

# *Tax Classification Hearing Fiscal Year 2020*

**December 2, 2019**

**Presented to  
Board of Selectmen  
Town of Wellesley**

**Prepared By:  
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# *Notice of Hearing*

The Board of Selectmen of the Town of Wellesley will hold a Public Hearing on Monday, December 2, 2019 at 7:15 P.M. in the Felix Juliani Meeting Room, Town Hall, on the issue of allocating the local property tax levy among the five property classes for the fiscal year ending June 30, 2020.

This Hearing, commonly known as the Tax Classification Hearing, will be held for the purpose of providing an open forum for the discussion of local property tax policy. The central issue to be discussed is whether all five classes of property - residential, open space, commercial, industrial, personal - shall be taxed at the same rate or at different rates.

Information and data concerning the fiscal effect will be available for public inspection on November 29, 2019 in the office of the Board of Assessors at Town Hall, 525 Washington Street, Wellesley, Massachusetts 02482 between the hours of hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. Interested taxpayers are urged to review the material and attend the Hearing. Written and oral statements from interested taxpayers will be accepted and taken into consideration at the Hearing. Written statements will also be accepted prior to the Hearing.

**BOARD OF SELECTMEN**

**Marjorie Freiman, Chair**

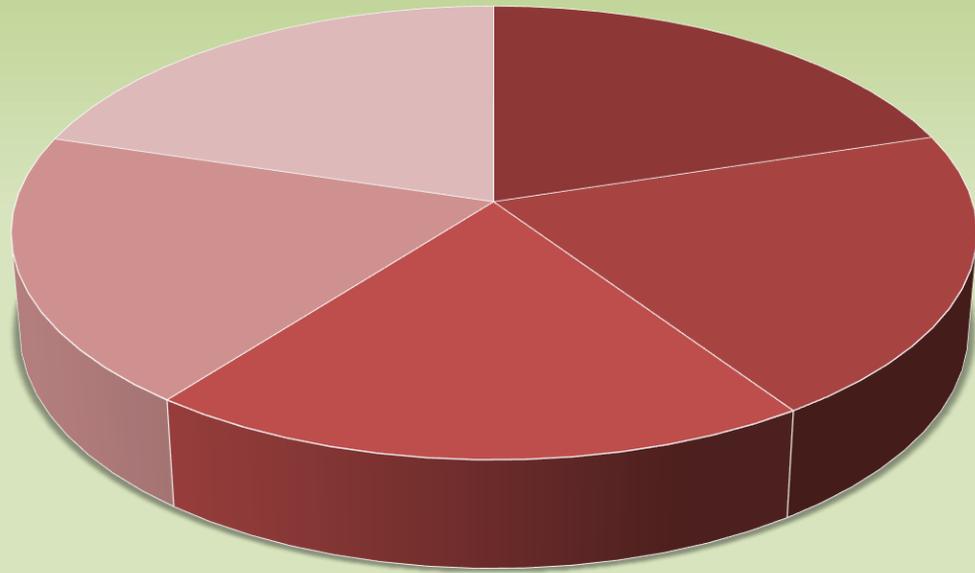
**Thomas H. Ulfelder, Vice Chair**

**Jack Morgan, Secretary**

**Beth Sullivan Woods**

**Lise Olney**

# *Assessed Values & Historical Perspective*



# Assessment Profile

MEDIANS & MEANS	FY2016	2015 to 2016	FY2017	2016 to 2017	FY2018	2017 to 2018	FY2019	2018 to 2019	FY2020	2019 to 2020	2016 to 2020
<b>SINGLE FAMILY (Class 101)</b>											
Total Value	\$8,618,906,000	2%	\$8,876,034,000	3%	\$9,061,107,000	2%	\$9,721,651,000	7%	\$9,949,832,000	2%	15%
Median Assessment	\$991,000	3%	\$1,032,000	4%	\$1,051,000	2%	\$1,126,000	7%	\$1,158,000	3%	17%
Median Tax Bill	\$11,724	6%	\$12,167	4%	\$12,559	3%	\$13,028	4%	\$13,386	3%	14%
Mean Assessment	\$1,180,993	3%	\$1,215,729	3%	\$1,241,670	2%	\$1,331,652	7%	\$1,363,364	2%	15%
Mean Tax Bill	\$13,971	5%	\$14,333	3%	\$14,838	4%	\$15,407	4%	\$15,760	2%	13%
<b>COMMERCIAL (Class 300's)</b>											
Total Value	\$1,197,223,000	9%	\$1,232,568,000	3%	\$1,241,572,000	1%	\$1,325,399,000	7%	\$1,408,207,000	6%	18%
Median Assessment	\$2,570,000	3%	\$2,654,000	3%	\$2,615,000	-1%	\$2,654,000	1%	\$2,710,000	2%	5%
Median Tax Bill	\$30,403	5%	\$31,291	3%	\$31,249	0%	\$30,707	-2%	\$31,328	2%	3%
Mean Assessment	\$5,986,115	9%	\$6,193,809	3%	\$6,027,049	-3%	\$6,402,894	6%	\$6,737,833	5%	13%
Mean Tax Bill	\$70,816	12%	\$73,025	3%	\$72,023	-1%	\$74,081	3%	\$77,889	5%	10%
<b>TAX RATE</b>	<b>\$11.83</b>		<b>\$11.79</b>		<b>\$11.95</b>		<b>\$11.57</b>		<b>\$11.56</b>		

