

**Board of Selectmen's Meeting Minutes**  
**PUBLIC HEARING**  
**Classification Hearing**  
**November 28, 2012**

**9:00 Public Hearing – Classification Hearing**

Present from the Board of Assessors: Rebecca Freed, Maureen Clark, Susan Kirby and Barbara Gingras.

*MOTION: Ellen Allen moved the Board open the Public Classification Hearing to discuss the allocation of the local property tax levy among the property classes for FY 2013. Seconded by David DeCoste and unanimously voted.*

Clerk David DeCoste read the legal notice into the record.

Becky Freed presented information to the Board of Selectmen. A copy of the presentation is attached to these minutes. The Board of Assessors recommended a single tax rate for FY 2013.

There had been no written letters regarding this hearing and there were no comments from the audience for or against having a single tax rate.

*MOTION: Ellen Allen moved that the Board adopt a uniform tax rate for all Classifications with no exemptions for Fiscal Year 2013. Seconded by David DeCoste and unanimously voted.*

*MOTION: Ellen Allen moved to close the Public Hearing. Seconded by David DeCoste and unanimously voted.*

  
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Board of Selectmen

# CLASSIFICATION HEARING

NOVEMBER 28, 2012  
FOR FISCAL 2013

- **Chapter 797**, the Classification Law, allows a community to choose among several options for allocating the tax burden at the time of setting the tax rate. Under the Law, the Town may elect, by vote of the Board of Selectmen at the Classification Hearing, to **shift** the taxes in a number of ways.
- **Residential Exemption:** An exemption of up to 20% of the average assessed value of all eligible Residential parcels. If a Residential Exemption were to be adopted, it would decrease the percentage share to be borne by owner-occupied parcels, and increase the share borne by accessory land, summer homes, and other Residential property not occupied by the owner.
- **Small Commercial Exemption:** An exemption of up to 10% of the assessed value of eligible Commercial parcels. To qualify for the Small Commercial Exemption, the parcel must be assessed under \$1,000,000, and be wholly occupied by a small business or businesses having ten or fewer employees. The list of eligible businesses is prepared by the Commissioner of the Department of Employment and Training (DET); any business not appearing on the list is **NOT** eligible.
- If a Small Commercial Exemption were to be adopted, it would decrease the share of the tax to be borne by the eligible parcels, and increase the share borne by the remaining Commercial parcels and all Industrial parcels. The Residential and Personal Property classes are not affected by the Small Commercial Exemption.
- **Tax Rates:** Chapter 797 allows a community to set a single tax rate to be applied to all classes. Alternatively, it may increase the share of the levy raised by Commercial, Industrial and Personal Property up to 150% while decreasing the share raised by Residential property. Please see the attached chart for the average Fiscal Year 2013 values of developed Residential, Commercial and Industrial parcels, and the tax bill for each using a proposed single tax rate of **\$16.10**
- Examples of the impact of various shift percentages on tax rates and bills are included.

# CLASSIFICATION CONSIDERATIONS

## ECONOMIC & POLITICAL ISSUES

1. Consider the percentage of Commercial & Industrial (C & I) properties compared to Residential.  
Will an increased tax burden on C & I significantly lower the Residential tax burden?
2. What is the mix of Commercial & Industrial properties?  
How much of the tax burden falls on large business vs. small business?
3. Will a change adversely effect small/large business and drive them out of the Community?
4. Will a change slow economic development?
5. Does business significantly contribute in a "non-tax" way to the community?
6. Are the town's businesses of the type that require an extraordinary amount of municipal services & resources?
7. Is the timing appropriate for a move to a split tax rate?
8. Will a shift to commercial & Industrial maintain or increase the historical ratio of the tax burden?
9. Is a change a matter of principle or economics?

