



# **FISCAL YEAR 2023 TAX CLASSIFICATION HEARING**

## **Board of Assessors**

Eric Easterday, Chairman

Nancy Goulart, Clerk

William Moore, Member

**November 30, 2022**



## **Fiscal Year 2023 Tax Classification Hearing**

This is the process we will discuss this evening:

1. The Selectmen will be asked to vote on Classification, which is splitting the tax rate.
2. We will advise you of the Excess Levy Capacity and we will present additional information including:
  - a. Property Assessment Review
  - b. New Growth
  - c. Projected Taxes and Potential Impact of a Split Rate.



First, we would like to go over some **Commonly Used Terms:**

- **New Growth:** Additions to the tax base from new construction and property improvements.
- **Levy:** Revenue raised through property taxes.
- **Levy Limit:** Maximum dollar amount a Town can raise in a fiscal year.
  - (Prior years Levy \* 2 ½ % + New Growth + Debt Exclusion)
- **Excess Levy Capacity:** Difference between the levy and the levy limit.
- **Debt Exclusion:** A temporary increase to the levy to pay for capital projects as voted.
- **CIP:** Class that includes Commercial, Industrial & Personal Property.
- **MRF:** Minimum Residential Factor.
  - This factor represents the minimum percentage of the levy the Residential class must pay.



1. The purpose of the classification hearing is to determine the percentage share of the tax levy that each class of property will pay.
2. The minimum residential factor is determined by the make-up of the tax base.
3. This factor allows the Board of Selectmen to shift the burden towards Commercial, Industrial and Personal Property (CIP) taxpayers to a maximum of 175%.

### **The Board of Selectman Vote the Shift in the Tax Rate**

4. The adopted percentage is then used to determine the tax levy paid by each class of property and calculate the resulting tax rates.
5. Shifting taxes onto the **CIP** class does not increase the amount of revenue collected.



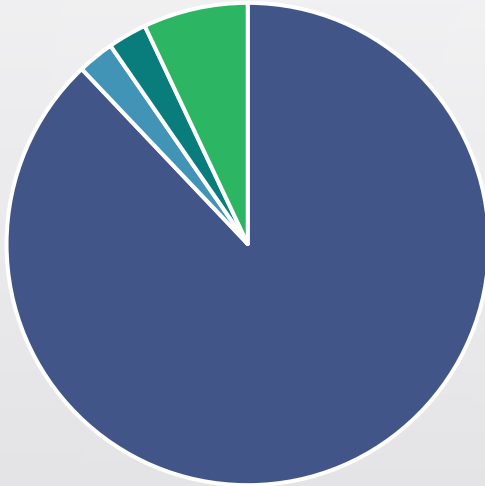
## **Residential Factor**

- \* The minimum residential factor is 87.9186%
- \* This is a factor that would allow a split tax rate toward the CIP Class up to 175%
- \* A residential factor of 1.00 will maintain a single tax rate of \$15.35
- \* A residential factor below 1.00 will result in a split tax rate.
- \* A 166% shift would decrease the Residential tax rate by \$.33 per thousand of value.
- \* A 166% shift would decrease the Commercial tax rate by \$.69 per thousand of value.  
(166% was used the last 2 year and 165% used the 5 years prior).
- \* The maximum allowable shift for Dighton is 175%.

## Levy Allocation

This chart illustrates what portion of the levy would be paid by the Residential Class vs the Commercial, Industrial, and Personal Property classes with a split tax rate.

Property Classes



■ Residential ■ Commercial ■ Industrial ■ Personal Property

Classes	Values	% of Class
Residential	1,177,433,983	87.92%
Commercial	32,775,589	2.44%
Industrial	35,027,794	2.62%
Pers Property	93,994,690	7.02%
Total	1,339,232,056	100%

  
**Maximum Allowable Levy**

The maximum levy allowed for Fiscal Year 2023 is \$21,320,636  
(This includes the Debt Exclusion of \$513,375).

**Excess Levy Capacity**

(Levy Limit + Debt Exclusion) – (Actual Levy) = (Excess Levy)

$$\$20,807,261 + \$513,375 - \$20,556,387 = \$764,249$$

This year's excess levy capacity is \$764,249. This is the difference between the Maximum Levy and our Actual Levy.



# Property Assessment Review

## Why do we change the assessed values?

We are required to under the guidelines of the Department of Revenue and Massachusetts General Laws, Chapter 59, we are required to assess property at 100% full and fair cash valuation.

## What does that mean?

It means that our assessed values have to reflect the market, i.e., what properties are selling for. The Department of Revenue review and approves out values annually, completing a full audit or certification every 5 years. If our values are not “market value” they will not be approved.



## New Growth

Our New Growth Value was certified and approved by the Department of Revenue on November 15, 2022 at \$246,190

The Major Factors contributing to this Growth are:

Personal Property \$109,267 this growth is mainly due to upgraded inventory.

Real Estate \$136,923 this growth is mainly due to new homes and detached structures.

