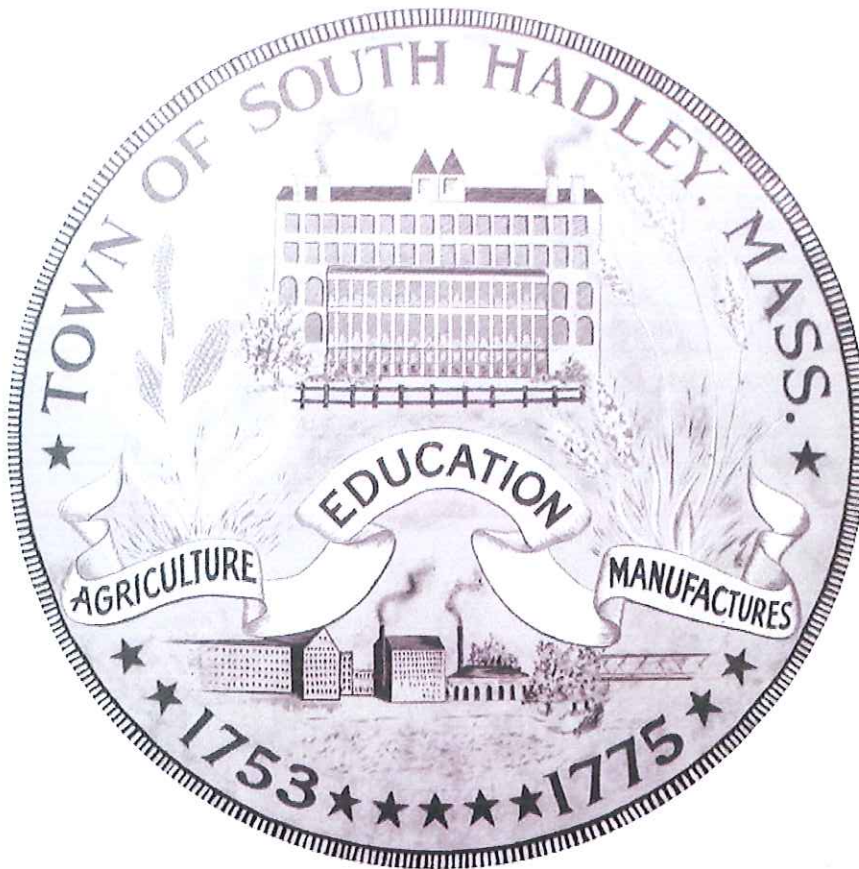




Fiscal 2015 Tax Classification

**PUBLIC HEARING ON
CLASSIFICATION OF PROPERTY
TUESDAY, DECEMBER 2 AT 7:15 P.M.
IN THE SELECTBOARD'S MEETING ROOM
TOWN HALL
CONDUCTED BY:**

TOWN OF SOUTH HADLEY:

**SELECTBOARD
BOARD OF ASSESSORS
PRUDENTIAL COMMITTEE, F.D. #1
PRUDENTIAL COMMITTEE, F.D. #2**

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Overview of Classification

Cities and Towns that are certified as assessing property at full and fair cash value may elect to shift the tax burden among the major property classes within certain limits established by law. The adoption of different rates does not change the total property tax levy; rather it determines the share of the total levy to be borne by each class.

The share of the levy raised by the Commercial and Industrial classes and Personal Property (CIP) may be increased 50% as long as the Residential and Open space (R&O) classes raise at least 65% of what they would have raised without the shift.

The "minimum residential factor" established by the Commissioner of Revenue is used to make certain that the shift of the tax burden complies with the Classification Act. If the minimum residential factor would be less than .65, the community cannot make the maximum shift and must use a CIP factor of less than 1.50.

An *Open Space Discount*, a *Residential Exemption* and a *Small Commercial Exemption* may also be chosen by communities. The choice of either or both of these first two affects the tax rate of Residential property, whether a community chooses to shift more to the CIP classes or not. The third option affects the tax rate of the commercial and industrial classes. The alternatives are considered and voted on annually by the Board of Selectmen or the City Council and Mayor.

Open Space Discount

What is open space?

- Open Space is defined as land maintained in an open or natural condition which contributes significantly to the benefit and enjoyment of the public.
- Exclusions:
 1. Land taxable under Chapter 61, 61A, 61B
 2. Land under a permanent conservation restriction
 3. Land held for production of income

The law allows a community to provide tax relief to the open space properties by shifting to the Residential class an amount up to a maximum of 25% of the residential factor.

In the past the Town has used an open space factor of 100%, which resulted in an equal tax rate for Open Space and Residential properties.

For fiscal 2015 the town has 16 properties classified as open space that this discount could affect. If the Selectboard implemented this discount at the maximum of 25% the tax rate for the Open Space class of property would decrease to \$12.80. The tax rates for Residential, Commercial, Industrial and Personal classes of property would remain at \$17.08 as the difference in the reallocation of the levy is minimal.

Residential Exemption

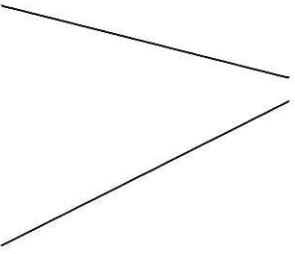
- Applied to every residential property which is owner-occupied
- At the option of the Selectboard, an exemption of not more than 20% of the average assessed value of all Class 1, Residential parcels may be applied to residential parcels that are the principal residence of the property owner.
- Dollar value of the exemption is subtracted from the assessed value of every eligible property
- Exclusions:
 1. Accessory land incidental to a residential use
 2. Seasonal homes
 3. Residential property not occupied by its owner

In the case of South Hadley, the figure would be calculated as follows:

$$\begin{array}{rcl} \$ 1,277,583,605 & / & 6,821 = \$ 187,302 \\ \text{Class 1 Value} & \text{Parcels} & \text{Avg. Cl. 1 Value} \end{array}$$

$$\begin{array}{rcl} \$ 187,302 & \times 20\% = & \$ 37,460 \\ \text{Avg. Cl. 1 Value} & & \text{Max Residential Exemption} \end{array}$$

The approximate *number of owner-occupied primary residences* is $5,798 \times \$ 37,460 = \$ 217,193,080$. The granting of the Residential Exemption does not change the burden of the levy on the Residential Class. Therefore, the tax rate within the Residential Class will be increased accordingly. The effect is to increase the taxes on vacant land and accessory land to the primary residences, as well as non-owner occupied homes. The effect to the tax rate would be as follows:

Property Class	Exemption	Value	Tax Rate
Class 1 Residential	- 217,193,080	1,060,390,525	20.58
Class 2 Open Space	- None		17.08
Class 3 Commercial	- None		
Class 4 Industrial	- None		
Class 5 Personal	- None		

The overall effect of the Residential Exemption on a variety of properties is shown below:

An **owner occupied** primary residence valued at \$100,000 with the residential exemption applied, would go from \$ 1,708 to \$ 1,287.07 which would be a *decrease of (\$ 420.93)*.

A **non owner occupied** residence valued at \$100,000 with no residential exemption would go from \$ 1,708 to \$ 2,058 which would be an *increase of \$ 350*.

A **vacant parcel** of land valued at \$50,000 would go from \$ 854 to \$ 1029 which would be an *increase of \$ 175*.

An **accessory parcel** of land valued at \$20,000 would go from \$ 341.60 to \$ 411.60 which would be an *increase of \$ 70*.

For fiscal 2015 approximately 1023 properties would have an increase in tax if adopted.