# AVERAGE ASSESSMENTS/ TAX BILLS

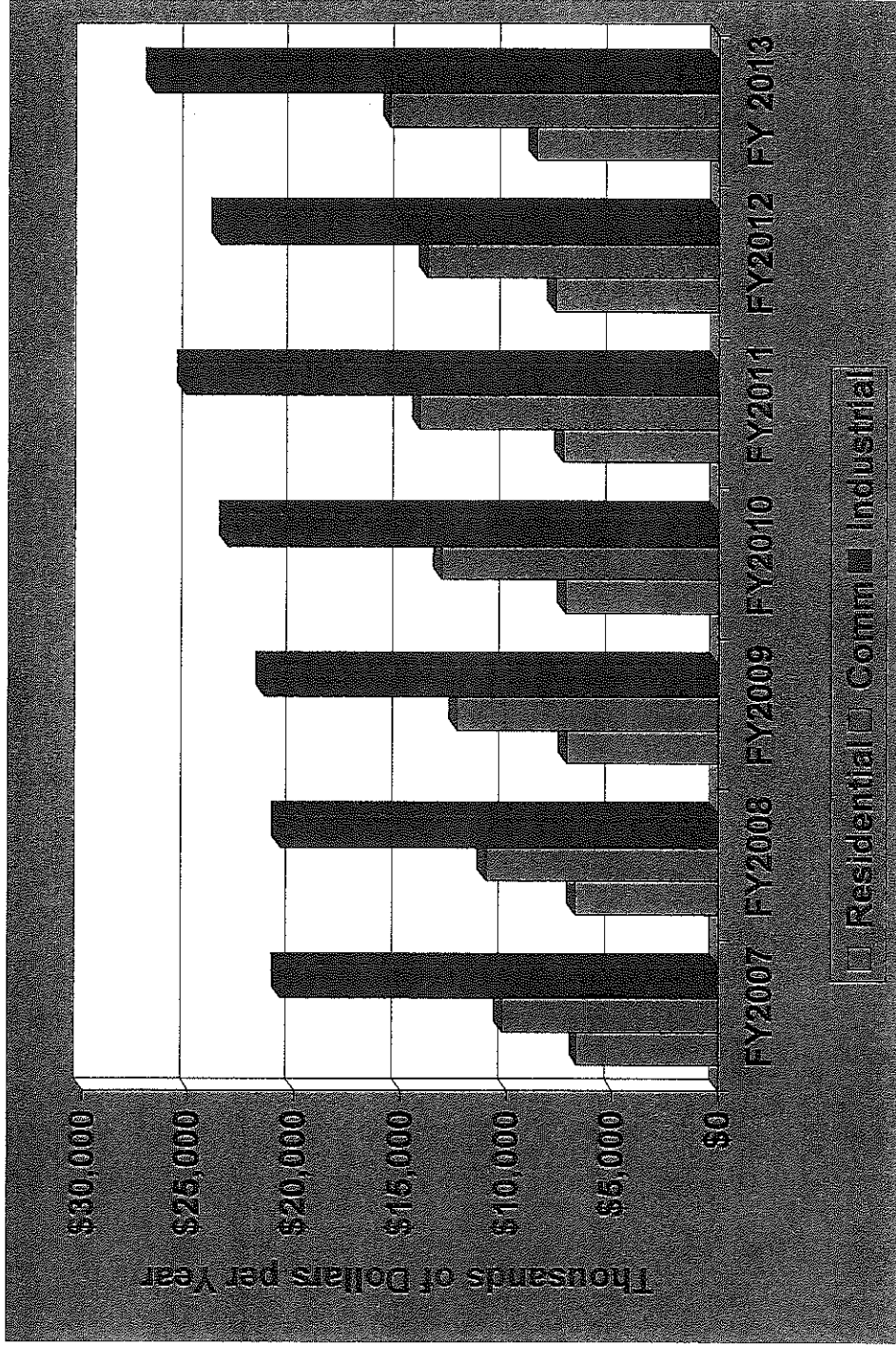
for FISCAL 2013 with shift percentage ESTIMATED TAX RATE

TYPE	SHIFT	TAX RATE	AVERAGE		AVERAGE TAXES
			ASSESSED		
RESIDENTIAL	0%	\$ 16.10	\$ 534,317.00	\$	8,602.50
COMMERCIAL	0%	\$ 16.10	\$ 964,276.00	\$	15,524.84
INDUSTRIAL	0%	\$ 16.10	\$ 1,656,903.00	\$	26,676.13
RESIDENTIAL	5%	\$ 15.95	\$ 534,317.00	\$	8,522.35
COMMERCIAL	5%	\$ 16.91	\$ 964,276.00	\$	16,305.90
INDUSTRIAL	5%	\$ 16.91	\$ 1,656,903.00	\$	28,019.22
RESIDENTIAL	10%	\$ 15.80	\$ 534,317.00	\$	8,442.20
COMMERCIAL	10%	\$ 17.71	\$ 964,276.00	\$	17,077.32
INDUSTRIAL	10%	\$ 17.71	\$ 1,656,903.00	\$	29,343.75
RESIDENTIAL	15%	\$ 15.65	\$ 534,317.00	\$	8,362.06
COMMERCIAL	15%	\$ 18.52	\$ 964,276.00	\$	17,858.39
INDUSTRIAL	15%	\$ 18.52	\$ 1,656,903.00	\$	30,685.84
RESIDENTIAL	20%	\$ 15.51	\$ 534,317.00	\$	8,287.25
COMMERCIAL	20%	\$ 19.32	\$ 964,276.00	\$	18,629.81
INDUSTRIAL	20%	\$ 19.32	\$ 1,656,903.00	\$	32,011.36
RESIDENTIAL	25%	\$ 15.36	\$ 534,317.00	\$	8,207.11
COMMERCIAL	25%	\$ 20.13	\$ 964,276.00	\$	19,410.87
INDUSTRIAL	25%	\$ 20.13	\$ 1,656,903.00	\$	33,353.45

