

Fiscal Year 2016 Classification Hearing

Board of Selectmen
Board of Assessors
Dedham Town Hall
December 3, 2015

Hearing Requires Two Votes by Selectmen

- Does the Board of Selectmen want to continue classification for the Town of Dedham?
- What shift, if classification continues, does the Board of Selectmen wish to use?
- Based on these votes a tax rate for Fiscal Year 2016 is created.

What is Classification?

- Municipalities have the option of taxing the various classes of property differently.
- Classes are: Residential and Commercial, Industrial, Personal Property (CIP)
- In Dedham, the determination to allocate the tax burden by class is made annually by the Board of Selectmen

What is a Tax Shift?

- Massachusetts communities may shift some of the residential tax burden onto the commercial, industrial, and personal properties (CIP) by adopting a residential factor which creates a split tax rate.
- Dedham has a split tax rate, taxing commercial, industrial and personal property (CIP) at a higher rate than residential property. Note personal property is actually business property such as equipment, furniture, computers, etc...
- Last December, Selectmen, in consultation with the Board of Assessors, voted to set the fiscal year of 2015 shift factor at 1.75, the maximum shift available for Dedham. This means that for FY15, commercial, industrial, and personal property (CIP), while representing just over 20% of the total taxable value, paid just over 34% of the total taxes.

How much money does the Town raise through property taxes?

- Property taxes needed to be raised to pay for a portion of the budget approved at Town Meeting
- For FY 16 this share is about 75% or \$81,500,000.

Overall Assessed Value of Property

- These values are as of January 1, 2015, and are based on sales and data analysis from activity in calendar year 2014
- Residential \$3.5 billion
- Commercial \$691 million
- Industrial \$32 million
- Personal Property \$108 million
- Grand Total \$4.3 billion

Average Values

- As of 1/1/15 the average single family home was assessed at \$420,216.
- The previous year was \$401,728 an increase of 4.56%
- As of 1/1/15 the average Commercial/Industrial (CI) property was assessed at \$1,985,029 an increase of 1.55%

Estimated Tax Rates

- Estimated tax rates for FY16 per \$1,000 of value will be just under \$15.50 for residential properties and around \$33.00 for CIP properties
- Therefore each \$100,000 of value equals approximately \$1,550 in residential taxes and \$3,300 in CIP taxes

Discussion by BOS and Assessors

- This concludes our slide show
- We now refer to the packet of information prepared for this hearing