# Assessment / Tax Rate History

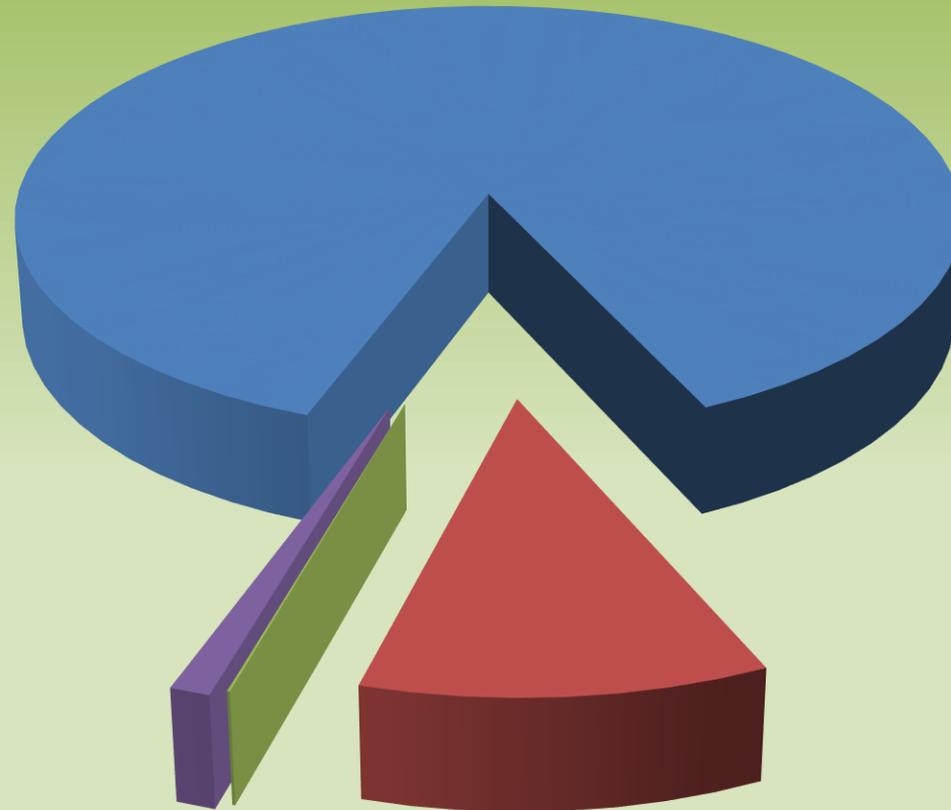
FY	ASSESSED VALUE (in 000's)			LEVY %		NEW GROWTH TAX DOLLARS (in 000's)	Tax Levy (in 000's)	TAX RATE *	SINGLE FAMILY (in 000's)		COMMERCIAL (in 000's)	
	RES	CIP	TOTAL	RES %	CIP %				Median Assessed	Median Taxes	Median Assessed	Median Taxes
2016	9,382,323	1,392,156	10,774,479	87.08%	12.92%	1,693	127,562	11.83	991	11,724	2,570	30,403
2017	9,721,777	1,432,153	11,153,930	87.16%	12.84%	2,250	131,572	11.79	1,032	12,167	2,654	31,291
2018	9,935,541	1,441,998	11,377,539	87.33%	12.67%	2,173	135,971	11.95	1,051	12,559	2,615	31,249
2019	10,654,218	1,536,819	12,191,037	87.39%	12.61%	2,100	141,089	11.57	1,126	13,028	2,654	30,707
2020	10,908,678	1,625,656	12,534,334	87.03%	12.97%	1,803	144,897	11.56	1,158	13,386	2,710	31,328

