31, 2023

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 October 18, 2023, "to recommend to the Mayor and Town Council, a 1.47 shift for classification purposes and that no residential exemption be implemented for Fiscal Year 2024".

Patricia A. O'Kane
Principal Assessor

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Robert L. Hedlund
Mayor

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October 30, 2023

Arthur Mathews
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 2024 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 2024 TAX CLASSIFICATION HEARING

MONDAY, NOVEMBER 20, 2023





FISCAL YEAR 2024 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 annually 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.

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.
- MRF:** Minimum Residential Factor. This factor represents the minimum percentage of the levy the residential class must pay

PROPERTY CLASS DISTRIBUTION



■ Residential
 ■ Commercial
 ■ Industrial
 ■ Personal Property

CLASS	VALUE	PERCENT
Residential	\$10,690,886,686	86.75%
Commercial	\$894,206,994	7.25%
Industrial	\$431,046,200	3.50%
Personal Property	\$308,208,350	2.50%
Total	\$12,324,348,230	100%

FY2024 LEVY LIMIT / CLASSIFICATION OPTIONS

LEVY LIMIT	
Fiscal Year 2023 Levy Limit	\$ 126,135,128
+Prop. 2.5% Increase	\$ 3,153,378
+New Growth Revenue	\$ 2,216,900
FY2024 Levy Limit	\$ 131,505,406
+Debt Exclusion	\$ 4,893,611
Maximum Allowable Levy	\$ 136,399,017

The levy limit, which does not include the debt exclusion, is the figure that will be used as the base when calculating the FY2025 levy limit.

Total Levy	Value	Uniform Rate
136,399,017	\$12,324,348,230	\$11.07

SHIFTED TAX RATE EXAMPLES				
	45%	47%	50%	
Residential	\$10.31	\$10.27	\$10.22	
C/I/P	\$16.05	\$16.27	\$16.60	

SHIFTING THE RATE: THE PROCESS

If the Town Council votes to adopt a shift of 147% , the process would be to multiply the (% value) of the commercial, industrial and personal property classes by 147% (1.47) 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 6.23% Put another way, once the factor of 147% (1.47) is applied to the commercial, industrial, and personal property, those classes then become responsible for 19.48% of the tax levy. That number is then subtracted from 100% to arrive at the residential proportion of 80.52% of the tax levy.

Therefore, under the proposed adopted percentage, the owners of commercial, industrial and personal property, which represent 13.25% of the taxable value, become responsible for 19.48% of the tax levy. The residential property owners, whose property represents 86.75% of the taxable value, become responsible for 80.52% of the property tax levy.

CLASS	SHARE Before shift	FACTOR Adopted	ADJUSTED
Residential	86.75%		80.52%
Commercial	7.25%	147%	10.66%
Industrial	3.50%	147%	5.14%
Personal Property	2.50%	147%	3.68%
	100%		100%