Small Commercial Exemption

- At the option of the Selectboard, any percent of valuation up to a 10% exemption may be adopted
- Business must have an average of 10 or fewer employees (DET mails list of eligible businesses to Assessors annually)
- Tax burden is shifted to the Commercial & Industrial classes (NOT Personal Property)
- Property must have a valuation of less than \$1,000,000
- Applies to class 3 (Commercial), 600-800 (Chapter land) and Mixed Use
- Assessors calculate impact and tax rates
- Can be used with other classification options
 1. Separate CIP rate becomes 2 rates: 1 C & I, 1 Personal Property
 2. Residential Exemption, Open Space Discount not affected

For fiscal 2015, 42 parcels would be considered to be eligible to receive this exemption. If this exemption were to be adopted at the maximum rate of 10%, the tax rates for Commercial and Industrial property classes would be \$17.28.

Classification Considerations

1. Consider the percentage of Commercial & Industrial (C & I) properties as compared to Residential (R).
 - Will an increased tax burden on C & I significantly lower the R tax burden?
2. What is the mix of C & I properties?
 - How much is big business?
 - How much is small business? (Mom & Pop stores)
3. Will it adversely affect small businesses and drive them out of the community?
4. Will it slow big business development?
5. Does business significantly contribute in a non-tax way to the community?
6. Are the businesses of the type that require extraordinary municipal services?
7. Is the timing proper for the move to a multiple tax rate?
8. Will a shift to the C & I maintain or increase the relative or historical share of the tax burden?
9. Is it a matter of principle or economics?

Fiscal 2015

<u>PROPOSED Tax Rates:</u>		<u>Rate</u>	<u>% increase</u>
Fiscal 2014 rates: \$16.41 \$ 2.24 \$ 2.80	Town	\$17.08	4.1 %
	FD #1	\$ 2.30	2.7 %
	FD #2	\$ 3.18	13.6 %
<i>New Growth</i>		\$ 256,322.00	
<i>Tax Levy</i>		\$ 24,075,505.65	
<i>Debt Exclusion Total</i>		\$ 688,822.00	
<i>Maximum Allowable Levy Limit</i>		\$ 24,081,461.00	
<i>Excess Levy Capacity</i>		\$ 5,955.35	
<i>MRF = <u>94.8507%</u> Rate <u>\$ 17.08</u> R&O <u>90.6630%</u> CIP <u>9.3370%</u></i>			

<u>%</u>	<u>R&O</u>	<u>CIP</u>	<u>Res Factor</u>
100-----	17.08	17.08	100.000%
110-----	16.90	18.79	98.9701%
120-----	16.73	20.50	97.9403%
130-----	16.55	22.20	96.9104%
140-----	16.38	23.91	95.8806%
150-----	16.20	25.62	94.8507%

Example: \$100,000 property value

<u>%</u>	<u>Res tax (decr)</u>		<u>Comm (+ incr)</u>	
100-----	1,708	(0)	1,708	(0)
110-----	1,690	(-18)	1,879	+171
120-----	1,673	(-35)	2,050	+342
130-----	1,655	(-53)	2,220	+512
140-----	1,638	(-70)	2,391	+683
150-----	1,620	(-88)	2,562	+854

Maximum decrease on a residential \$100,000 property **(\$ 88)**

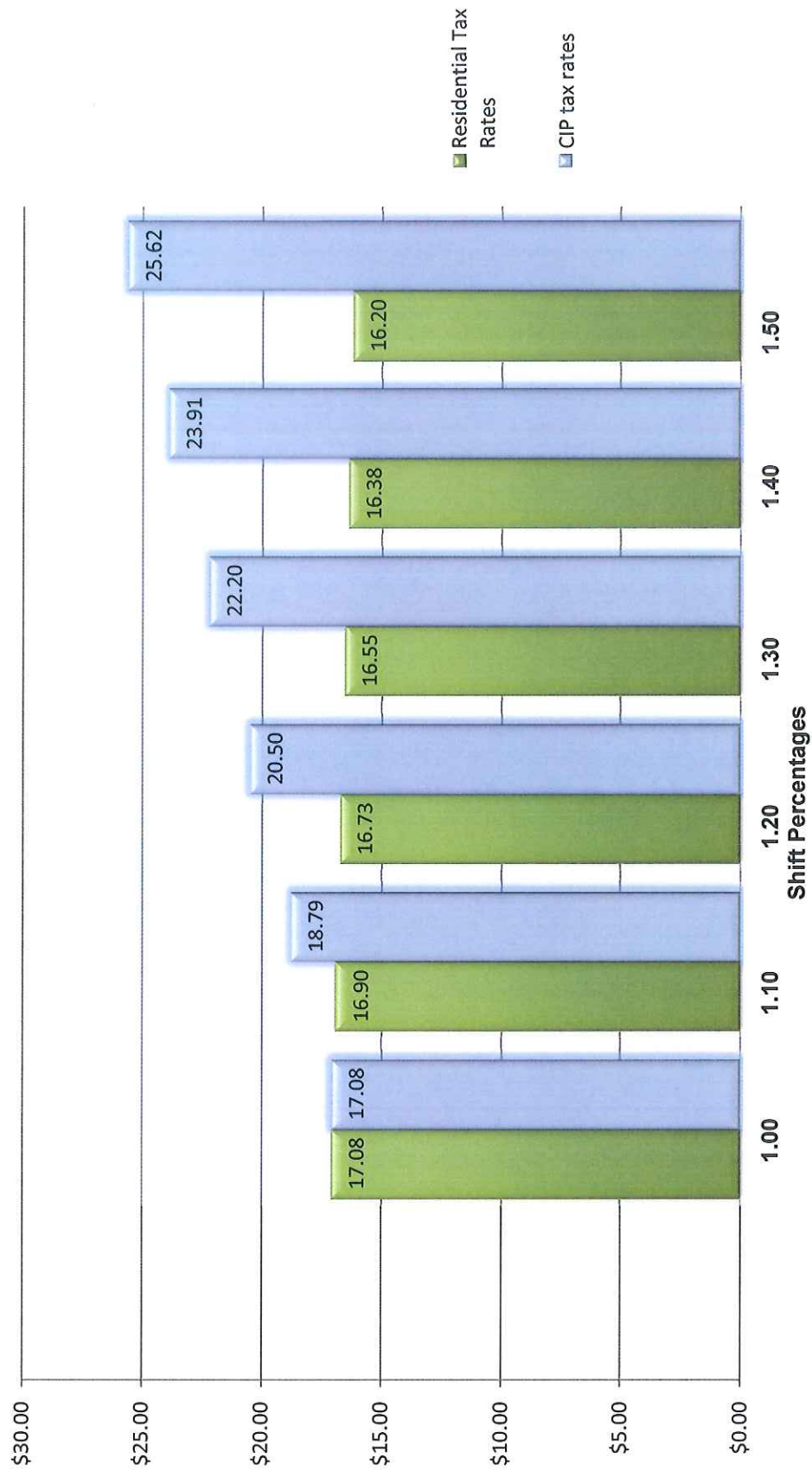
Maximum increase on a commercial/industrial \$100,000 property **\$ +854**

(The average value of a commercial/industrial property is \$354,200)

(The average value of a single family residence is \$224,800)

Tax Rate Alternatives -- Town of South Hadley

Tax Rates per 1,000



Town Classification Options Table

What If...Scenario Worksheet

CLASS	VALUE	%
Res	1,277,583,605	90.6362%
O S	378,000	0.0268%
Com	68,480,570	4.8582%
Ind	38,481,200	2.7300%
PP	24,649,555	1.7487%
Total	1,409,572,930	100.0000%

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CLASSIFICATION OPTIONS

Residential Exempt
Small Commercial Exemption

LEVY

Estimated Levy
Single Tax Rate

Note:

This table should be used for planning purposes only. Actual calculations may differ slightly due to rounding. For actual calculations, complete Recap.

