

# The Town of Duxbury

FY 2024 Tax Classification Hearing

November 13, 2023

# Tax Classification Advertisement

The Selectboard will hold a Public Hearing in the Mural Room, Town Hall, 878 Tremont Street, on Monday, November 13, 2023 at 7:05pm regarding the allocation of the FY 2024 tax levy among the various classes of property in the Town. This hearing, which is required by State Law, will give interested citizens an opportunity to comment on local property tax policy as it will be applied for FY 2024. All real estate in the Town of Duxbury is classified according to use. The allocation of the tax levy may be adjusted, within certain limits, by the Selectboard between the residential property class and the combined commercial/industrial/personal property classes. Relevant information will be provided by the Assessing Department at this hearing. All interested citizens are invited to attend this meeting and present their views to the Board of Selectmen. As a courtesy, residents may also participate remotely as follows:

Join Webinar at [www.zoom.us](https://www.zoom.us)

Webinar ID: 945 7805 3101

Passcode: 565677

Phone: 1-301-715-8592

## SELECTBOARD

Cynthia Ladd Fiorini, Chair

Michael McGee, Vice Chair

Amy M. MacNab, Clerk

Fernando Guitart

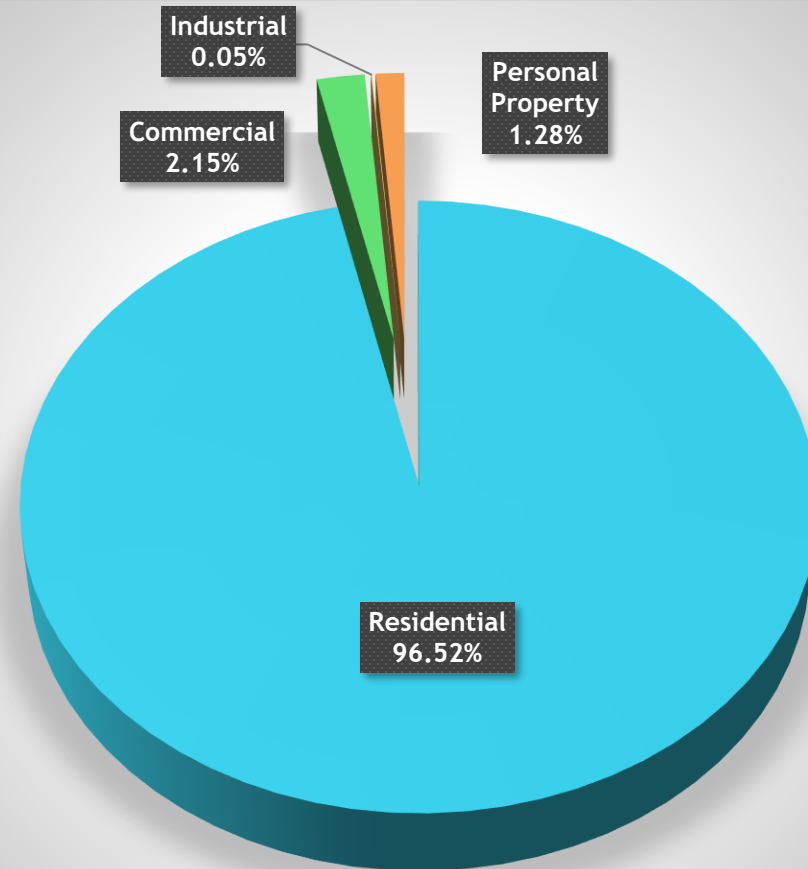
Brian E. Glennon, II

Posted in the  
Duxbury Clipper on  
October 25, 2023  
November 1, 2023

November 13, 2023

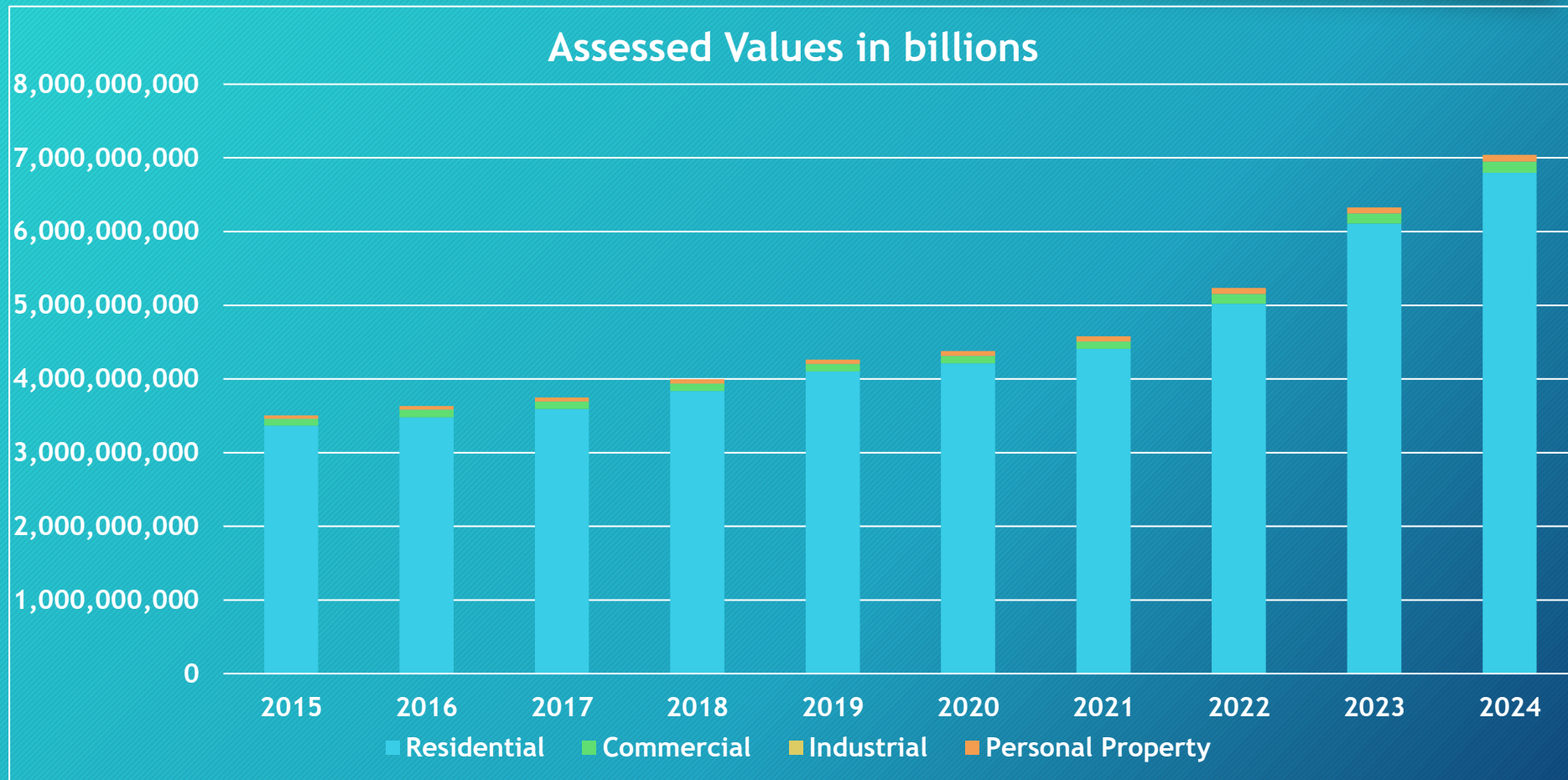
# Town Valuation by Class

Residential	6,796,955,441	96.52%
Commercial	151,452,626	2.15%
Industrial	3,455,454	0.05%
Personal Property	90,010,330	1.28%
	7,041,873,851	100.00%





# Ten Year Valuation History



# FY 2024 TAXABLE VALUE by Class

Class Description	FY 2023 Assessed Value	FY 2024 Assessed Value	Assessed Value Difference	Assessed Value % Difference
TOTAL RESIDENTIAL	6,109,434,439	6,796,955,441	687,521,002	11.25%
TOTAL COMMERCIAL	133,527,441	151,452,626	17,925,185	13.42%
TOTAL INDUSTRIAL	2,921,100	3,455,454	534,354	18.29%
TOTAL PERSONAL	81,335,690	90,010,330	8,674,640	10.67%
TOTAL REAL & PERSONAL	6,327,218,670	7,041,873,851	714,655,181	11.29%

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# Fiscal Year 2024 Single Family – Class 101