FISCAL YEAR 2024 SHIFT IMPACTS – RESIDENTIAL

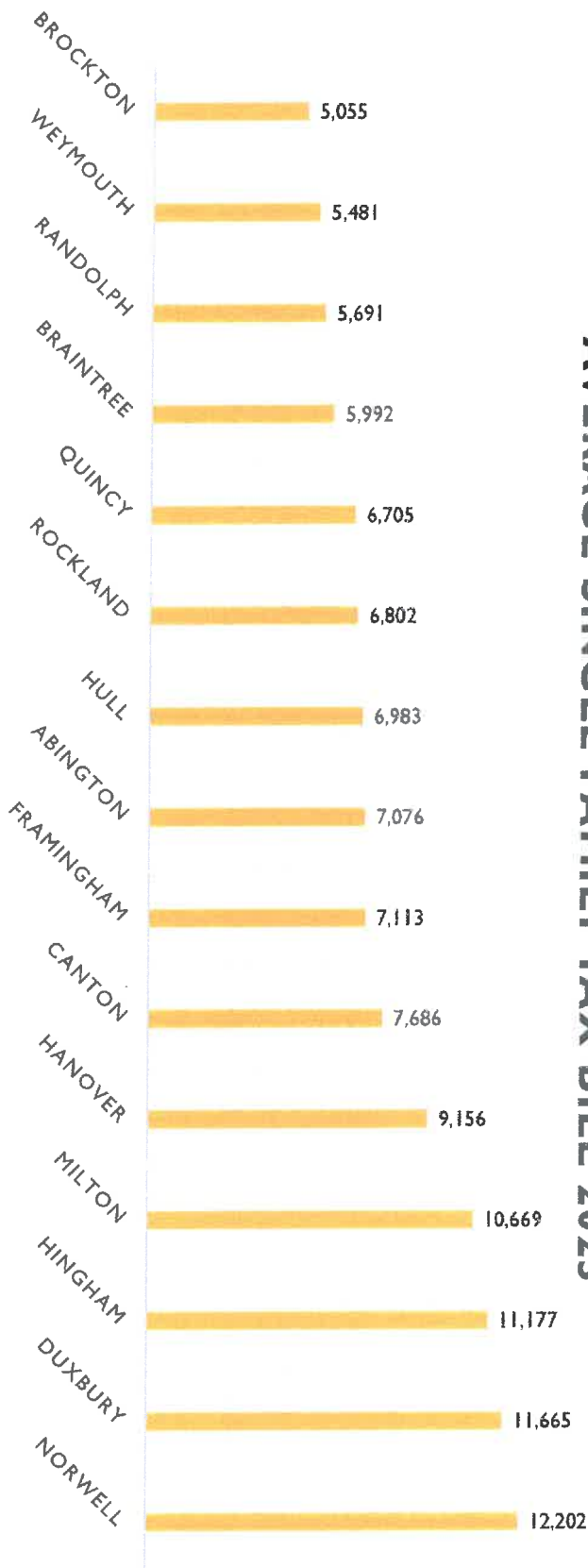
2023 VALUES	2023 TAX	TYPICAL PROPERTY	FY 24 VALUE	Single Rate	45%	46%	47%	48%	49%	50%
	\$10.45		Res. Rate	\$11.07	\$10.31	\$10.29	\$10.27	\$10.26	\$10.24	\$10.22
326,522	\$3,412.15	Average/Res. Condo	\$352,312	\$3,900.09	\$3,632.34	\$3,625.29	\$3,618.24	\$3,614.72	\$3,607.67	\$3,603.63
		Tax Change		\$487.94	\$220.18	\$213.14	\$206.09	\$202.57	\$195.52	\$188.47
		Percent Change		14.30%	6.45%	6.25%	6.04%	5.94%	5.73%	5.52%
\$324,524	\$5,491.28	Avg Single Family	\$560,918	\$6,209.36	\$5,783.07	\$5,771.85	\$5,760.63	\$5,755.02	\$5,743.80	\$5,732.58
		Tax Change		\$728.09	\$301.79	\$290.57	\$279.35	\$273.74	\$262.53	\$251.31
		Percent Change		13.28%	5.51%	5.30%	5.10%	4.99%	4.79%	4.58%
\$726,400	\$7,590.88	Single Family #2	\$777,000	\$8,601.39	\$8,010.87	\$7,995.33	\$7,979.79	\$7,972.02	\$7,956.48	\$7,940.94
		Tax Change		\$1,010.51	\$419.99	404.45	388.91	381.14	365.60	350.06
		Percent Change		13.31%	5.53%	5.33%	5.12%	5.02%	4.82%	4.61%
\$1,100,400	\$11,499.18	Single Family #3	\$1,210,300	\$13,464.44	\$12,540.05	\$12,515.73	\$12,491.40	\$12,479.24	\$12,454.91	\$12,430.59
		Tax Change		\$1,965.26	\$1,040.87	1016.55	992.22	980.06	955.73	931.41
		Percent Change		17.09%	9.05%	8.64%	8.63%	8.52%	8.31%	8.10%
1,396,400	\$14,592.38	Small Apartments	\$1,445,400	\$16,000.58	\$14,902.07	\$14,873.17	\$14,844.26	\$14,829.60	\$14,800.90	\$14,771.99
		Tax Change		\$1,408.20	\$309.69	\$280.79	\$251.88	\$237.42	\$208.52	\$179.61
		Percent Change		9.65%	2.12%	1.92%	1.73%	1.63%	1.43%	1.23%
366,299,600	\$692,830.82	Large Apartment Complex	\$68,681,200	\$760,300.68	\$708,103.17	\$708,729.55	\$705,355.92	\$704,669.11	\$703,295.49	\$701,921.86
		Tax Change		\$67,470.06	\$15,272.35	\$13,898.73	\$12,525.10	\$11,836.29	\$10,464.67	\$9,051.04
		Percent Change		9.74%	2.20%	2.01%	1.81%	1.71%	1.51%	1.31%