RES - residential property class, including condominiums and apartment buildings

CIP - commercial, industrial and personal property classes

\* Calculated based on a single tax rate

# Total Values by Property Type



Residential	Commercial	Industrial	Personal Property
\$10,908,678,000	\$1,490,134,000	\$6,543,000	\$128,979,400

# Fiscal Year 2020

## Total Values By Property Type

*in 000's of assessed value*

PROPERTY TYPE	PARCEL COUNT	RESIDENTIAL VALUE	COMMERCIAL VALUE	INDUSTRIAL VALUE	PERSONAL PROPERTY VALUE
Single Family	7,298	\$9,949,832			
Condominiums	556	\$450,260			
Multiple Houses On Lot	23	\$44,027			
Two Family	104	\$104,081			
Three Family	18	\$17,678			
Apartments (4+ units)	32	\$137,082			
Vacant Land	234	\$141,987			
Commercial	209		\$1,408,207		
Chapter Lands	14		\$10,892		
Mixed Use-Res & Comm	17	\$63,731	\$71,035		
Industrial	2			\$6,543	
PP-individuals/partnership	446				\$34,367
PP-corporations	336				\$35,529
PP-utilities	19				\$59,083
<b>Class Totals</b>	<b>9,308</b>	<b>\$10,908,678</b>	<b>\$1,490,134</b>	<b>\$6,543</b>	<b>\$128,979</b>
<b>Total Value All Taxable Properties:</b>			<b>\$12,534,334</b>		

PP - personal property

# Personal Exemptions

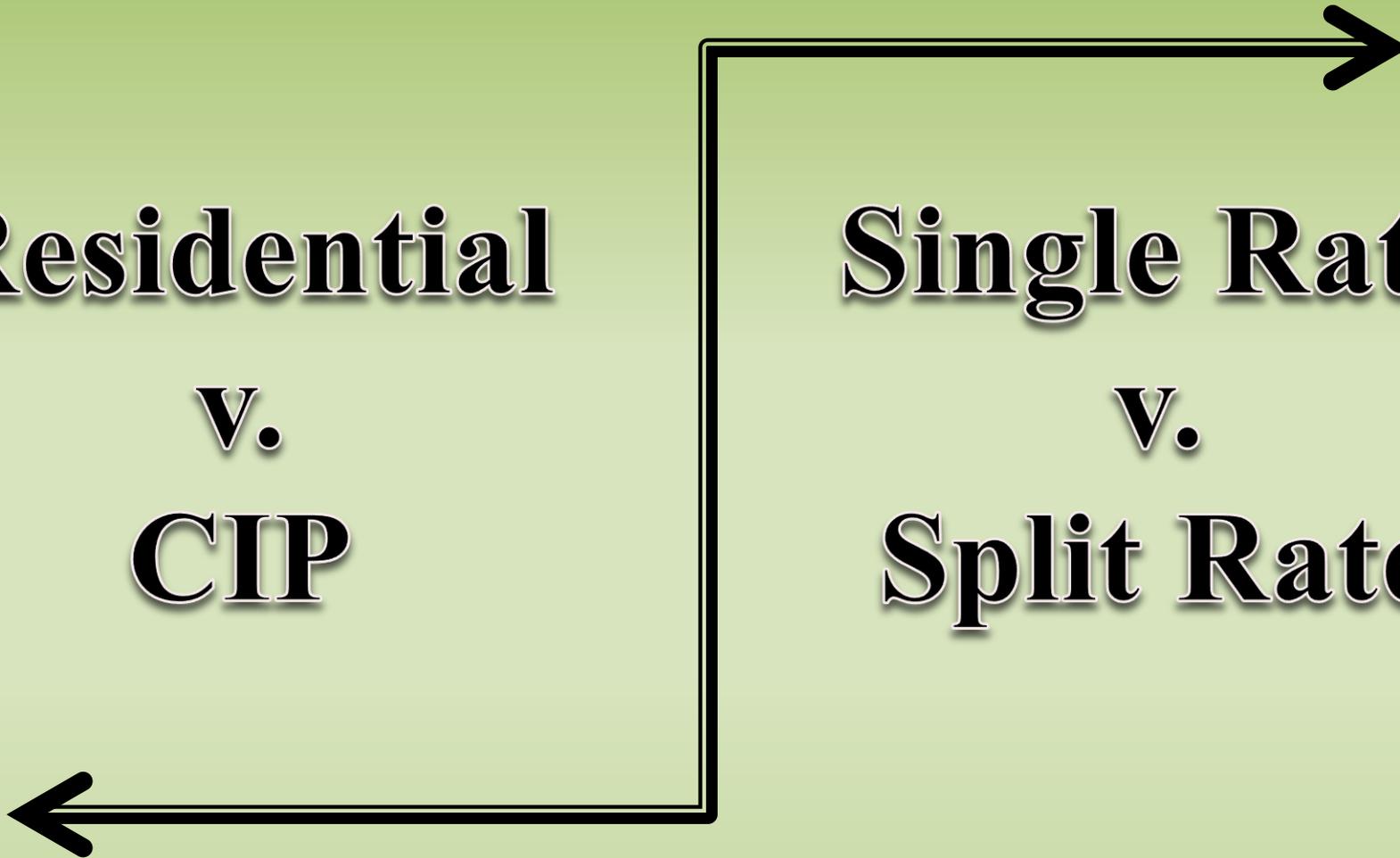
<b>Fiscal Year</b>	<b>Disabled Veteran Exemption</b>	<b>Blind Exemption</b>	<b>Senior Exemption</b>	<b>Senior Tax Deferral</b>	<b>Senior Work-Off</b>	<b>Low Income CPA Exemption</b>
<b>2015</b>	<b>60</b>	<b>23</b>	<b>20</b>	<b>24</b>	<b>13</b>	<b>59</b>
<b>2016</b>	<b>64</b>	<b>16</b>	<b>27</b>	<b>30</b>	<b>9</b>	<b>57</b>
<b>2017</b>	<b>58</b>	<b>14</b>	<b>23</b>	<b>22</b>	<b>8</b>	<b>44</b>
<b>2018</b>	<b>57</b>	<b>16</b>	<b>29</b>	<b>24</b>	<b>9</b>	<b>45</b>
<b>2019</b>	<b>51</b>	<b>15</b>	<b>24</b>	<b>20</b>	<b>8</b>	<b>42</b>