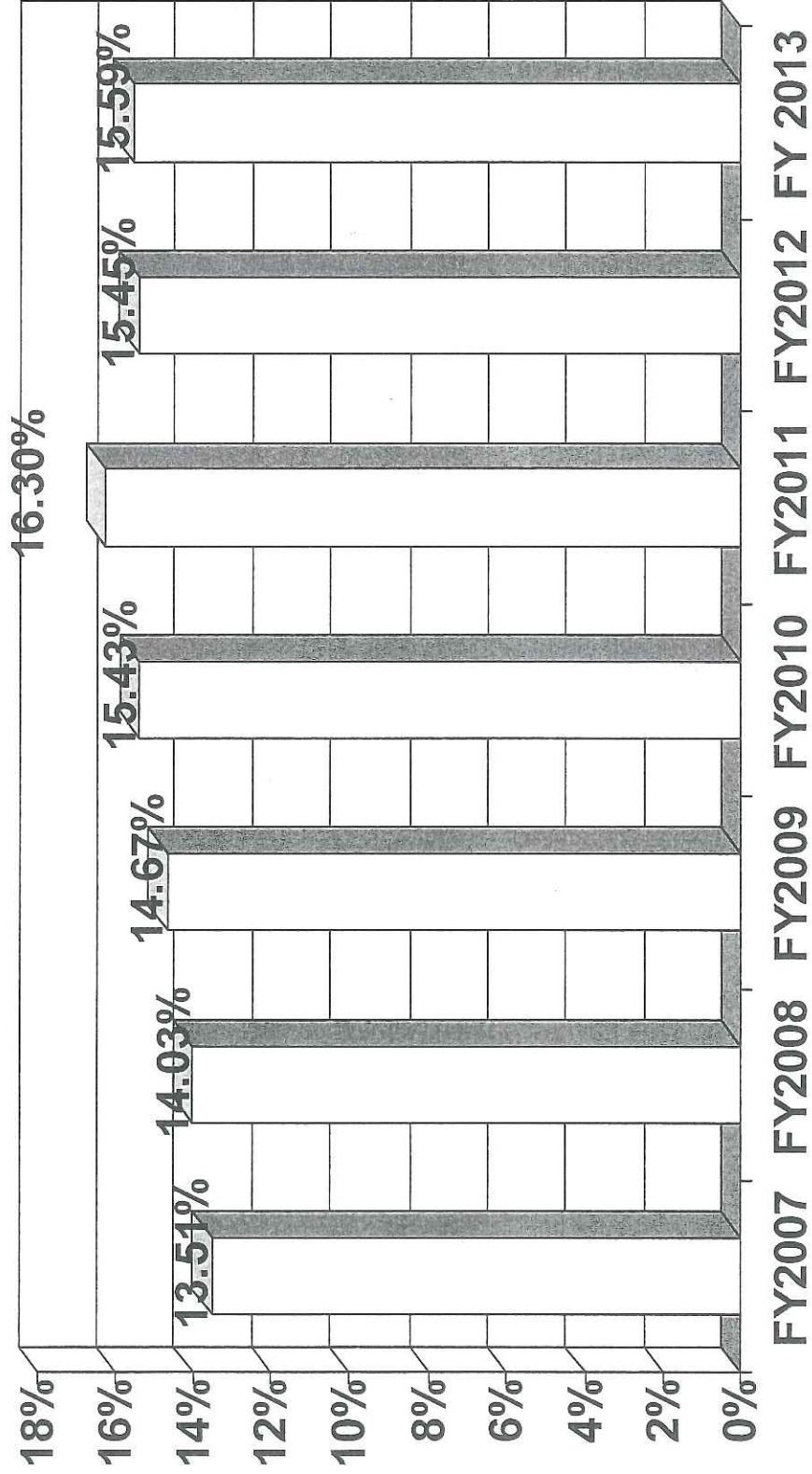
# Average Tax Bills

(FY07 – FY 13)