CIP Shift	Res Factor	Share Percentages				Levy Amounts				Estimated Tax Rates			
		Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP	Total
1.01	99.8970	90.5429	0.0288	4.9088	2.7573	1.7862	100.0000	21,798,656	6,450	1,181,345	863,331	425,225	24,075,506
1.02	99.7940	90.4495	0.0288	4.9554	2.7846	1.7837	100.0000	21,776,193	6,443	1,193,041	670,404	429,435	24,075,506
1.03	99.6910	90.3562	0.0287	5.0040	2.8119	1.8012	100.0000	21,753,711	6,436	1,204,738	676,977	433,645	24,075,506
1.04	99.5881	90.2629	0.0287	5.0526	2.8392	1.8187	100.0000	21,731,238	6,430	1,216,434	683,549	437,855	24,075,506
1.05	99.4851	90.1695	0.0287	5.1012	2.8665	1.8362	100.0000	21,708,765	6,423	1,228,131	690,122	442,065	24,075,506
1.06	99.3821	90.0762	0.0287	5.1497	2.8938	1.8536	100.0000	21,686,293	6,416	1,239,827	696,694	446,275	24,075,506
1.07	99.2791	89.9828	0.0286	5.1983	2.9211	1.8711	100.0000	21,663,820	6,410	1,251,524	703,267	450,485	24,075,506
1.08	99.1761	89.8895	0.0286	5.2469	2.9484	1.8886	100.0000	21,641,348	6,403	1,263,220	709,840	454,696	24,075,506
1.09	99.0731	89.7961	0.0286	5.2955	2.9757	1.9061	100.0000	21,618,875	6,396	1,274,916	716,412	458,906	24,075,506
1.10	98.9701	89.7028	0.0285	5.3441	3.0030	1.9236	100.0000	21,596,403	6,390	1,286,613	722,985	463,116	24,075,506
1.11	98.8672	89.6095	0.0285	5.3927	3.0303	1.9411	100.0000	21,573,930	6,383	1,298,309	729,557	467,326	24,075,506
1.12	98.7642	89.5161	0.0285	5.4412	3.0576	1.9586	100.0000	21,551,458	6,376	1,310,006	736,130	471,536	24,075,506
1.13	98.6612	89.4228	0.0285	5.4898	3.0849	1.9761	100.0000	21,528,985	6,370	1,321,702	742,703	475,746	24,075,506
1.14	98.5582	89.3294	0.0284	5.5384	3.1122	1.9935	100.0000	21,506,512	6,363	1,333,399	749,275	479,956	24,075,506
1.15	98.4552	89.2361	0.0284	5.5870	3.1395	2.0110	100.0000	21,484,040	6,357	1,345,095	755,848	484,167	24,075,506
1.16	98.3522	89.1427	0.0284	5.6356	3.1668	2.0285	100.0000	21,461,567	6,350	1,356,792	762,420	488,377	24,075,506
1.17	98.2492	89.0494	0.0283	5.6842	3.1941	2.0460	100.0000	21,439,095	6,343	1,368,488	768,993	492,587	24,075,506
1.18	98.1463	88.9561	0.0283	5.7327	3.2214	2.0635	100.0000	21,416,622	6,337	1,380,185	775,566	496,797	24,075,506
1.19	98.0433	88.8627	0.0283	5.7813	3.2487	2.0810	100.0000	21,394,150	6,330	1,391,881	782,138	501,007	24,075,506
1.20	97.9403	88.7694	0.0283	5.8299	3.2760	2.0985	100.0000	21,371,677	6,323	1,403,578	788,711	505,217	24,075,506
1.21	97.8373	88.6760	0.0282	5.8785	3.3033	2.1160	100.0000	21,349,204	6,317	1,415,274	795,283	509,427	24,075,506
1.22	97.7343	88.5827	0.0282	5.9271	3.3306	2.1334	100.0000	21,326,732	6,310	1,426,971	801,856	513,638	24,075,506
1.23	97.6313	88.4894	0.0282	5.9756	3.3579	2.1509	100.0000	21,304,259	6,303	1,438,667	808,428	517,848	24,075,506
1.24	97.5284	88.3960	0.0282	6.0242	3.3852	2.1684	100.0000	21,281,787	6,297	1,450,364	815,001	522,058	24,075,506
1.25	97.4254	88.3027	0.0281	6.0728	3.4125	2.1859	100.0000	21,259,314	6,290	1,462,060	821,574	526,268	24,075,506