# *Tax Classification Options*

**Residential**  
v.  
**CIP**

**Single Rate**  
v.  
**Split Rate**



# Levy Limit/Levy Ceiling

**Levy Ceiling**

2.5% of Total A.V.

\$313,358,350

**Levy Limit**

**\$144,897,472**

**Debt Exclusions**

**\$10,888,408**

**Override**

**\$0**

**New Growth**

**\$1,802,829**

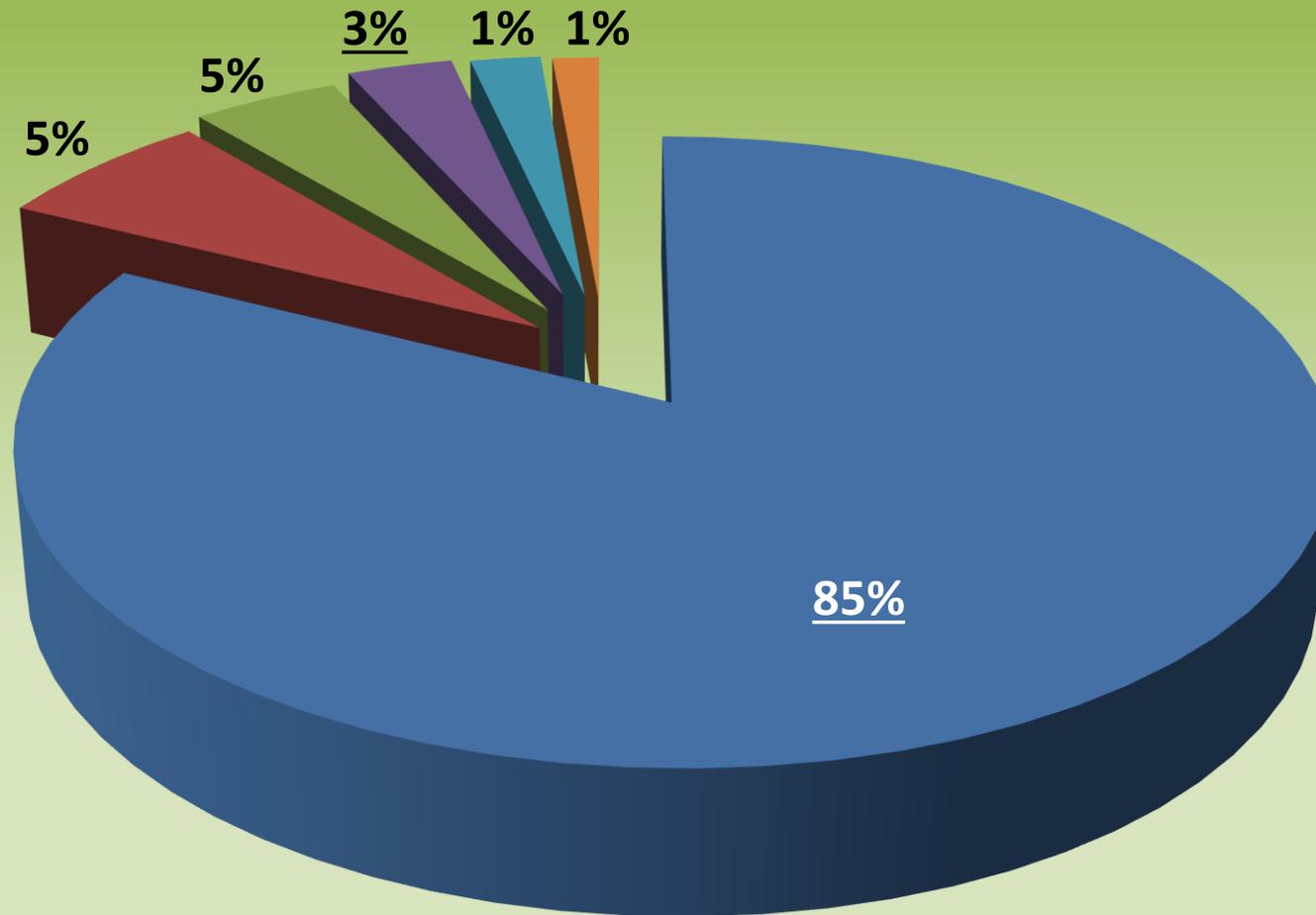
**2.5% Allowed Increase**

**\$3,224,542**

**Levy Base**

**\$129,981,693**

# Revenue Sources



Property Taxes	State Aid	Local Revenue	MV Excise Tax	Free Cash	Other Sources
<u>85%</u>	5%	5%	<u>3%</u>	1%	1%

# Fiscal Year 2020 Tax Rate Calculation

## Assuming a Single Tax Rate

<b>Tax Levy Limit Base Prior Year (FY2019)</b>	\$128,981,693	\$10.29
<b>Additions To FY2019 Levy Limit:</b>		
2.5 % Levy Growth	\$3,224,542	\$0.26
New Growth in Tax Dollars	\$1,802,829	\$0.14
Override	\$0	
<b>FY2020 Levy Limit (Before Debt Exclusions)</b>	\$134,009,064	\$10.69
<b>Amounts Outside Levy Limit (Debt Exclusion):</b>		
Elementary School	\$2,207,744	\$0.18
Middle School	\$1,926,725	\$0.15
High School	\$4,794,502	\$0.38
Morses Pond, Stormwater, DPW bldg	\$360,106	\$0.03
North 40 Acquisition	\$1,433,475	\$0.12
