



Residential/Commercial Tax Shift

Select Board Meeting

November 18, 2019

Board of Assessors
Pam Dukeman, Finance Director

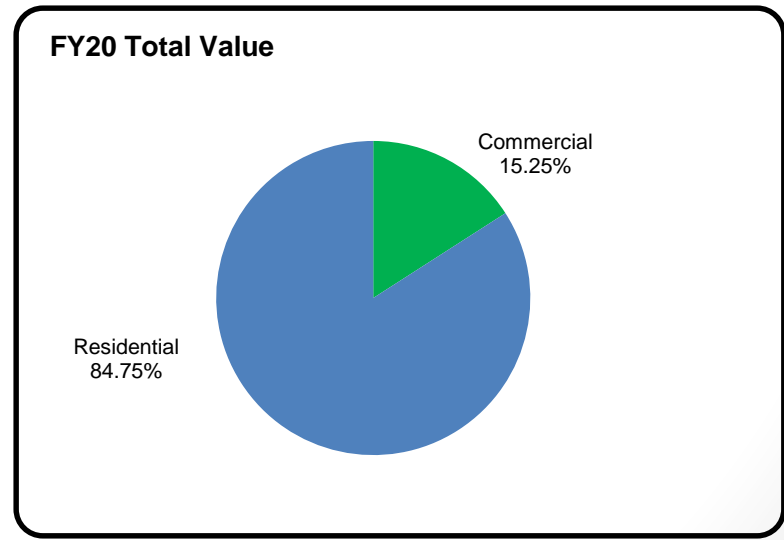
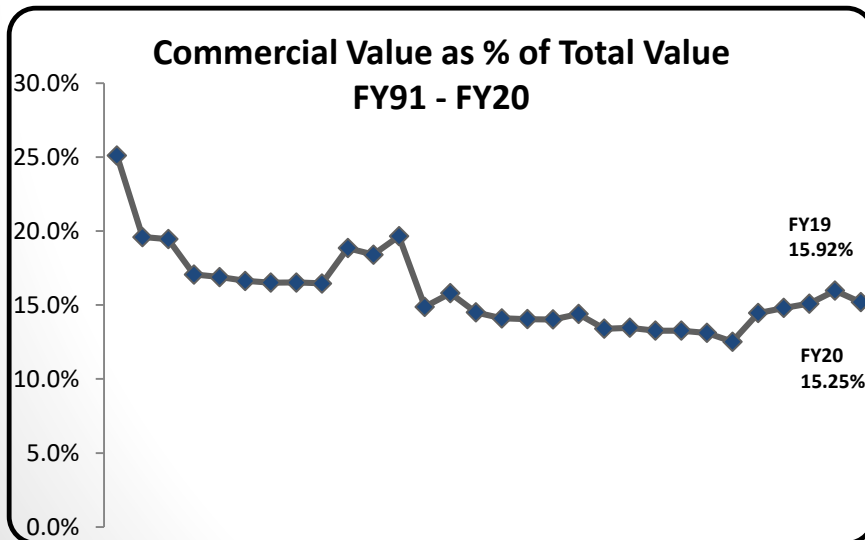
FY20 Value

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- Timing Per Department of Revenue regulations:
 - Values are based on January 1, 2019 values and sales during calendar year 2018.
 - Value for new growth is as of June 30, 2019.
- FY20 Total Value Changes
 - Overall value increased 5.6% from FY19 to FY20.
 - Residential value increased 6.43%
 - 98% of homes experienced a value increase.
 - 86% of homes experienced a value increase between 3% and 8%.
 - Commercial value increased 1.13%.
 - Commercial value in FY20 will be 15.25% a slight drop from 15.9% in FY19.
 - In FY15, before the start of University Station, commercial property was 12% of total value.

Change in Percentage of Town Value - FY19 to FY20

	Values		\$ Change FY20/FY19	% Change FY20/FY19
	FY19	FY20		
Residential Value	\$3,848,500,382	\$4,095,829,530	\$247,329,148	6.43%
Total Commercial	\$728,582,389	\$736,838,479	\$8,256,090	1.13%
Total Value	\$4,577,082,771	\$4,832,668,009	\$255,585,238	5.58%
Residential as % of Total	84.08%	84.75%	0.67%	
Commercial as % of Total	15.92%	15.25%	-0.67%	



FY20 New Tax Growth

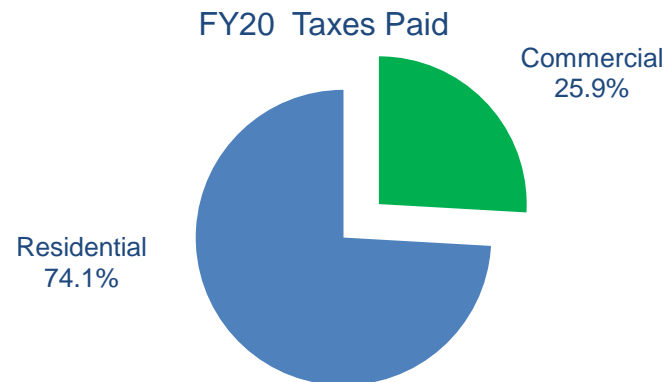
- Total new FY20 tax growth - \$1.16M (TM budget \$575K)
 - Residential \$ 830K
 - Includes
 - New Housing/Renovations
 - Condos at University Station \$503K (budget \$125K)
 - Commercial \$ 334K
 - Commercial \$ 334K personal property only
 - University Station
 - University Station value is as of June 30, not today
 - Value in FY20 came from residential component of new condos.
 - Future value in FY21 will come from new commercial buildings.