By Classification of Property



FY 2013 NON RESIDENTIAL  
Showing Percentage of the Levy



# TAX RATE SUMMARY FOR FY 2013

- 1 A TOTAL AMOUNT TO BE RAISED **\$48,795,870.69**
- 1 B TOTAL ESTIMATED RECEIPTS **\$13,041,742.00**
- 1C (1A MINUS 1B)TAX LEVY **\$35,754,128.69**

• TAX LEVY DIVIDED BY THE TOTAL VALUATION OF REAL ESTATE

- **\$35,754,128.69 divided by 2,220,753.335**

• **EQUALS ESTIMATED TAX RATE OF \$16.10**

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# NORWELL SUMMARY STATISTICS (FY 2012 vs. FY 2013)

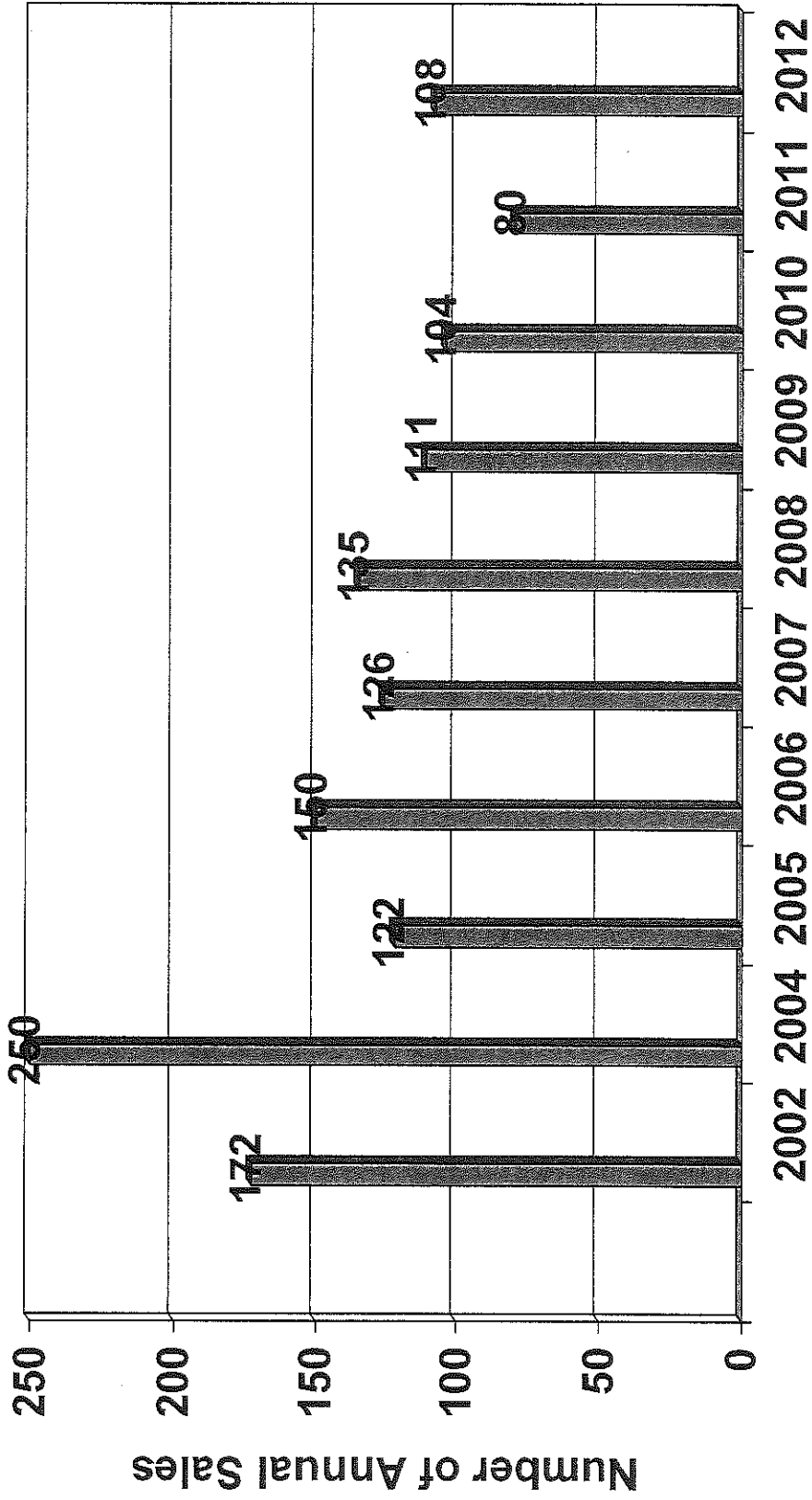
	FY 2012	FY 2013	PERCENT CHANGE
AMOUNT TO BE RAISED	46.0MIL	48.7MIL	6%
ESTIMATED RECEIPTS	14.1MIL	13.0MIL	-8.2%
Tax Levy	31.9MIL	35.7MIL	12%
Avg. House Assessment	541,722	534,317	-.01%
Tax Rate	\$14.24	\$16.10 (proposed)	13%
Tax Bill Single Family	\$7,714	\$8,602.50	12%



