

Information about your Fiscal Year 2007 Real Estate Tax Bill

This insert is intended to provide you with some information about your enclosed tax bill. The following questions are most commonly asked by residents about their tax bills.

What is the change in real estate tax rates for fiscal year 2007?

The residential and commercial property tax rates will increase for FY07. The FY07 tax rates per \$1,000 of valuation are as follows:

Tax Rate	FY06	FY07	Rate Increase FY06 to FY07	% Increase in Rate FY06 to FY07
Residential	\$10.37	\$10.73	\$.36	3.5%
Commercial	\$18.85	\$19.81	\$.96	5.1%

Did all property values in Westwood change from FY06 to FY07?

No. Overall, most home values did not change in FY07. However, values did change for some homes due to home renovations, market conditions, and/or home sales activity.

The full listing of home values for FY07 can be found on the Town's web site at www.townhall.westwood.ma.us or in printed form at Town Hall.

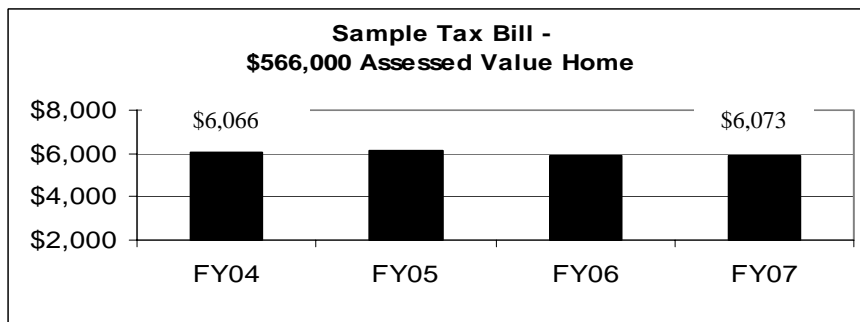
Was there any significant change or shifting in tax burden between residential and commercial properties?

No. The tax rate has been set so that the residential and commercial classes will pay approximately the same percentage of total taxes as they did in the prior year.

The Town of Westwood has a split tax rate, taxing commercial and industrial property at a higher rate than residential property. The Board of Selectmen, in consultation with the Board of Assessors, voted to set the FY07 shift factor at 1.65. This means that in FY07, commercial property, while only representing 14.05% of the Town's value, will pay 23.19% of the total taxes. This split rate provides a \$724 or 12% savings to the average home.

What happened to my individual tax bill?

Proposition 2 ½ places limits on the total amount of taxes that can be raised by a city or town. It does not apply to an individual tax bill. While the total taxes collected by the Town increased, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.



The tax bill for this average home has remained stable since FY04.

Debt Outside of Proposition 2 ½

There are two components to the total taxes collected by the Town: 1) the general tax levy, and 2) the exempt debt, which is the principal and interest costs for the debt approved outside the limits of Proposition 2 ½.

In recent years, the exempt debt portion of the tax levy has declined significantly due to receipt of state reimbursement for the Downey, Martha Jones, and High School projects and the completion of the 1994 road improvement bond, which was fully paid in FY05.

The FY07 tax levy includes principal and interest payments that the Town will be making for the Proposition 2½ debt exclusion projects listed below. All other debt projects approved outside of Proposition 2 ½ have been completed, meaning the bond has been fully repaid and the cost removed from the tax levy.

Project/Bond Issued	Fiscal Year Debt Will Be Completed	FY07 Debt Payments
Middle School Construction - \$2,923,000	2009	8 th of 10
Downey School Construction - \$6,500,000	2012	5 th of 10
Martha Jones School Construction - \$7,200,000	2012	5 th of 10
High School Construction - \$39,262,300	2023	4 th of 20

The Town is now receiving state payments for all the school projects. This money directly reduces the taxes that must be raised for the debt. Only the net amount is paid by the residents.

Project	FY07 Principal/Interest	State Payment	Net Amount Paid by Taxpayers
Middle School	\$318,638	\$248,732	\$69,906
Downey School	\$785,295	\$625,794	\$159,501
Martha Jones School	\$897,480	\$692,249	\$205,231
High School	\$3,447,856	\$1,626,254	\$1,821,602
Total Exempt Debt	\$5,449,269	\$3,193,029	\$2,256,240

As the state will now make an annual payment for each of these projects for the life of the bond, the net exempt debt payments remain stable for the next few years as shown below.

