



BOARD OF ASSESSORS

Fiscal 2019 Classification Hearing

Purpose

The purpose of the classification hearing is for the Board of Selectmen to determine the allocation of the local property tax to be borne by the four classes of real property and personal property for Fiscal Year 2019. It is the responsibility of the Selectmen to adopt a residential factor. The residential factor is used to determine the percentage of the tax levy that is applied to each class of real and personal property. The Board of Assessors then applies these percentages to each property class (M.G.L. Chapter 40, section 56).

It is the responsibility of the Assessors to provide the Selectmen with relevant information and to discuss the fiscal effects of possible alternatives.

Tax Rate

The tax rate is the tax levy divided by the town's taxable valuation. This is known as the *Uniform Tax Rate*. Under this rate each class of property pays a share of the tax levy *equal* to its share of the total town value.

A. Residential Factor

Adopting a residential factor of "1" will result in the taxation of all property at the same rate. However, the law allows the Commercial/Industrial/Personal Property, tax rate for the Town to be as high as 50% above the uniform rate; and the Residential/Open Space, R/O, to be as low as 65% of the uniform rate.

B. Analysis of surrounding cities' and towns' FY18 tax rates:

Town	Res. Rate	CIP Rate	Residential %
Dover	12.84	12.84	97.0783
Norfolk	18.62	18.62	92.2049
Millis	18.02	18.02	89.988
Sherborn	19.30	19.30	95.4188
Walpole	15.27	20.33	83.0286
Westwood	15.09	29.30	74.3145
Medfield	17.03	17.03	94.3434

C. History of differential tax rates in Medfield

Historically Medfield has always maintained a single tax rate. Shifting the tax onto the Commercial, Industrial and Personal properties would create a tax burden for those properties, while the Residential properties would only benefit from a small savings.

D. Tax Rate Scenarios

Overall Scenario

Commercial/Industrial/Personal Properties projected share of the tax levy: \$2,621,438
 Last Year's CIP share = \$2,487,906

With a 10% shift	\$2,883,582	tax dollars would be paid by CIP
With a 25% shift	\$3,276,798	tax dollars would be paid by CIP
With a 50% shift	\$3,932,157	tax dollars would be paid by CIP

Individual Scenario

For a \$600,000 home & commercial property based on an estimated tax rate of \$17.87,

	Residential	Commercial
Single rate	\$600,000 \$10,722	\$600,000 \$10,722
10% shift	\$10,660	\$11,794
Difference	(\$62)	+\$1,072
25% shift	\$10,567	\$13,403
Difference	(\$155)	+\$2,681
50% shift	\$10,412	\$16,083
Difference	(\$310)	+\$5,361

E. Historical Commercial/ Industrial/ Personal Data:

<u>Year</u>	<u>CIP%</u>	<u>Tax Dollars</u>	<u>Tax Levy</u>	<u>Tax Rate</u>
2014	5.6966	\$2,099,404	36,853,583	16.12
2015	5.4819	\$2,100,312	38,320,353	16.04
2016	5.4950	\$2,287,440	41,627,344	16.75
2017	5.4753	\$2,339,247	42,723,595	16.89
2018	5.6566	\$2,487,906	43,982,483	17.03
2019	5.4694	\$2,621,438	47,928,863	17.87

F. Residential Category Single Family Averages

<u>Year</u>	<u>SFA Value</u>	<u>Tax \$</u>
2014	569,600	9,182
2015	595,600	9,553
2016	615,600	10,311
2017	623,400	10,530
2018	634,700	10,809
2019	658,400	11,766

Please note: For purposes of this hearing the tax rate is an **example only**. The final rate will be determined after the Department of Revenue has approved the Tax Recap.

GE N. LESTER, CHAIRMAN
FIELD PLANNING BOARD

23/2018

SEL/TAX HEARING
11/27/18

**LEGAL NOTICE
TOWN OF MEDFIELD
PUBLIC HEARING
ATTN: TAXPAYERS**

The Medfield Board of Selectmen will hold a public hearing on Tuesday November 27, 2018 at 7:00 PM in the Cheney Meeting Room 2nd floor, Town House, 459 Main Street, for tax classification purposes.

The central issue to be discussed during this tax classification hearing is whether all five classes of property: residential, open space, commercial, industrial and personal shall be taxed at the same rate or at different rates for fiscal year 2019. (MGL c.40, sec 56). The Board of Assessors will provide relevant information regarding the tax rate, including the fiscal effect of available alternatives.

Interested taxpayers are urged to attend the hearing. Written and oral statements from interested taxpayers will be accepted by the Board of Selectmen's office and taken into consideration at the hearing.

Michael T. Marcucci,
Chairman
Board of Selectmen

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