

Information about your Fiscal Year 2017 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.

Did overall property value in Westwood change from FY16 to FY17?

Yes. The value of all real estate in Town increased by 4.48%, with residential value increasing 4% and commercial value increasing 7%.

Did my individual home value change?

Yes. Approximately 98% of the residential homes in Town had a change in value for FY17. Values are required to be updated annually to reflect market conditions and sales activity. As always, values also change due to home renovation or improvements.

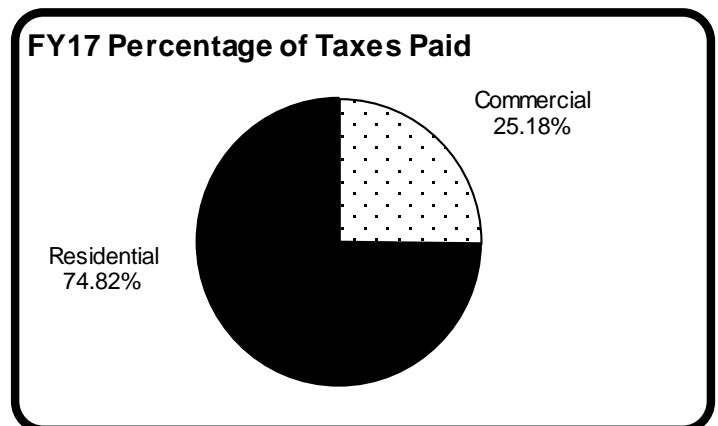
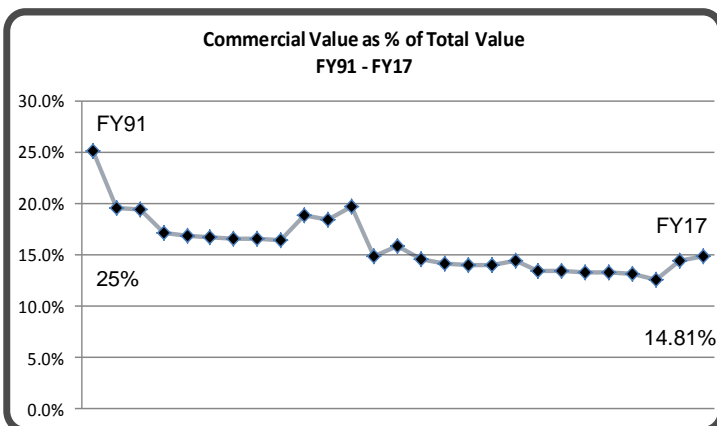
Approximately 70% of homes had a value change in the range of a 1% to 4% increase, with the average experiencing a 2% increase in value.

A report listing all home values for FY16 and FY17 can be found on the Town's web site at www.townhall.westwood.ma.us. Click the link for "Tax Rates and Property Assessments". It is important to remember that state tax law dictates that your FY17 tax bill is based on the assessed value of your home as of **January 1, 2016** based on home sales that occurred during calendar year **2015**.

If you notice any data errors when viewing the on-line Assessors' database, please contact the Assessors' Office. The Board of Assessors is committed to ensuring that each property is fairly and accurately assessed.

Did commercial property increase in value for FY17?

Yes. The total commercial property saw an overall increase in value of approximately \$41.5 million or 7%. It is important to remember that state tax law looks at the value of new construction as of June 30, 2016. Any new construction that has occurred at University Station since June 30, 2016, such as the completion of the new hotel, will be included in the FY18 tax bill calculation.



In FY17, commercial properties are 14.8% of the Town's total value, but will pay 25.2% of total taxes.

Does the commercial property pay a higher tax rate than residential?

Yes. The Town has a split tax rate, charging commercial property a higher rate than residential. The Board of Selectmen, in consultation with the Board of Assessors, voted to keep the FY17 shift factor, which sets the different rates, at the current 1.70.

In FY17, commercial property, while only representing 14.81% of the Town's value, will pay 25.2% of the total taxes, a slight increase from 24% in FY16.