FISCAL YEAR 2024 SHIFT IMPACTS — COMMERCIAL INDUSTRIAL

2023 VALUES	2023 TAX	TYPICAL PROPERTY	FY24 VALUE	Single Rate	45%	46%	47%	48%	49%	50%
	\$16.30		CP/Rate	\$11.07	\$16.05	\$16.16	\$16.27	\$16.38	\$16.49	\$16.60
\$701,700	\$11,578.05	Small Restaurant	\$730,710	\$8,155.27	\$11,824.04	\$11,905.07	\$11,980.11	\$12,067.15	\$12,148.18	\$12,229.22
		Tax Change		-\$3,422.78	\$25.99	\$327.02	\$408.06	\$489.10	\$570.13	\$651.17
		Percent Change		-29.50%	2.12%	2.82%	3.52%	4.22%	4.92%	5.62%
\$862,000	\$15,717.90	Industrial Warehouse	\$880,300	\$10,951.55	\$15,878.27	\$15,987.09	\$16,095.91	\$16,204.73	\$16,313.56	\$16,422.39
		Tax Change		-\$4,766.35	\$180.37	\$288.19	\$378.01	\$468.83	\$558.66	\$648.48
		Percent Change		-30.32%	1.02%	1.71%	2.40%	3.10%	3.79%	4.48%
\$898,200	\$15,496.80	Gas Station	\$878,300	\$10,829.78	\$15,701.72	\$15,809.33	\$15,916.94	\$16,024.55	\$16,132.17	\$16,239.78
		Tax Change		-\$4,667.02	\$204.91	\$312.53	\$420.14	\$527.75	\$635.37	\$742.98
		Percent Change		-30.12%	1.32%	2.02%	2.71%	3.41%	4.10%	4.79%
\$935,000	\$8,827.50	Office Bldg	\$961,500	\$6,215.81	\$9,012.08	\$9,073.84	\$9,135.61	\$9,197.37	\$9,259.14	\$9,320.90
		Tax Change		-\$2,611.70	\$184.58	\$246.34	\$308.11	\$369.87	\$431.63	\$493.40
		Percent Change		-29.59%	2.09%	2.79%	3.49%	4.19%	4.89%	5.59%
\$22,903,000	\$377,909.40	Lg Medical Bldg	\$24,051,000	\$266,244.57	\$386,018.55	\$388,664.16	\$391,309.77	\$393,955.38	\$396,600.99	\$399,246.60
		Tax Change		-\$111,664.83	\$8,109.15	\$10,754.76	\$13,400.37	\$16,045.98	\$18,691.59	\$21,337.20
		Percent Change		-29.55%	2.15%	2.85%	3.55%	4.25%	4.95%	5.65%
\$36,535,400	\$603,164.10	Lg Retail Mall	\$37,941,800	\$ 420,015.73	\$608,965.89	\$613,138.49	\$617,313.09	\$621,488.69	\$625,663.29	\$629,837.89
		Tax Change		-\$183,148.37	\$5,801.79	\$8,975.39	\$14,148.99	\$18,322.58	\$22,498.18	\$26,663.78
		Percent Change		-30.36%	0.98%	1.65%	2.35%	3.04%	3.73%	4.42%