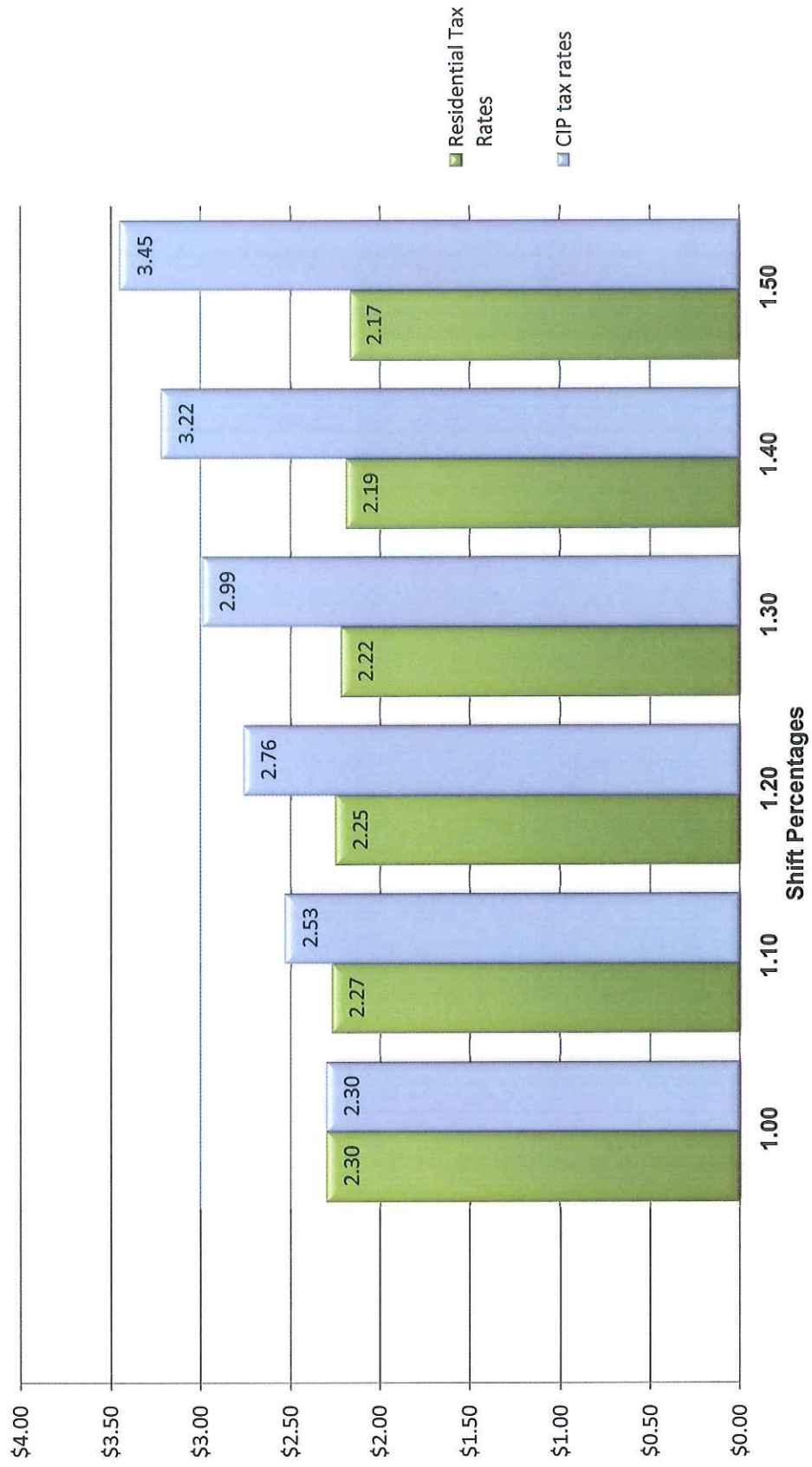
Town Classification Options Table

What If...Scenario Worksheet

CIP Shift	Res Factor	Share Percentages						Levy Amounts						Estimated Tax Rates					
		Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP	
1.26	97.3224	88.2093	0.0261	6.1214	3.4398	2.2034	100.0000	21,236,842	6,283	1,473,757	828,146	530,478	24,075,506	16.62	16.62	21.52	21.52	21.52	
1.27	97.2194	88.1160	0.0261	6.1700	3.4671	2.2209	100.0000	21,214,369	6,277	1,485,453	834,719	534,688	24,075,506	16.61	16.61	21.69	21.69	21.69	
1.28	97.1164	88.0226	0.0260	6.2186	3.4944	2.2384	100.0000	21,191,896	6,270	1,497,150	841,291	538,898	24,075,506	16.59	16.59	21.86	21.86	21.86	
1.29	97.0134	87.9293	0.0260	6.2671	3.5217	2.2559	100.0000	21,169,424	6,263	1,508,846	847,864	543,109	24,075,506	16.57	16.57	22.03	22.03	22.03	
1.30	96.9104	87.8360	0.0260	6.3157	3.5490	2.2733	100.0000	21,146,951	6,257	1,520,543	854,437	547,319	24,075,506	16.55	16.55	22.20	22.20	22.20	
1.31	96.8075	87.7426	0.0260	6.3643	3.5763	2.2908	100.0000	21,124,479	6,250	1,532,239	861,009	551,529	24,075,506	16.53	16.53	22.37	22.37	22.37	
1.32	96.7045	87.6493	0.0259	6.4129	3.6036	2.3083	100.0000	21,102,006	6,243	1,543,936	867,582	555,739	24,075,506	16.52	16.52	22.55	22.55	22.55	
1.33	96.6015	87.5559	0.0259	6.4615	3.6309	2.3258	100.0000	21,079,534	6,237	1,555,632	874,154	559,949	24,075,506	16.50	16.50	22.72	22.72	22.72	
1.34	96.4985	87.4626	0.0259	6.5101	3.6582	2.3433	100.0000	21,057,061	6,230	1,567,329	880,727	564,159	24,075,506	16.48	16.48	22.89	22.89	22.89	
1.35	96.3955	87.3692	0.0259	6.5586	3.6855	2.3608	100.0000	21,034,588	6,224	1,579,025	887,300	568,369	24,075,506	16.46	16.46	23.06	23.06	23.06	
1.36	96.2925	87.2759	0.0258	6.6072	3.7128	2.3783	100.0000	21,012,116	6,217	1,590,721	893,872	572,580	24,075,506	16.45	16.45	23.23	23.23	23.23	
1.37	96.1895	87.1826	0.0258	6.6558	3.7401	2.3958	100.0000	20,989,643	6,210	1,602,418	900,445	576,790	24,075,506	16.43	16.43	23.40	23.40	23.40	
1.38	96.0866	87.0892	0.0258	6.7044	3.7674	2.4132	100.0000	20,967,171	6,204	1,614,114	907,017	581,000	24,075,506	16.41	16.41	23.57	23.57	23.57	
1.39	95.9836	86.9959	0.0257	6.7530	3.7947	2.4307	100.0000	20,944,698	6,197	1,625,811	913,590	585,210	24,075,506	16.39	16.39	23.74	23.74	23.74	
1.40	95.8806	86.9025	0.0257	6.8015	3.8220	2.4482	100.0000	20,922,226	6,190	1,637,507	920,162	589,420	24,075,506	16.38	16.38	23.91	23.91	23.91	
1.41	95.7776	86.8092	0.0257	6.8501	3.8493	2.4657	100.0000	20,899,753	6,184	1,649,204	926,735	593,630	24,075,506	16.36	16.36	24.08	24.08	24.08	
1.42	95.6746	86.7159	0.0257	6.8987	3.8766	2.4832	100.0000	20,877,281	6,177	1,660,900	933,308	597,840	24,075,506	16.34	16.34	24.25	24.25	24.25	
1.43	95.5716	86.6225	0.0256	6.9473	3.9039	2.5007	100.0000	20,854,808	6,170	1,672,597	939,880	602,051	24,075,506	16.32	16.32	24.42	24.42	24.42	
1.44	95.4686	86.5292	0.0256	6.9959	3.9312	2.5182	100.0000	20,832,335	6,164	1,684,293	946,453	606,261	24,075,506	16.31	16.31	24.60	24.60	24.60	
1.45	95.3657	86.4358	0.0256	7.0445	3.9585	2.5357	100.0000	20,809,863	6,157	1,695,990	953,025	610,471	24,075,506	16.29	16.29	24.77	24.77	24.77	
1.46	95.2627	86.3425	0.0255	7.0930	3.9858	2.5531	100.0000	20,787,390	6,150	1,707,686	959,598	614,681	24,075,506	16.27	16.27	24.94	24.94	24.94	
1.47	95.1597	86.2491	0.0255	7.1416	4.0131	2.5706	100.0000	20,764,918	6,144	1,719,383	966,171	618,891	24,075,506	16.25	16.25	25.11	25.11	25.11	
1.48	95.0567	86.1558	0.0255	7.1902	4.0404	2.5881	100.0000	20,742,445	6,137	1,731,079	972,743	623,101	24,075,506	16.24	16.24	25.28	25.28	25.28	
1.49	94.9537	86.0625	0.0255	7.2388	4.0677	2.6056	100.0000	20,719,973	6,130	1,742,776	979,316	627,311	24,075,506	16.22	16.22	25.45	25.45	25.45	
1.50	94.8507	85.9691	0.0254	7.2874	4.0950	2.6231	100.0000	20,697,500	6,124	1,754,472	985,888	631,522	24,075,506	16.20	16.20	25.62	25.62	25.62	

Tax Rate Alternatives -- Fire District #1

Tax Rates per 1,000



FD1 Classification Options Table

What If... Scenario Worksheet

CLASS	VALUE	%
Res	955,327,305	89.5151%
O S	0	0.0000%
Com	57,258,470	5.3652%
Ind	37,675,800	3.5303%
PP	16,963,753	1.5895%
Total	1,067,225,328	100.0000%

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CLASSIFICATION OPTIONS

Residential Exempt	
Small Commercial Exemption	

LEVY

Estimated Levy	\$2,454,618
Single Tax Rate	2.30

Note:
This table should be used for planning purposes only. Actual calculations may differ slightly due to rounding. For actual calculations, complete Recap.