	2023		2024	
		% Change		% Change
Parcel Count	4935	0.26%	4963	0.57%
Tax Rate	\$10.69	-16.74%	\$10.06	-5.89%
Average Bill	\$11,664.93	1.73%	\$12,181.65	4.43%
Average Bill Change	\$198.81		\$516.73	
<b>Average Value</b>	\$1,091,200	22.19%	<b>\$1,210,900</b>	<b>10.97%</b>
Median Bill	\$9,025.57	2.60%	\$9,400.06	4.15%
Median Bill Change	\$228.88		\$374.50	
<b>Median Value</b>	\$844,300	23.24%	<b>\$934,400</b>	<b>10.67%</b>

This data represents the single family class of property in Duxbury which is 85.34% of the Town by value. No other class is higher than 4.67% in the Town. The entire residential class makes up 96.52% of the Town.



# Fiscal Year 2024 – New Growth

	2023	%	2024	%
		change		Change
		from '22		from '23
Real Value	42,997,300	17.73%	51,074,528	18.79%
Personal Value	4,286,660	27.59%	8,038,590	87.53%
Total Growth Value	47,283,960	18.56%	59,113,119	25.02%
Levy Growth	<b>607,126</b>	5.14%	<b>631,920</b>	4.08%

New growth tax levy increased by 4.08% for FY2024. Personal Property utility accounts increased which greatly helped positive gains. Tax Levy increased by \$631,920

# Fiscal Year 2024 – Tax Levy & Debt

	2023	%	2024	%
		change		change
		from '22		from '23
Tax Levy	67,637,967.58	0.62%	70,841,250.95	4.74%
Debt	6,015,257	-2.53%	5,986,811	-0.47%
CPA	606,731	2.89%	1,965,685	223.98%

The Tax Levy is the amount to be raised from the real and personal property values of the Town. The tax rate is determined by dividing the levy by the new values. The CPA number shows the increase to 3% from 1% in prior years



# Tax Classification Hearing - Options

## The Four Sections of Certification under M.G.L. Chapter 40 § 56

- I. Selecting a Residential Factor – Affects All Properties Duxbury has historically used a factor of 1.00 which provides one tax rate.
- II. Grant a discount to Open Space – Affects only Residential Properties
- III. Adopt a residential exemption – Affects only Residential Properties
- IV. Adopt a small commercial exemption – Affects Only Commercial & Industrial

The Town has never voted for these shifts. Doing so would shift the Tax Levy burden within a class or throughout all classes

# I. Residential Factor – Split Rate

## Adoption of a Single or Split Tax Rate

Shifting the Tax Burden involves the Selectboard voting to select a Residential Factor no higher than 1.50 or maintaining the single tax rate. Shifting the rate from 1.00 increases taxes for Mixed-Use, Commercial and Industrial, and Personal Property (CIP) owners.

Due to the very small percentage of CIP classes within the Town of Duxbury, only 3.48%, a Split Tax Rate could be detrimental to the local businesses in Town.

Please see the next page showing the effects of split rate.



# Residential Factor

CIP Shift	TAX RATES		RESIDENTIAL			COMMERCIAL		
	RES TAX RATE	CIP TAX RATE	AVERAGE TAX BILL	% CHANGE FROM AVERAGE	\$ CHANGE FROM AVERAGE	AVERAGE TAX BILL	% CHANGE FROM AVERAGE	\$ CHANGE FROM AVERAGE
1.0000	10.06	10.06	\$12,181.65			\$11,233.00		
1.1000	10.02	11.07	\$12,133.22	-0.40%	\$ (48.44)	\$12,360.76	10.04%	\$ 1,127.77
1.2000	9.99	12.07	\$12,096.89	-0.70%	\$ (84.76)	\$13,477.36	19.98%	\$ 2,244.37
1.3000	9.95	13.08	\$12,048.46	-1.09%	\$ (133.20)	\$14,605.13	30.02%	\$ 3,372.13
1.4000	9.92	14.08	\$12,012.13	-1.39%	\$ (169.53)	\$15,721.73	39.96%	\$ 4,488.73
1.5000	9.88	15.09	\$11,963.69	-1.79%	\$ (217.96)	\$16,849.49	50.00%	<b>\$ 5,616.50</b>

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

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## II. Open Space Discount

Open Space is defined in M.G.L. Chapter 59, section 2A as: ...land which is not otherwise classified and which is not taxable under the provisions of chapters sixty-one, sixty-one A or sixty-one B, or taxable under a permanent conservation restriction, and which land is not held for the production of income but is maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public.