COMMUNITY COMPARISON

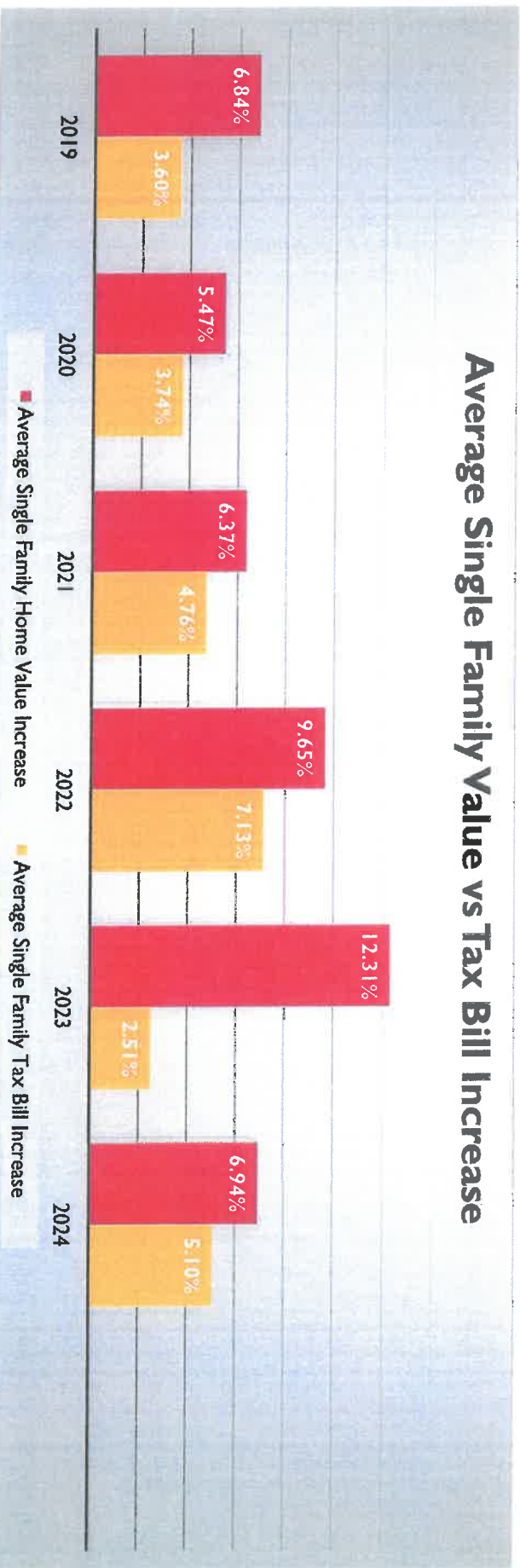
AVERAGE SINGLE FAMILY TAX BILL 2023



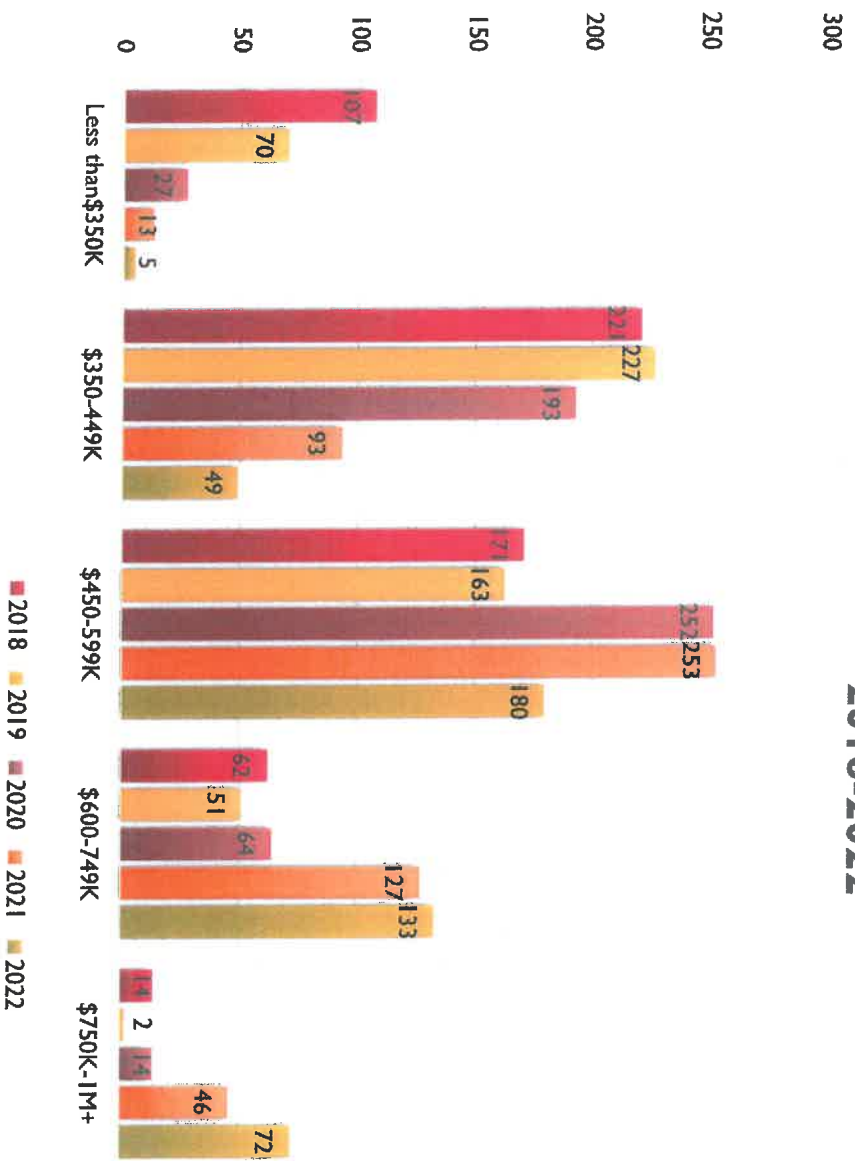
To see additional communities, visit the Massachusetts Divisions of Local Services Interactive 2023 Tax Map <https://www.mass.gov/info-details/massachusetts-average-single-family-tax#fy2023>