CIP Shift	Res Factor	Share Percentages						Levy Amounts						Estimated Tax Rates					
		Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP	
1.01	99.8829	89.4102	0.0000	5.4188	3.5656	1.6054	100.0000	2,194,679	0	133,011	87,521	39,407	2,454,618	2.30		2.32	2.32	2.32	
1.02	99.7657	89.3054	0.0000	5.4725	3.6009	1.6213	100.0000	2,192,105	0	134,328	88,387	39,797	2,454,618	2.29		2.35	2.35	2.35	
1.03	99.6486	89.2005	0.0000	5.5261	3.6362	1.6372	100.0000	2,189,532	0	135,645	89,254	40,187	2,454,618	2.29		2.37	2.37	2.37	
1.04	99.5315	89.0957	0.0000	5.5798	3.6715	1.6531	100.0000	2,186,958	0	136,962	90,121	40,577	2,454,618	2.29		2.39	2.39	2.39	
1.05	99.4143	88.9908	0.0000	5.6334	3.7068	1.6690	100.0000	2,184,385	0	138,279	90,987	40,967	2,454,618	2.29		2.41	2.41	2.41	
1.06	99.2972	88.8860	0.0000	5.6871	3.7421	1.6849	100.0000	2,181,811	0	139,596	91,854	41,358	2,454,618	2.28		2.44	2.44	2.44	
1.07	99.1801	88.7811	0.0000	5.7407	3.7774	1.7008	100.0000	2,179,237	0	140,913	92,720	41,748	2,454,618	2.28		2.46	2.46	2.46	
1.08	99.0630	88.6763	0.0000	5.7944	3.8127	1.7167	100.0000	2,176,664	0	142,230	93,587	42,138	2,454,618	2.28		2.48	2.48	2.48	
1.09	98.9458	88.5714	0.0000	5.8480	3.8480	1.7326	100.0000	2,174,090	0	143,547	94,453	42,528	2,454,618	2.28		2.51	2.51	2.51	
1.10	98.8287	88.4666	0.0000	5.9017	3.8833	1.7485	100.0000	2,171,516	0	144,864	95,320	42,918	2,454,618	2.27		2.53	2.53	2.53	
1.11	98.7116	88.3617	0.0000	5.9553	3.9186	1.7644	100.0000	2,168,943	0	146,181	96,186	43,308	2,454,618	2.27		2.55	2.55	2.55	
1.12	98.5944	88.2569	0.0000	6.0090	3.9539	1.7803	100.0000	2,166,369	0	147,498	97,053	43,699	2,454,618	2.27		2.58	2.58	2.58	
1.13	98.4773	88.1520	0.0000	6.0626	3.9892	1.7962	100.0000	2,163,795	0	148,815	97,919	44,089	2,454,618	2.26		2.60	2.60	2.60	
1.14	98.3602	88.0472	0.0000	6.1163	4.0245	1.8121	100.0000	2,161,222	0	150,132	98,786	44,479	2,454,618	2.26		2.62	2.62	2.62	
1.15	98.2430	87.9423	0.0000	6.1699	4.0598	1.8279	100.0000	2,158,648	0	151,449	99,652	44,869	2,454,618	2.26		2.64	2.64	2.64	
1.16	98.1259	87.8375	0.0000	6.2236	4.0951	1.8438	100.0000	2,156,074	0	152,766	100,519	45,259	2,454,618	2.26		2.67	2.67	2.67	
1.17	98.0088	87.7326	0.0000	6.2773	4.1304	1.8597	100.0000	2,153,501	0	154,083	101,386	45,649	2,454,618	2.25		2.69	2.69	2.69	
1.18	97.8916	87.6278	0.0000	6.3309	4.1657	1.8756	100.0000	2,150,927	0	155,399	102,252	46,040	2,454,618	2.25		2.71	2.71	2.71	
1.19	97.7745	87.5229	0.0000	6.3846	4.2010	1.8915	100.0000	2,148,353	0	156,716	103,119	46,430	2,454,618	2.25		2.74	2.74	2.74	
1.20	97.6574	87.4181	0.0000	6.4382	4.2363	1.9074	100.0000	2,145,780	0	158,033	103,985	46,820	2,454,618	2.25		2.76	2.76	2.76	
1.21	97.5403	87.3132	0.0000	6.4919	4.2716	1.9233	100.0000	2,143,206	0	159,350	104,852	47,210	2,454,618	2.24		2.78	2.78	2.78	
1.22	97.4231	87.2084	0.0000	6.5455	4.3069	1.9392	100.0000	2,140,632	0	160,667	105,718	47,600	2,454,618	2.24		2.81	2.81	2.81	
1.23	97.3060	87.1035	0.0000	6.5992	4.3422	1.9551	100.0000	2,138,059	0	161,984	106,585	47,990	2,454,618	2.24		2.83	2.83	2.83	
1.24	97.1889	86.9987	0.0000	6.6528	4.3775	1.9710	100.0000	2,135,485	0	163,301	107,451	48,381	2,454,618	2.24		2.85	2.85	2.85	
1.25	97.0717	86.8938	0.0000	6.7065	4.4128	1.9869	100.0000	2,132,911	0	164,618	108,318	48,771	2,454,618	2.23		2.87	2.87	2.87	