Senior Center	\$165,856	\$0.01
Total Debt Exclusions	\$10,888,408	\$0.87
<b>Tax Levy Limit Plus Debt Exclusion</b>	\$144,897,472	
<b>FY2020 Tax Levy</b>	<u>\$144,897,472</u>	<b>Tax Rate</b>
<b>FY2020 Total Assessed Value</b>	\$12,534,334,000	= \$11.56 / \$1,000

# Summary Of Tax Rate Options

*Chart shows impact of split tax rate on two major classes of properties*

Tax Factor		Percentage of Tax Levy		Tax Rate		Median Taxes	
Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential
1.000	1.000	12.97%	87.03%	\$11.56	\$11.56	\$31,328	\$13,386
1.100	0.985	14.27%	85.73%	\$12.72	\$11.39	\$34,460	\$13,187
1.200	0.970	15.56%	84.44%	\$13.87	\$11.22	\$37,593	\$12,990
1.300	0.955	16.86%	83.14%	\$15.03	\$11.05	\$40,726	\$12,797
1.400	0.940	18.16%	81.84%	\$16.18	\$10.89	\$43,859	\$12,606
1.500	0.925	19.45%	80.55%	\$17.34	\$10.72	\$46,992	\$12,418

**MAXIMUM SHIFT OF 50% INCREASE TO THE MEDIAN COMMERCIAL TAX BILL: \$15,664**

**MAXIMUM SHIFT OF 50% DECREASE TO THE MEDIAN SINGLE FAMILY TAX BILL: (\$968)**

\*Based on a median commercial assessed value of \$2,710,000 and a median single family assessed value of \$1,158,000