HISTORICAL TRENDS FISCAL YEARS 2019 - 2024

Average Single Family Value vs Tax Bill Increase



Weymouth Single Family Home Sales 2018-2022

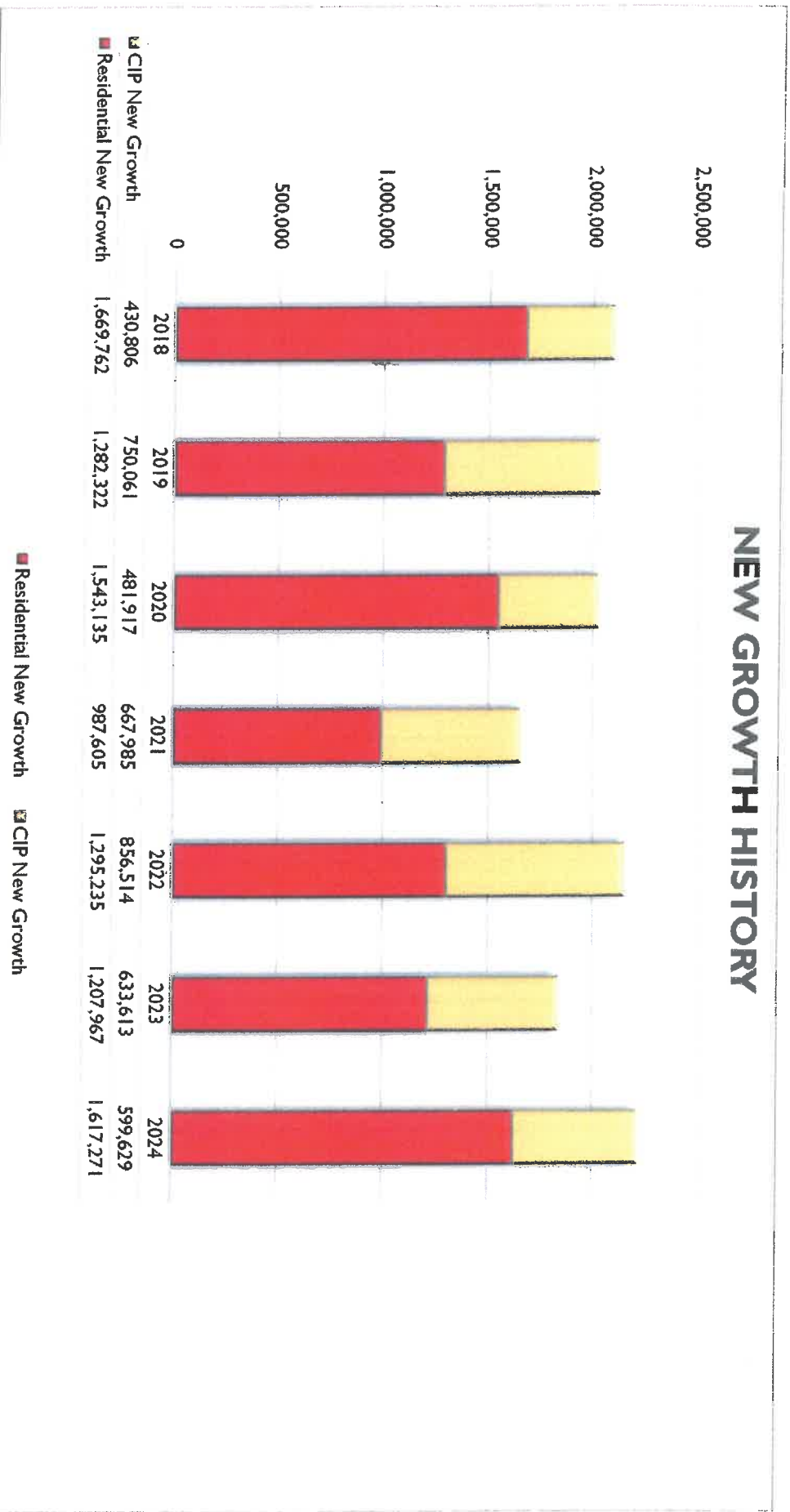


PROPOSITION 2 1/2

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 1/2.

NEW GROWTH HISTORY



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 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/fred-estate-tax-exemptions>