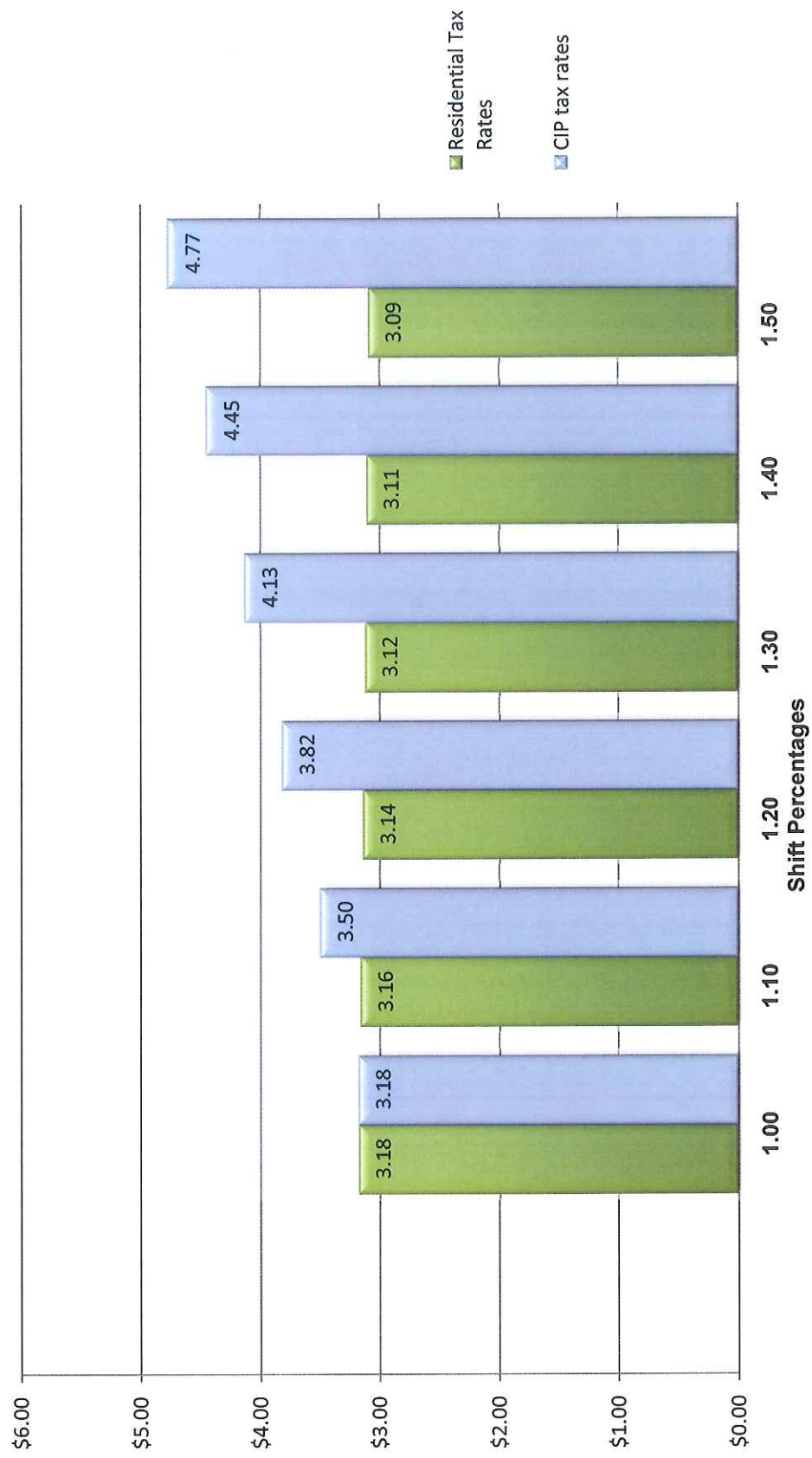
FD1 Classification Options Table

What If...Scenario Worksheet

CIP Shift	Res Factor	Share Percentages						Levy Amounts						Estimated Tax Rates				
		Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP
1.26	96.9546	86.7890	0.0000	6.7601	4.4481	2.0028	100.0000	2,130,338	0	165,935	109,184	49,161	2,454,618	2.23		2.90	2.90	2.90
1.27	96.8375	86.6841	0.0000	6.8138	4.4834	2.0187	100.0000	2,127,764	0	167,262	110,051	49,551	2,454,618	2.23		2.92	2.92	2.92
1.28	96.7203	86.5793	0.0000	6.8674	4.5187	2.0346	100.0000	2,125,190	0	168,569	110,918	49,941	2,454,618	2.22		2.94	2.94	2.94
1.29	96.6032	86.4744	0.0000	6.9211	4.5540	2.0505	100.0000	2,122,617	0	169,886	111,784	50,331	2,454,618	2.22		2.97	2.97	2.97
1.30	96.4861	86.3696	0.0000	6.9747	4.5893	2.0664	100.0000	2,120,043	0	171,203	112,651	50,722	2,454,618	2.22		2.99	2.99	2.99
1.31	96.3690	86.2647	0.0000	7.0284	4.6246	2.0823	100.0000	2,117,470	0	172,520	113,517	51,112	2,454,618	2.22		3.01	3.01	3.01
1.32	96.2518	86.1599	0.0000	7.0820	4.6599	2.0982	100.0000	2,114,896	0	173,837	114,384	51,502	2,454,618	2.21		3.04	3.04	3.04
1.33	96.1347	86.0550	0.0000	7.1357	4.6952	2.1141	100.0000	2,112,322	0	175,154	115,250	51,892	2,454,618	2.21		3.06	3.06	3.06
1.34	96.0176	85.9502	0.0000	7.1893	4.7305	2.1300	100.0000	2,109,749	0	176,471	116,117	52,282	2,454,618	2.21		3.08	3.08	3.08
1.35	95.9004	85.8453	0.0000	7.2430	4.7658	2.1459	100.0000	2,107,175	0	177,788	116,983	52,672	2,454,618	2.21		3.10	3.10	3.10
1.36	95.7833	85.7405	0.0000	7.2966	4.8011	2.1617	100.0000	2,104,601	0	179,104	117,850	53,063	2,454,618	2.20		3.13	3.13	3.13
1.37	95.6662	85.6356	0.0000	7.3503	4.8365	2.1776	100.0000	2,102,028	0	180,421	118,716	53,453	2,454,618	2.20		3.15	3.15	3.15
1.38	95.5490	85.5308	0.0000	7.4039	4.8718	2.1935	100.0000	2,099,454	0	181,738	119,583	53,843	2,454,618	2.20		3.17	3.17	3.17
1.39	95.4319	85.4259	0.0000	7.4576	4.9071	2.2094	100.0000	2,096,880	0	183,055	120,450	54,233	2,454,618	2.19		3.20	3.20	3.20
1.40	95.3148	85.3211	0.0000	7.5112	4.9424	2.2253	100.0000	2,094,307	0	184,372	121,316	54,623	2,454,618	2.19		3.22	3.22	3.22
1.41	95.1976	85.2162	0.0000	7.5649	4.9777	2.2412	100.0000	2,091,733	0	185,689	122,183	55,013	2,454,618	2.19		3.24	3.24	3.24
1.42	95.0805	85.1114	0.0000	7.6185	5.0130	2.2571	100.0000	2,089,159	0	187,006	123,049	55,404	2,454,618	2.19		3.27	3.27	3.27
1.43	94.9634	85.0065	0.0000	7.6722	5.0483	2.2730	100.0000	2,086,586	0	188,323	123,916	55,794	2,454,618	2.18		3.29	3.29	3.29
1.44	94.8463	84.9017	0.0000	7.7258	5.0836	2.2889	100.0000	2,084,012	0	189,640	124,782	56,184	2,454,618	2.18		3.31	3.31	3.31
1.45	94.7291	84.7968	0.0000	7.7795	5.1189	2.3048	100.0000	2,081,438	0	190,957	125,649	56,574	2,454,618	2.18		3.33	3.33	3.33
1.46	94.6120	84.6920	0.0000	7.8332	5.1542	2.3207	100.0000	2,078,865	0	192,274	126,515	56,964	2,454,618	2.18		3.36	3.36	3.36
1.47	94.4949	84.5871	0.0000	7.8868	5.1895	2.3366	100.0000	2,076,291	0	193,591	127,382	57,354	2,454,618	2.17		3.38	3.38	3.38
1.48	94.3777	84.4823	0.0000	7.9405	5.2248	2.3525	100.0000	2,073,717	0	194,908	128,248	57,745	2,454,618	2.17		3.40	3.40	3.40
1.49	94.2606	84.3774	0.0000	7.9941	5.2601	2.3684	100.0000	2,071,144	0	196,225	129,115	58,135	2,454,618	2.17		3.43	3.43	3.43
1.50	94.1435	84.2726	0.0000	8.0478	5.2954	2.3843	100.0000	2,068,570	0	197,542	129,982	58,525	2,454,618	2.17		3.45	3.45	3.45

Tax Rate Alternatives -- Fire District #2

Tax Rates per 1,000



FD2 Classification Options Table

What If...Scenario Worksheet

CLASS	VALUE	%
Res	343,471,800	94.3524%
O S	378,000	0.1038%
Com	11,222,100	3.0827%
Ind	805,400	0.2212%
PP	8,153,312	2.2397%
Total	364,030,612	100.0000%

↓ PAGE DOWN TO COMPLETE DATA ENTRY ↓

CLASSIFICATION OPTIONS

Residential Exempt	
Small Commercial Exemption	

LEVY

Estimated Levy	\$1,157,617
Single Tax Rate	3.18

Note:
This table should be used for planning purposes only. Actual calculations may differ slightly due to rounding. For actual calculations, complete Recap.