Does the higher commercial rate help my residential tax bill?

Yes. Without this higher commercial split rate, the average tax bill would increase an additional 14% or \$1,207. This is a significant savings to the average residential tax bill.

What is the change in real estate tax rates for FY17?

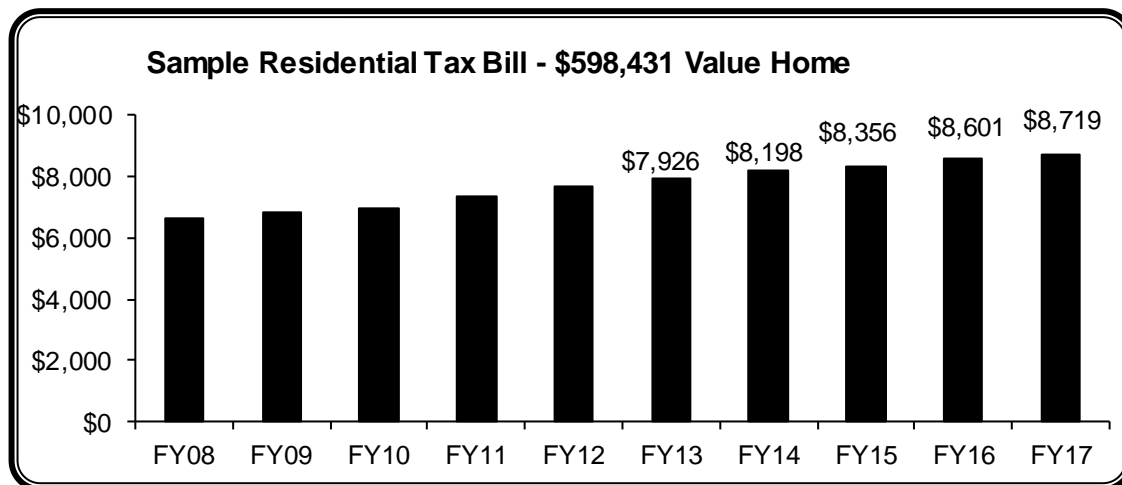
The FY17 tax rates per \$1,000 of valuation are as follows:

Tax Rate	FY16	FY17	Rate Increase FY16 to FY17	% Change in Rate FY16 to FY17
Residential	\$14.66	\$14.57	-\$0.09	-.6%
Commercial	\$28.27	\$28.20	-\$0.07	-.2%

What happened to my individual tax bill?

The tax rate on your bill is based upon the value of the residential and commercial property in the Town and the amount of money that was voted to be spent at the November 2015 and May 2016 Town Meetings. It also includes debt currently approved outside of Proposition 2 ½. This tax rate is then multiplied by the value of your house to arrive at your new tax amount.

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 by 4.2%, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.



This sample home has a tax increase of \$118, or 1.37% from FY16 to FY17 and has a 2% increase in assessed value from FY16 to FY17.

What debt outside Proposition 2 ½ is included in this bill?

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.

The FY17 tax levy includes principal and interest payments that the Town will be making for the Proposition 2 ½ 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	FY17 Debt Payments	Net Amount of Debt in FY17 Levy
High School Construction - \$39.2 million	2023	14 th of 20	\$936,386
Library Construction - \$9.3 million	2031	6 th of 20	\$706,320

All other Town debt is being funded within Proposition 2 ½.

Were Steps Taken to Address Residential Tax Relief?

Yes. The Board of Selectmen proposed and Town Meeting approved several measures to mitigate the increase in the FY17 residential tax bill. These measures include:

- Approving new police station debt within Proposition 2 ½.
- Not utilizing all of the available tax levy (approximately \$1.5 million) permitted by state law. Historically, the Town has used all of the available levy.
- Appropriating \$500K from free cash to directly reduce the tax rate.

These measures resulted in an average tax bill increase of 1.37% vs. a potential 4.73% increase. Without these tax measures, the average home bill would have been \$9,008 vs. the actual \$8,719.