FY20 Recommended Shift Factor

- Recommend to approve FY20 shift factor of 1.70.
 - History of Shift Factors
 - FY19: 1.68
 - FY15 to FY18: 1.70
 - FY07 to FY14: 1.65
 - At 1.70 shift in FY20:
 - Commercial property is 15.25% of value
 - But will pay 25.9% of total taxes (FY19 26.7%)
 - Commercial paid only 21% of total taxes in FY15
 - Commercial rate provides significant savings to the average home
 - Approximately \$1,380 or 14% savings

Change in Percentage of Taxes Paid – FY20 to FY19

	Current FY19	FY20 if at 1.70 Shift
Percent of Levy Paid		
Residential % of Levy	73.3%	74.1%
Commercial % of Levy	26.7%	25.9%
Shift Factor	1.68	1.70
Tax Rate		
Residential	\$14.65	\$14.51
Commercial	\$28.24	\$28.22
Single Tax Rate Savings	\$1,370	\$1,380



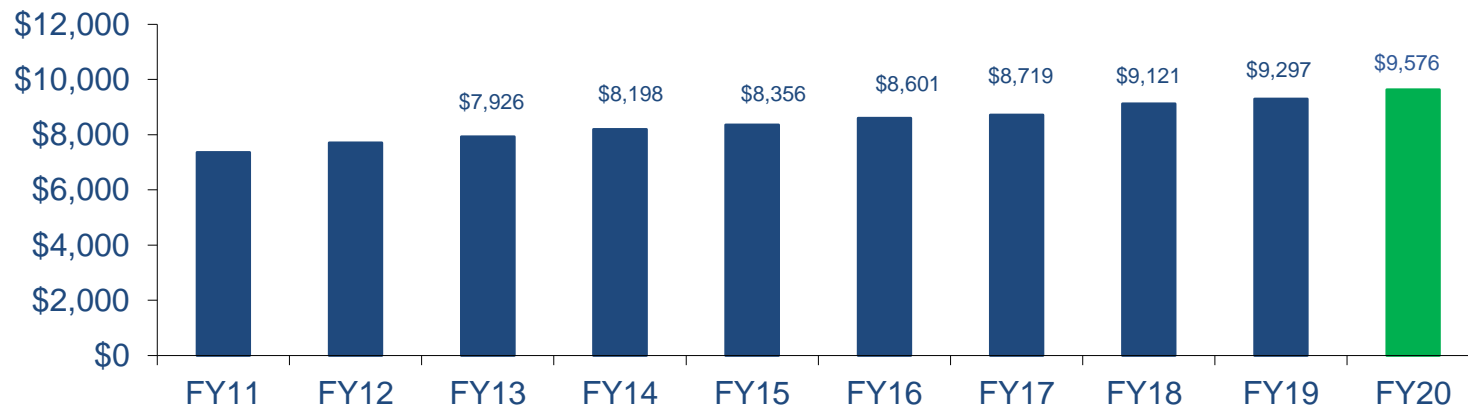
Commercial is 15.25% of value, but will pay 25.9% of taxes

FY20 Taxes

	FY18	FY19	FY20 if at 1.70 Shift
Total Town Taxes	\$74.0M	\$76.9M	\$80.2M
Sample Home Value	\$604,000	\$634,636	\$660,021
Sample Tax Bill	\$9,121	\$9,297	\$9,576
\$ Change in Bill	\$402	\$176	\$279
% Change in Bill	4.6%	2.0%	3.0%
Savings from Split Rate	\$1,300	\$1,370	\$1,380



Sample Residential Tax Bill - \$660K Value Home



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

Home Value			Tax Bill		
FY19	FY20	% Change	FY19	FY20	% Change
\$1,843,000	\$1,966,850	5.6%	\$27,000	\$28,539	4.6%
\$1,213,250	\$1,275,100	5.1%	\$17,774	\$18,502	4.1%
\$1,032,800	\$1,070,750	3.7%	\$15,131	\$15,537	2.7%
\$875,600	\$909,450	3.9%	\$12,828	\$13,196	2.9%
\$745,550	\$768,700	3.1%	\$10,922	\$11,154	2.1%
633,950	674,250	6.4%	\$9,287	\$9,783	5.3%
566,600	588,950	3.9%	\$8,301	\$8,546	3.0%