CIP Shift	Res Factor	Share Percentages						Levy Amounts						Estimated Tax Rates			
		Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind
1.01	99.9413	94.2971	0.1038	3.1136	0.2235	2.2621	100.0000	1,091,599	1,201	36,043	2,587	28,187	1,157,617	3.18	3.18	3.21	3.21
1.02	99.8826	94.2417	0.1037	3.1444	0.2257	2.2845	100.0000	1,090,958	1,201	36,400	2,612	28,446	1,157,617	3.18	3.18	3.24	3.24
1.03	99.8239	94.1863	0.1037	3.1752	0.2279	2.3069	100.0000	1,090,317	1,200	36,757	2,638	28,705	1,157,617	3.17	3.17	3.28	3.28
1.04	99.7652	94.1309	0.1036	3.2060	0.2301	2.3293	100.0000	1,089,676	1,199	37,114	2,664	28,965	1,157,617	3.17	3.17	3.31	3.31
1.05	99.7065	94.0756	0.1035	3.2369	0.2323	2.3517	100.0000	1,089,035	1,199	37,471	2,689	29,224	1,157,617	3.17	3.17	3.34	3.34
1.06	99.6479	94.0202	0.1035	3.2677	0.2345	2.3741	100.0000	1,088,394	1,198	37,827	2,715	29,483	1,157,617	3.17	3.17	3.37	3.37
1.07	99.5892	93.9648	0.1034	3.2985	0.2367	2.3965	100.0000	1,087,753	1,197	38,184	2,740	29,742	1,157,617	3.17	3.17	3.40	3.40
1.08	99.5305	93.9094	0.1033	3.3294	0.2389	2.4189	100.0000	1,087,112	1,196	38,541	2,766	30,002	1,157,617	3.17	3.17	3.43	3.43
1.09	99.4718	93.8541	0.1033	3.3602	0.2412	2.4413	100.0000	1,086,471	1,196	38,898	2,792	30,261	1,157,617	3.16	3.16	3.47	3.47
1.10	99.4131	93.7987	0.1032	3.3910	0.2434	2.4637	100.0000	1,085,830	1,195	39,255	2,817	30,520	1,157,617	3.16	3.16	3.50	3.50
1.11	99.3544	93.7433	0.1032	3.4218	0.2456	2.4861	100.0000	1,085,189	1,194	39,612	2,843	30,780	1,157,617	3.16	3.16	3.53	3.53
1.12	99.2957	93.6879	0.1031	3.4527	0.2478	2.5085	100.0000	1,084,548	1,194	39,969	2,869	31,039	1,157,617	3.16	3.16	3.56	3.56
1.13	99.2370	93.6326	0.1030	3.4835	0.2500	2.5309	100.0000	1,083,907	1,193	40,325	2,894	31,298	1,157,617	3.16	3.16	3.59	3.59
1.14	99.1783	93.5772	0.1030	3.5143	0.2522	2.5533	100.0000	1,083,266	1,192	40,682	2,920	31,557	1,157,617	3.15	3.15	3.63	3.63
1.15	99.1196	93.5218	0.1029	3.5451	0.2544	2.5757	100.0000	1,082,625	1,191	41,039	2,945	31,817	1,157,617	3.15	3.15	3.66	3.66
1.16	99.0609	93.4664	0.1029	3.5760	0.2566	2.5981	100.0000	1,081,984	1,191	41,396	2,971	32,076	1,157,617	3.15	3.15	3.69	3.69
1.17	99.0023	93.4111	0.1028	3.6068	0.2589	2.6205	100.0000	1,081,343	1,190	41,753	2,997	32,335	1,157,617	3.15	3.15	3.72	3.72
1.18	98.9436	93.3557	0.1027	3.6376	0.2611	2.6429	100.0000	1,080,702	1,189	42,110	3,022	32,594	1,157,617	3.15	3.15	3.75	3.75
1.19	98.8849	93.3003	0.1027	3.6685	0.2633	2.6653	100.0000	1,080,060	1,189	42,467	3,048	32,854	1,157,617	3.14	3.14	3.78	3.78
1.20	98.8262	93.2449	0.1026	3.6993	0.2655	2.6877	100.0000	1,079,419	1,188	42,824	3,073	33,113	1,157,617	3.14	3.14	3.82	3.82
1.21	98.7675	93.1895	0.1026	3.7301	0.2677	2.7101	100.0000	1,078,778	1,187	43,180	3,099	33,372	1,157,617	3.14	3.14	3.85	3.85
1.22	98.7088	93.1342	0.1025	3.7609	0.2699	2.7325	100.0000	1,078,137	1,187	43,537	3,125	33,632	1,157,617	3.14	3.14	3.88	3.88
1.23	98.6501	93.0788	0.1024	3.7918	0.2721	2.7549	100.0000	1,077,496	1,186	43,894	3,150	33,891	1,157,617	3.14	3.14	3.91	3.91
1.24	98.5914	93.0234	0.1024	3.8226	0.2743	2.7773	100.0000	1,076,855	1,185	44,251	3,176	34,150	1,157,617	3.14	3.14	3.94	3.94
1.25	98.5327	92.9680	0.1023	3.8534	0.2766	2.7997	100.0000	1,076,214	1,184	44,608	3,201	34,409	1,157,617	3.13	3.13	3.97	3.97

FD2 Classification Options Table

What If...Scenario Worksheet

CIP Shift	Res Factor	Share Percentages					Levy Amounts					Estimated Tax Rates						
		Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP	Total	Res	O S	Com	Ind	PP
1.26	98.4740	92.9127	0.1023	3.8842	0.2788	2.8221	100.0000	1,075,573	1,184	44,965	3,227	32,669	1,157,617	3.13	3.13	4.01	4.01	4.01
1.27	98.4153	92.8573	0.1022	3.9151	0.2810	2.8445	100.0000	1,074,932	1,183	45,322	3,253	32,928	1,157,617	3.13	3.13	4.04	4.04	4.04
1.28	98.3567	92.8019	0.1021	3.9459	0.2832	2.8669	100.0000	1,074,291	1,182	45,678	3,278	33,187	1,157,617	3.13	3.13	4.07	4.07	4.07
1.29	98.2980	92.7465	0.1021	3.9767	0.2854	2.8893	100.0000	1,073,650	1,182	46,035	3,304	33,447	1,157,617	3.13	3.13	4.10	4.10	4.10
1.30	98.2393	92.6912	0.1020	4.0076	0.2876	2.9117	100.0000	1,073,009	1,181	46,392	3,330	33,706	1,157,617	3.12	3.12	4.13	4.13	4.13
1.31	98.1806	92.6358	0.1019	4.0384	0.2898	2.9340	100.0000	1,072,368	1,180	46,749	3,355	33,965	1,157,617	3.12	3.12	4.17	4.17	4.17
1.32	98.1219	92.5804	0.1019	4.0692	0.2920	2.9564	100.0000	1,071,727	1,179	47,106	3,381	34,224	1,157,617	3.12	3.12	4.20	4.20	4.20
1.33	98.0632	92.5250	0.1018	4.1000	0.2943	2.9788	100.0000	1,071,086	1,179	47,463	3,406	34,484	1,157,617	3.12	3.12	4.23	4.23	4.23
1.34	98.0045	92.4697	0.1018	4.1309	0.2965	3.0012	100.0000	1,070,445	1,178	47,820	3,432	34,743	1,157,617	3.12	3.12	4.26	4.26	4.26
1.35	97.9458	92.4143	0.1017	4.1617	0.2987	3.0236	100.0000	1,069,804	1,177	48,176	3,458	35,002	1,157,617	3.11	3.11	4.29	4.29	4.29
1.36	97.8871	92.3589	0.1016	4.1925	0.3009	3.0460	100.0000	1,069,163	1,177	48,533	3,483	35,261	1,157,617	3.11	3.11	4.32	4.32	4.32
1.37	97.8284	92.3035	0.1016	4.2233	0.3031	3.0684	100.0000	1,068,522	1,176	48,890	3,509	35,521	1,157,617	3.11	3.11	4.36	4.36	4.36
1.38	97.7698	92.2482	0.1015	4.2542	0.3053	3.0908	100.0000	1,067,881	1,175	49,247	3,534	35,780	1,157,617	3.11	3.11	4.39	4.39	4.39
1.39	97.7111	92.1928	0.1015	4.2850	0.3075	3.1132	100.0000	1,067,240	1,175	49,604	3,560	36,039	1,157,617	3.11	3.11	4.42	4.42	4.42
1.40	97.6524	92.1374	0.1014	4.3158	0.3097	3.1356	100.0000	1,066,599	1,174	49,961	3,586	36,299	1,157,617	3.11	3.11	4.45	4.45	4.45
1.41	97.5937	92.0820	0.1013	4.3467	0.3120	3.1580	100.0000	1,065,958	1,173	50,318	3,611	36,558	1,157,617	3.10	3.10	4.48	4.48	4.48
1.42	97.5350	92.0266	0.1013	4.3775	0.3142	3.1804	100.0000	1,065,316	1,172	50,675	3,637	36,817	1,157,617	3.10	3.10	4.52	4.52	4.52
1.43	97.4763	91.9713	0.1012	4.4083	0.3164	3.2028	100.0000	1,064,675	1,172	51,031	3,662	37,076	1,157,617	3.10	3.10	4.55	4.55	4.55
1.44	97.4176	91.9159	0.1012	4.4391	0.3186	3.2252	100.0000	1,064,034	1,171	51,388	3,688	37,336	1,157,617	3.10	3.10	4.58	4.58	4.58
1.45	97.3589	91.8605	0.1011	4.4700	0.3208	3.2476	100.0000	1,063,393	1,170	51,745	3,714	37,595	1,157,617	3.10	3.10	4.61	4.61	4.61
1.46	97.3002	91.8051	0.1010	4.5008	0.3230	3.2700	100.0000	1,062,752	1,170	52,102	3,739	37,854	1,157,617	3.09	3.09	4.64	4.64	4.64
1.47	97.2415	91.7498	0.1010	4.5316	0.3252	3.2924	100.0000	1,062,111	1,169	52,459	3,765	38,113	1,157,617	3.09	3.09	4.67	4.67	4.67
1.48	97.1828	91.6944	0.1009	4.5624	0.3274	3.3148	100.0000	1,061,470	1,168	52,816	3,791	38,373	1,157,617	3.09	3.09	4.71	4.71	4.71
1.49	97.1242	91.6390	0.1009	4.5933	0.3297	3.3372	100.0000	1,060,829	1,167	53,173	3,816	38,632	1,157,617	3.09	3.09	4.74	4.74	4.74
1.50	97.0655	91.5836	0.1008	4.6241	0.3319	3.3596	100.0000	1,060,188	1,167	53,529	3,842	38,891	1,157,617	3.09	3.09	4.77	4.77	4.77

