



# Residential/Commercial Tax Shift

## Board of Selectmen Meeting

### November 5, 2018

Board of Assessors  
Pam Dukeman, Finance Director

# FY19 Value – Full Revaluation Year

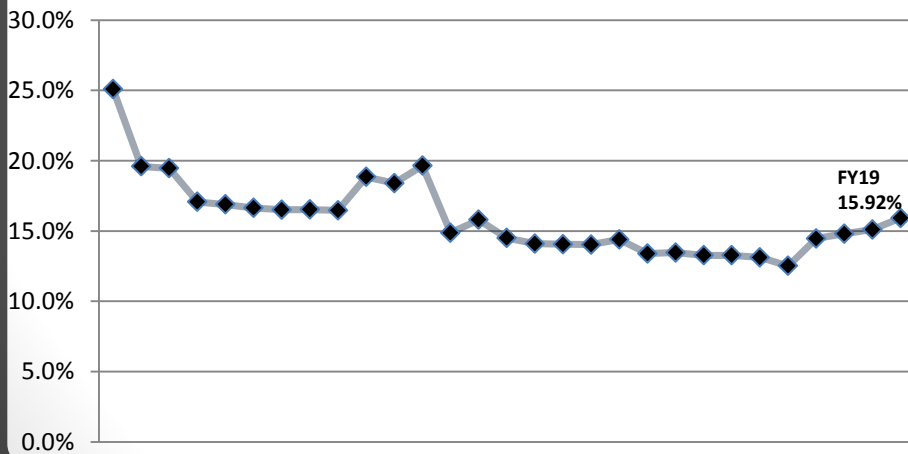
## FY19 Value

- Timing Per Department of Revenue regulations:
  - Values are based on January 1, 2018 values and sales during calendar year 2017.
  - Value for new growth is as of June 30, 2018.
- FY19 Total Value Changes
  - Overall value increased 6.6% from FY18 to FY19.
    - Residential value increased 5.6%
      - 94% of homes experienced a value increase.
      - 60% of homes experienced a value increase between 3% and 8%.
    - Commercial value increased 12.3%.
  - Commercial value has increased to 15.9% of total town value – an increase from 15.1% in FY18.
    - In FY15, before the start of University Station, commercial property was 12% of total value.

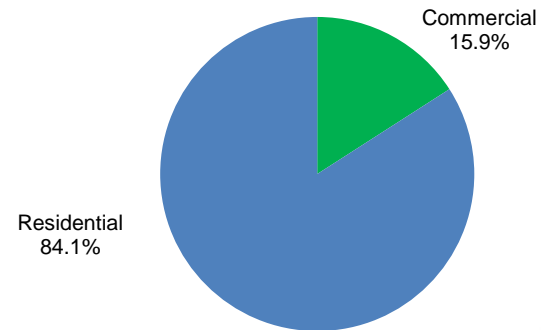
# Change in Percentage of Town Value - FY18 to FY19

	Values		\$ Change FY18/FY19	% Change FY18/FY19
	FY18	FY19		
Residential Value	\$3,644,725,298	\$3,848,500,382	\$203,775,084	5.59%
Total Commercial	\$648,696,446	\$728,585,789	\$79,889,343	12.32%
Total Value	<b>\$4,293,421,744</b>	<b>\$4,577,086,171</b>	<b>\$283,664,427</b>	6.61%
Residential as % of Total	84.891%	84.082%	-0.81%	
Commercial as % of Total	15.109%	15.918%	0.81%	