# Norwell Number of Sales

(2002 through 11/2012)

All Property Types

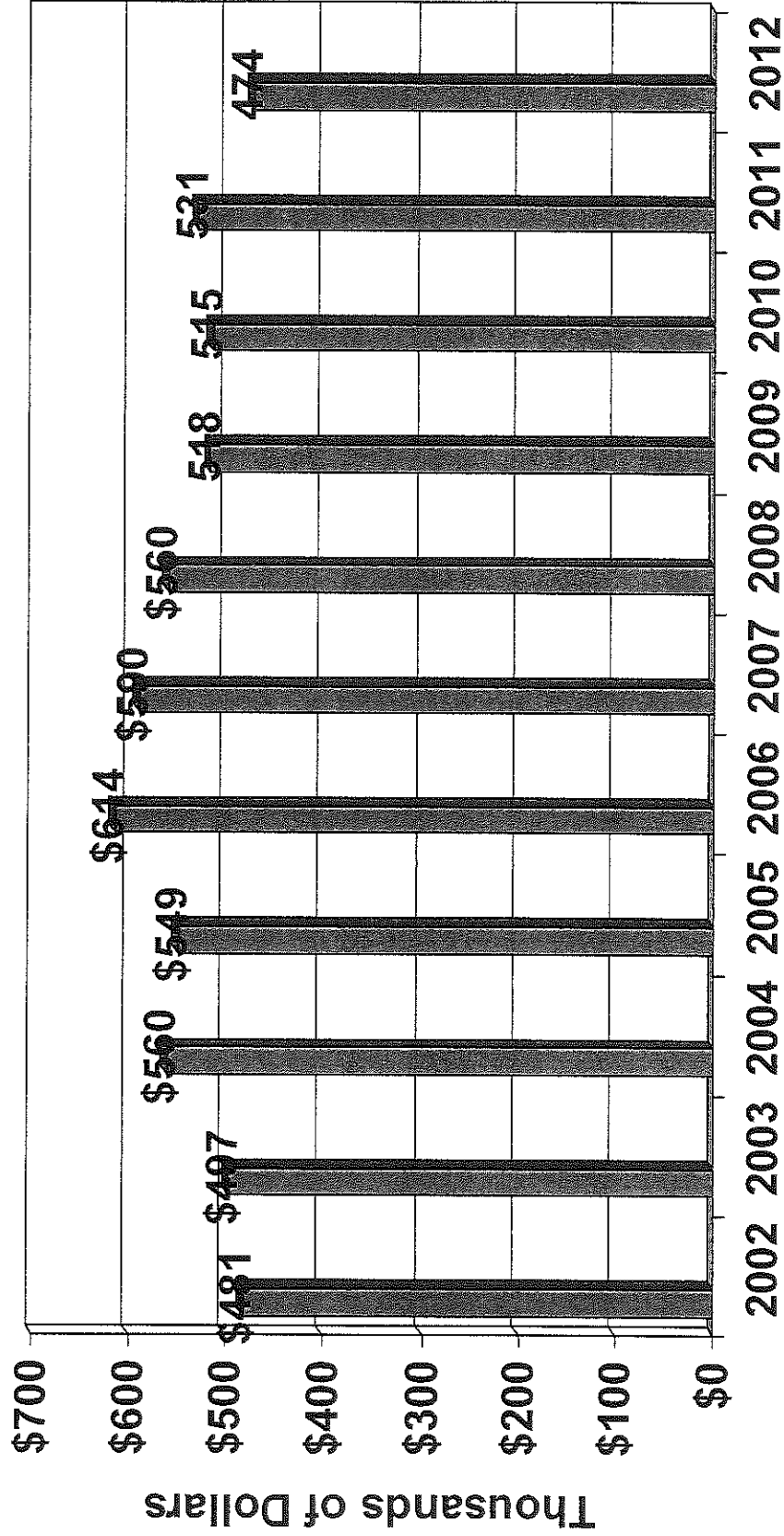


Source: The Warren Group, November 2012

# Norwell Median Sales Price

(2002 through NOV 2012)

SINGLE FAMILY



Source: The Warren Group, November 2012