

Town of West Tisbury



Classification Hearing

Fiscal Year 2023

March 1, 2023

Presented by

MacGregor Anderson, Principal Assessor

On Behalf of the Board of Assessors

Michael Colaneri, Chairman

Maria McFarland, Member

Lawrence Schubert, Member

**TOWN OF WEST TISBURY
TAX CLASSIFICATION HEARING**

FISCAL YEAR 2023

State law requires that the Select Board hold a public hearing each year to consider the tax rate options available to West Tisbury under property tax classification. The hearing is held after the assessors have determined final values and classified all properties and reported this information to the Department of Revenue. The board of Assessors has prepared information regarding the various options available to help the Select Board make their decisions.

This year if the Select Board maintains a single tax rate for all classes the tax rate is expected to decrease 25% from \$5.82 per thousand to \$4.36. This is due to a 3.2% increase in the tax levy and a 37.7% increase in total taxable value.

There are several options other than a single tax rate.

Split the tax rate between the Residential and Commercial classes, effectively shifting a portion of the residential burden onto the commercial class. If the Select Board were to shift the maximum amount allowed, the residential rate would decrease by 9 cents while the commercial rate would increase by \$2.18. **(Exhibit A)**

The remaining options are exemptions for certain types of property.

An open space exemption. West Tisbury does not classify properties in the open space class. The Town classifies open space under MGL Chapter 61, 61A or 61B.

A residential exemption. The Select Board can choose to grant an exemption of up to 35% of the Town's average residential value to properties that are the principal residence of the taxpayer. This exemption increases the tax rate solely in the residential class. For example, if the Select Board were to grant a full 35% exemption the residential rate would increase from \$4.36 to \$5.13, while qualifying properties would be exempt from paying tax on \$608,804 of value (\$3,123 tax dollars). **(Exhibit B)**

******Please note, deciding on a residential exemption without first pre-qualifying applicants and updating billing software is strongly discouraged and would likely prove impossible to legally implement. ******

A small commercial exemption. The small commercial exemption is similar to the residential exemption in that it only affects the tax rate for its own class. The Select Board can adopt an exemption amount of 10% of the property's value. This exemption is generally used in conjunction with a split tax rate. Historically only a handful of businesses registered with the Department of Unemployment Assistance have met the requirement of occupying less than \$1mm in real estate value and having fewer than ten employees.

**The current fiscal year excess levy capacity is estimated to be 755,381.98.
The prior fiscal year's excess levy capacity was 355,500.58.**