

## ***Information about your Fiscal Year 2006 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 2006?***

The residential and commercial property tax rates will decrease for FY06. The FY06 tax rates per \$1,000 of valuation are as follows:

<b>Tax Rate</b>	<b>FY05</b>	<b>FY06</b>	<b>Rate Decrease FY05 to FY06</b>	<b>% Decrease in Rate FY05 to FY06</b>
Residential	\$11.97	\$10.37	-\$1.60	-13.4%
Commercial	\$20.97	\$18.85	-\$2.12	-10.1%

### ***Did property values in Westwood change from FY05 to FY06?***

Yes. FY06 is a full revaluation year for Westwood. Therefore, the valuation of properties did change from FY05 to FY06 reflecting changes in market conditions, home renovations, and home sales activity. The total residential property increased in valued by 13% and the total commercial property increased by 9.4%.

The listing of home values for FY06 can be found on the Town's web site at [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us) or in printed form at Town Hall, the main library, or the Carby Street municipal office building.

### ***Was there any 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 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 FY06 shift factor at 1.63. This means that in FY06, commercial property, while only representing 14.1% of the Town's value, will pay 22.9% of the total taxes.

### ***Is the Town collecting more in taxes in FY06?***

No. The total Town taxes for FY06 decreased 2% from the FY05 level of \$43 million to \$42.1 million.

The total levy did increase the allowed 2 ½ % plus growth in the tax base from new construction. However, these increases were more than offset by receipt of the state's share of reimbursement for debt for the High School construction project.

### ***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 decreased, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.

## 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.

For FY06, while the general tax levy portion increased by the allowable 2 ½%, the exempt debt portion declined significantly due to receipt of state school reimbursement for the High School project and the completion of the 1994 road improvement bond, which was fully paid in FY05.

The FY06 tax levy includes principal and interest payments that the Town will be making for the following Proposition 2½ debt exclusions projects:

Project	Fiscal Year Debt Will Be Completed	FY06 Debt Payments
Middle School Construction - \$2,923,000	2010	7 <sup>th</sup> of 10
Downey School Construction - \$6,500,000	2012	4 <sup>th</sup> of 10
Martha Jones School Construction - \$7,200,000	2012	4 <sup>th</sup> of 10
High School Construction - \$39,262,300	2023	3 <sup>rd</sup> 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	FY06 Principal/Interest	State Payment	Net Amount Paid by Residents
Middle School	\$329,657	\$248,732	\$80,925
Downey School	\$816,795	\$625,794	\$191,001
Martha Jones School	\$933,480	\$692,249	\$241,231
High School	\$3,507,106	\$2,071,717	\$1,435,389
<b>Total Exempt Debt</b>	<b>\$5,587,038</b>	<b>\$3,638,492</b>	<b>\$1,948,546</b>

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.