**South Hadley Valuation
Fiscal 2000-2015**

	Valuation by class						% of Total Valuation		Total Valuation
	R	O	C	I	P		R&O %	CIP %	
2015	\$ 1,277,583,605	\$ 378,000	\$ 68,480,570	\$ 38,481,200	\$ 24,649,555		90.66%	9.34%	\$ 1,409,572,930
2014	\$ 1,279,016,795	\$ 378,000	\$ 67,685,580	\$ 38,273,600	\$ 25,386,665		90.69%	9.31%	\$ 1,410,740,640
2013	\$ 1,344,616,660	\$ 394,800	\$ 73,258,675	\$ 40,364,275	\$ 27,651,467		90.49%	9.51%	\$ 1,486,285,877
2012	\$ 1,338,967,050	\$ 394,800	\$ 73,138,775	\$ 37,986,675	\$ 26,844,020		90.66%	9.34%	\$ 1,477,331,320
2011	\$ 1,331,499,955	\$ 394,800	\$ 72,928,670	\$ 39,093,875	\$ 25,308,939		90.65%	9.34%	\$ 1,469,226,239
2010	\$ 1,322,522,955	\$ 394,800	\$ 72,916,470	\$ 39,220,375	\$ 28,104,763		90.40%	9.60%	\$ 1,463,159,363
2009	\$ 1,432,874,625	\$ 227,100	\$ 77,770,275	\$ 41,524,100	\$ 31,020,054		90.50%	9.50%	\$ 1,583,416,154
2008	\$ 1,421,229,395	\$ 227,100	\$ 78,538,305	\$ 40,753,400	\$ 20,233,072		91.10%	8.90%	\$ 1,560,981,272
2007	\$ 1,405,229,955	\$ 227,100	\$ 78,316,345	\$ 40,666,500	\$ 16,112,248		91.20%	8.80%	\$ 1,540,552,148
2006	\$ 1,255,576,565	\$ 219,200	\$ 70,816,835	\$ 41,016,500	\$ 14,379,499		90.90%	9.10%	\$ 1,382,008,599
2005	\$ 1,037,951,150	\$ 212,600	\$ 62,253,850	\$ 35,816,100	\$ 13,455,729		90.30%	9.70%	\$ 1,149,689,429
2004	\$ 1,018,133,850	\$ 212,600	\$ 60,685,850	\$ 35,768,600	\$ 15,068,698		90.10%	9.90%	\$ 1,129,869,598
2003	\$ 792,296,800	\$ 246,300	\$ 56,570,500	\$ 35,635,400	\$ 14,179,315		88.20%	11.80%	\$ 898,928,315
2002	\$ 784,915,600	\$ 246,300	\$ 55,257,100	\$ 36,085,600	\$ 13,913,492		88.20%	11.80%	\$ 890,418,092
2001	\$ 780,110,000	\$ 246,300	\$ 54,414,300	\$ 35,647,600	\$ 12,995,911		88.30%	11.70%	\$ 883,414,111
2000	\$ 698,497,900	\$ 245,300	\$ 45,443,400	\$ 31,846,100	\$ 12,103,421		88.70%	11.30%	\$ 788,136,121

R Residential
O Open space
C Commercial
I Industrial
P Personal Property

11/21/2014

Analysis of average single family tax bill.
FY 15(Estimated)
vs.
FY 14(Actual)

<u>PROPOSED</u>	<u>ESTIMATED</u>	
Average Single Family Home Value for FY 2015	Taxes for <u>Fiscal 2015</u> Town \$17.08	Average Single Family Home Value for FY 2014 <u>Fiscal 2014</u> Town \$16.41
\$ 224,800	\$ 3,839.58	\$ 224,400 \$ 3,682.40 \$ 157.18 increase over last fiscal year
\$ 224,800	\$ 517.04	\$ 224,400 \$ 502.66 \$ 14.38 increase over last fiscal year
\$ 224,800	\$ 714.86	\$ 224,400 \$ 628.32 \$ 86.54 increase over last fiscal year

11/21/2014

Analysis of Comm/Ind average tax bill
FY 15(Estimated)
vs.
FY 14 (Actual)

<u>PROPOSED</u>	<u>ESTIMATED</u>		
Average Commercial Industrial Value FY 2015	Taxes for <u>Fiscal 2015</u> Town \$17.08	Average Commercial Industrial Value FY 2014	Actual Taxes for <u>Fiscal 2014</u> Town \$16.41
\$ 354,200	\$ 6,049.74	\$ 350,900	\$ 5,758.27
			\$ 291.47 increase over last fiscal year
\$ 354,200	\$ 814.66	\$ 350,900	<u>Fiscal 2014</u> FD #1 \$2.24
			\$ 28.64 increase over last fiscal year
\$ 354,200	\$ 1,126.36	\$ 350,900	<u>Fiscal 2014</u> FD #2 \$2.80
			\$ 143.84 increase over last fiscal year



TOWN OF SOUTH HADLEY

Board of Assessors
116 Main Street, Room 104
South Hadley, MA. 01075-2896

www.southhadleyma.gov

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Chairman

Hazel R. Snopek
Clerk

Francis M. Conti
Member

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Associate Assessor

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November 24, 2014

To: Selectboard and Prudential Committee members

Annually, the Selectboard and Prudential Committees of both Fire District #1 and #2 make a decision as to whether or not to shift any of the burden of the tax levy across the five different classes of property. The adoption of different rates does not change the total property tax levy; rather it determines the share of the total levy to be borne by each class. If the burden is shifted, this would apportion the tax levy burden between the Residential and Open Space classes of property together, (R&O), and the Commercial, Industrial and Personal Property classes together, (CIP).

Since the inception of Proposition 2 ½, the Town of South Hadley has consistently chosen to not shift the burden amongst the different property classes and has chosen a factor of "one". This essentially leaves the tax rate the same for all five classes of property.

The board felt that shifting the tax rate would pose a negligible benefit to residents and an onerous burden to businesses. After much discussion, on Monday, November 24, 2014, by a vote of 2-0 with one abstention, the Board of Assessors voted to recommend that a factor of "one" continue to be adopted for all classes of property for fiscal 2015.

Additionally, the Selectboard must approve either the clerk of the Selectboard or a similar official to electronically sign on the board's behalf. I would request that the Selectboard authorize the Town Administrator to perform this task for fiscal 2015.

Sincerely,

Melissa L. Couture
Associate Assessor