Commercial Value as % of Total Value  
FY91 - FY19

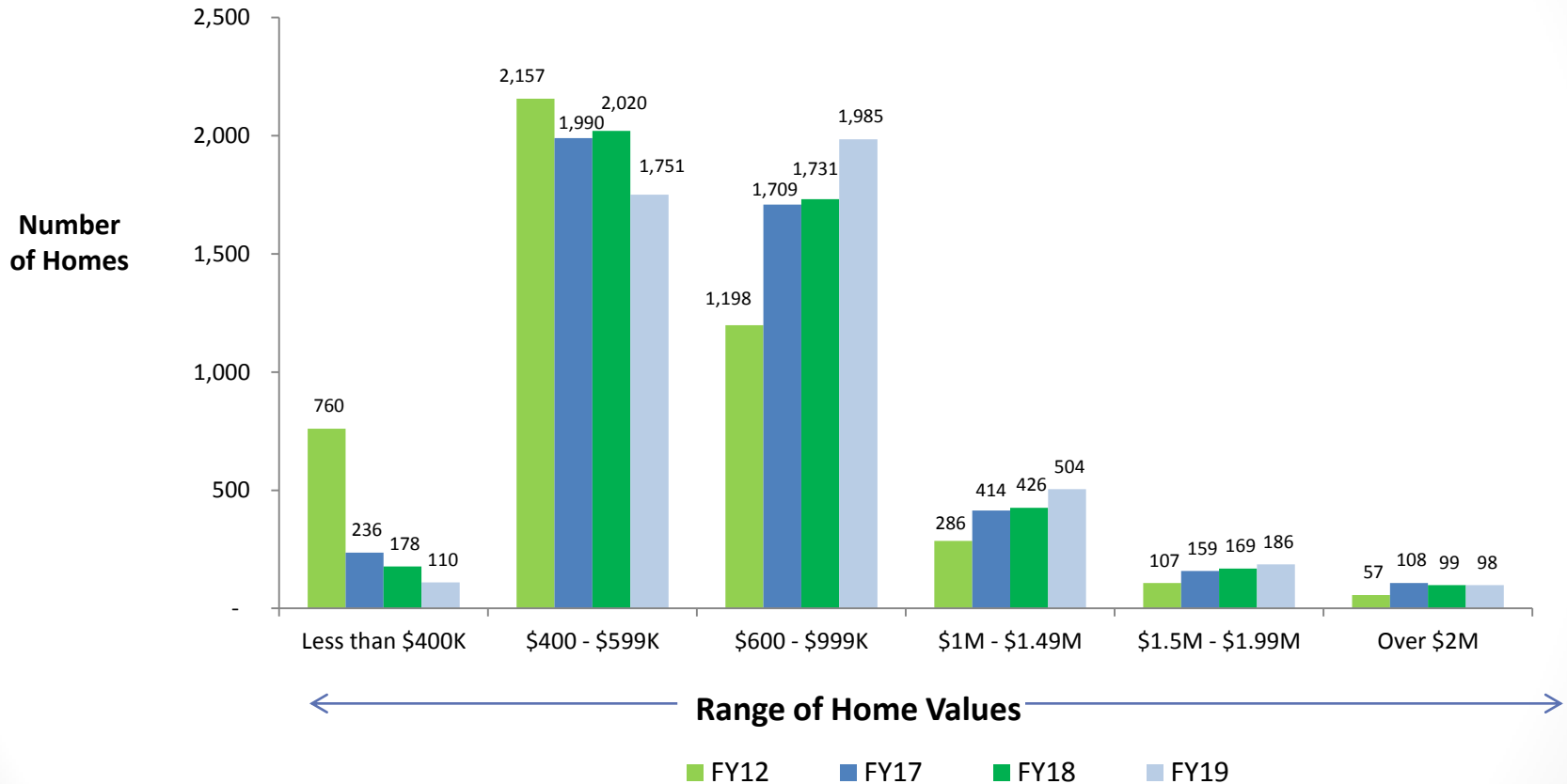


FY19 Total Value



# Range of Residential Property Values

## Home Values by Category



# FY19 New Tax Growth

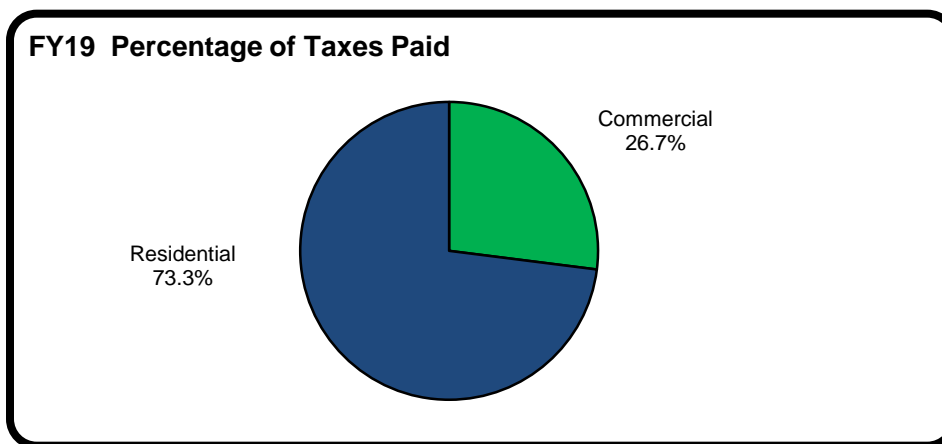
- Total new FY19 tax growth - \$1.2M (TM budget \$650K)
  - Residential \$ 574K
    - Includes
      - New Housing
      - Renovations
  - Commercial \$ 651K
    - University Station \$276K (TM budget \$200K)
    - Other commercial \$ 375K (personal property)
  - University Station
    - University Station value is as of June 30, not today
    - Includes new hotel and restaurants
    - Will see more value in FY20, but residential component.
    - Value increased approximately 20%.