State law allows properties classified as Open Space to be taxed at a rate discounted up to 25% from the uniform tax rate. The tax dollars lost by the discount are shifted to the residential class of properties, which includes developable vacant land. The local Board of Assessors must develop the criteria that must be met in order to classify a parcel as Open Space that meets the “significant contribution” for the benefit and enjoyment of the public criteria. In 2023 there was one community using Open Space Discount, Bedford.

*Open Space Discount however has no lien attached to this class that would provide a Right of First Refusal to the Town should an owner want to sell the land in the future.*

# III. Residential Exemption

Of the 351 communities in Massachusetts 18 have adopted the Residential Exemption in FY2023. They tend to be communities with a large number of **apartment buildings** (Boston, Brookline, Cambridge and Chelsea) or a large number of **second homes** (Barnstable, Oak Bluffs, Tisbury and Nantucket).

If adopted, the Residential Exemption would shift the tax burden within the Residential Class from domiciled to non-domiciled taxpayers. This exemption reduces, by the adopted percentage, of up to 35% of the average assessed value of all residential Class parcels. The residential exemption does not reduce the residential share of the tax levy for the fiscal year. Rather, the total tax reduction is offset by an increase in the residential tax rate which shifts the taxes not paid by eligible homeowners to residential properties not occupied by the owner and those over the breakeven value.

A possible downside of this shift is that those living in rental housing (with non-domiciled owners) are likely to have lower incomes than those who qualify to purchase homes. And, if the taxes increase for those landlords, it is likely that the increase will be passed along to the tenants. Also complexes like The Village at Duxbury and Island Creek Village would see significant increases as well. Approximately 4,941 residential parcels (including land) are below the breakeven point. There are however 1,425 parcels above, which represent almost 52% (51.62%) of the residential class value.



### III. Residential Exemption – at 20%

	Without Residential Exemption					
Assessed Value	\$750,000	\$1,000,000	<b>\$1,201,977</b>	\$1,500,000	\$2,000,000	\$2,500,000
Tax Rate	\$10.06	\$10.06	\$10.06	\$10.06	\$10.06	\$10.06
Tax Bill	\$7,545.00	\$10,060.00	\$12,091.89	\$15,090.00	\$20,120.00	\$25,150.00
	With Residential Exemption					
Assessed Value	\$750,000	\$1,000,000	<b>\$1,201,977</b>	\$1,500,000	\$2,000,000	\$2,500,000
Exemption	\$226,038	\$226,038	\$226,038	\$226,038	\$226,038	\$226,038
Net Value	\$523,962	\$773,962	\$975,939	\$1,273,962	\$1,773,962	\$2,273,962
Tax Rate	\$12.39	\$12.39	\$12.39	\$12.39	\$12.39	\$12.39
Tax Bill	\$6,491.89	\$9,589.39	\$12,091.88	\$15,784.39	\$21,979.39	\$28,174.39
Tax Bill Change	<b>-\$1,053.11</b>	<b>-\$470.61</b>	<b>\$0.00</b>	<b>\$694.39</b>	<b>\$1,859.39</b>	<b>\$3,024.39</b>

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## IV Small Commercial Exemption

Of the 351 communities in Massachusetts 14 adopted the Small Commercial Exemption in FY2023 with all but two Towns having a split tax rate. If adopted, the Small Commercial Exemption would shift the burden so that qualified Commercial and Chapter Land properties could receive the benefit but the burden would be shifted to the other Commercial and Industrial Properties. The exemption allows for up to a 10% reduction in value to qualifying properties.

As determined by statute, to be eligible for the Small Commercial Exemption, properties must:

- 1) Have an assessed value of less than one million dollars and
- 2) Be occupied by a business which has been certified by the *Dept. of Unemployment Assistance* as having no more than an average of ten employees in the previous year.

# Summary of FY 2024 Levy

	2023	2024	% CHANGE	% of LEVY
RES	65,309,854	68,377,372	4.70%	96.52%
COMM	1,427,408	1,523,613	6.74%	2.15%
IND	31,227	34,762	11.32%	0.05%
PP	869,478	905,504	4.14%	1.28%
TOTAL	67,637,968	70,841,251	4.74%	100.00%

The estimated tax rate for Duxbury in FY2024 is \$10.06 provided the Selectboard continue the prior history of maintaining a single tax rate on all property classes. Based on this rate and the Tax Levy amount it will leave an excess levy capacity of \$769,298.05