# FY19 Recommended Shift Factor

- Recommend to approve FY19 shift factor of 1.68.
  - History of Shift Factors
    - FY15 to FY18: 1.70
    - FY07 to FY14: 1.65
  - At 1.68 shift in FY19:
    - Commercial property is 15.9% of value
    - But will pay 26.7% of total taxes (FY18 25.7%)
      - Commercial paid only 21% of total taxes in FY15
  - Commercial rate provides significant savings to the average home
    - Approximately \$1,370 or 15% savings

# Change in Percentage of Taxes Paid - FY18 to FY19

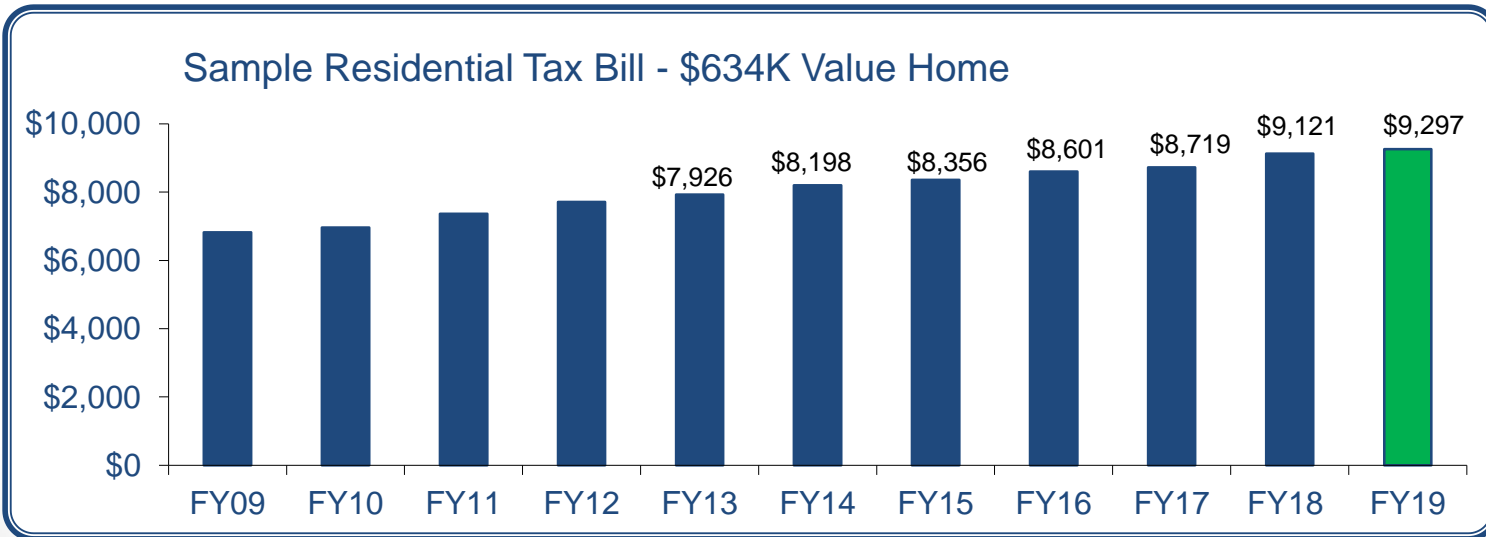
	Current FY18	FY19 if at 1.68 Shift
Percent of Levy Paid		
Residential % of Levy	74.3%	73.2%
Commercial % of Levy	25.7%	26.7%
Shift Factor	1.70	1.68
Tax Rate		
Residential	\$15.09	\$14.65
Commercial	\$29.30	\$28.24
Single Tax Rate Savings	\$1,300	\$1,370



Commercial is 15.9% of value, but will pay 26.7% of taxes

# FY19 Taxes

	FY17	FY18	FY19 if at 1.68 Shift
Total Town Taxes	\$70.5M	\$74.0M	\$76.9M
Sample Home Value	\$598,431	\$604,000	\$634,636
Sample Tax Bill	\$8,719	\$9,121	\$9,297
\$ Change in Bill	\$118	\$402	\$176
% Change in Bill	1.3%	4.6%	2%
Savings from Split Rate	\$1,207	\$1,300	\$1,370





## Impact of Value Changes/Tax Rates on Tax Bills for Various Home Values

Home Value			Tax Bill		
FY18	FY19	% Change	FY18	FY19	% Change
\$ 1,842,850	\$1,843,000	0%	\$ 27,809	\$27,000	-2.9%
\$ 1,168,700	\$1,213,250	3.8%	\$ 17,636	\$17,774	.8%
\$ 950,850	\$1,032,800	8.6%	\$14,348	\$15,131	5.5%
\$ 811,850	\$875,600	7.9%	\$ 12,251	\$12,828	4.7%
\$ 714,900	\$745,550	4.3%	\$ 10,788	\$10,922	1.2%
\$ 597,800	633,950	6.0%	\$ 9,021	\$9,287	3.0%
\$ 522,950	566,600	8.3%	\$ 7,891	\$8,301	5.2%

