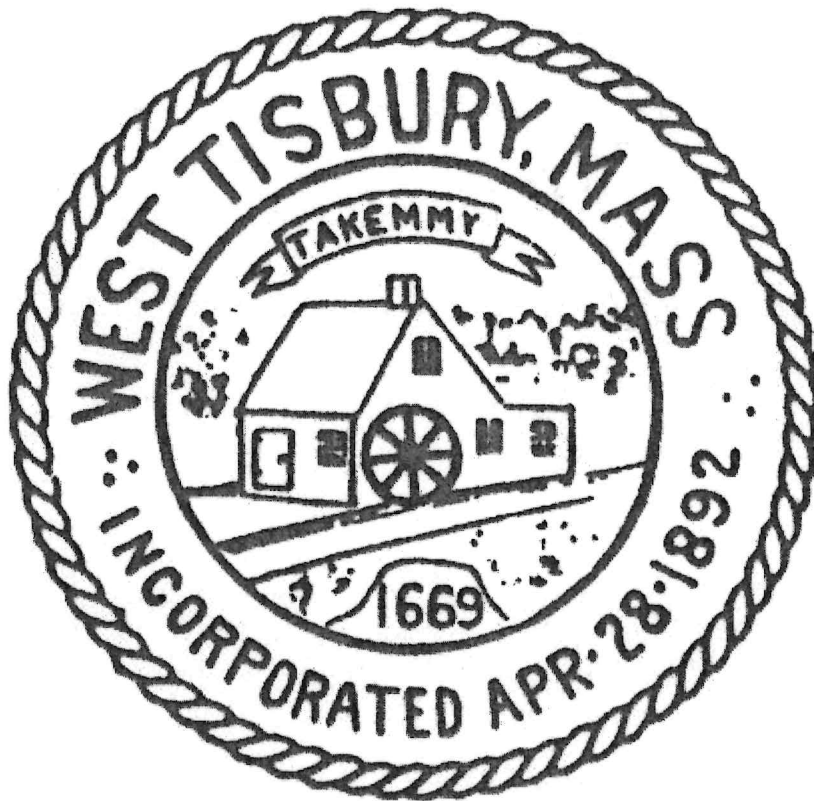


Town of West Tisbury



Classification Hearing

Fiscal Year 2024

November 21, 2023

Presented by

MacGregor Anderson, Principal Assessor

On Behalf of the Board of Assessors

Michael Colaneri, Chairman

Maria McFarland, Member

Lawrence Schubert, Member

TAX CLASSIFICATION HEARING

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 by 1.4% from \$4.36 per thousand to \$4.30.

The tax rate falls when the tax levy rises more slowly than total taxable values. In FY24, a 3.2% increase in the tax levy was offset by a 4.6% 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 tax rate would decrease by just 10 cents while the commercial, industrial and personal property tax rates would increase by \$2.15. This wide disparity exists because the residential class makes up more than 95% of our tax base. **(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 \$4.30 to \$5.05, while qualifying properties would be exempt from paying tax on \$634,580 of value. **(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 year's worth of preparation is advised prior to adopting a residential exemption. ******

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 \$420,877.78.

The prior fiscal year's excess levy capacity was \$753,255.46

MassDOR - Massachusetts Department of Revenue
 Division of Local Services
 What if ... Scenario Worksheet for FY 2024
 West Tisbury - 327

CLASS	VALUE	%	R & O %	CIP %
Residential	4,360,470,057	95.7054	95.7054	
Open Space	0	0.0000		
Commercial	124,474,209	2.7320		
Industrial	17,689,544	0.3883		
Personal Property	53,504,380	1.1743		
Total	4,556,138,190	100.0000		

CIP SHIFT RANGE	Shift Range	Shift Increment %	Max Shift Allowed
	1.00	10.00	1.50

ENTER A LEVY (ESTIMATED IF NECESSARY)

Levy	19,591,394
Single TaxRate	4.30

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					Ind ET	PP ET
		Res ET	OS ET	Comm ET	Ind ET	PP ET		
1.0000	1.0000	4.30	0.00	4.30	4.30	4.30	4.30	
1.1000	0.9955	4.28	0.00	4.73	4.73	4.73	4.73	
1.2000	0.9910	4.26	0.00	5.16	5.16	5.16	5.16	
1.3000	0.9865	4.24	0.00	5.59	5.59	5.59	5.59	
1.4000	0.9821	4.22	0.00	6.02	6.02	6.02	6.02	
1.5000	0.9776	4.20	0.00	6.45	6.45	6.45	6.45	

Exhibit A

FY24 Town of West Tisbury Residential Exemption Estimator

Exemption Percent		5.00%
Exemption Value Amount	\$	90,654
Estimated Qualified Parcels	\$	1,026

Qualified Properties			
Property Value	Taxes without Exemption	Taxes with Exemption	Savings (or Cost)
\$ 750,000	\$ 3,225	\$ 2,895	\$ 330
\$ 1,000,000	\$ 4,300	\$ 3,992	\$ 308
\$ 1,385,000	\$ 5,956	\$ 5,682	\$ 273
\$ 2,000,000	\$ 8,600	\$ 8,382	\$ 218
\$ 3,000,000	\$ 12,900	\$ 12,772	\$ 128
\$ 5,000,000	\$ 21,500	\$ 21,552	\$ (52)
\$ 10,000,000	\$ 43,000	\$ 43,502	\$ (502)
\$ 25,000,000	\$ 107,500	\$ 109,352	\$ (1,852)

Non-Qualified Properties			
Property Value	Taxes without Exemption	Taxes with Exemption	Cost
\$ 750,000	\$ 3,225	\$ 3,293	\$ (67)
\$ 1,000,000	\$ 4,300	\$ 4,390	\$ (90)
\$ 1,385,000	\$ 5,956	\$ 6,080	\$ (125)
\$ 2,000,000	\$ 8,600	\$ 8,780	\$ (180)
\$ 3,000,000	\$ 12,900	\$ 13,170	\$ (270)
\$ 5,000,000	\$ 21,500	\$ 21,950	\$ (450)
\$ 10,000,000	\$ 43,000	\$ 43,900	\$ (900)
\$ 25,000,000	\$ 107,500	\$ 109,750	\$ (2,250)

Exhibit B

FY24 Town of West Tisbury Residential Exemption Estimator

Exemption Percent 10.00%
 Exemption Value Amount \$ 181,309
 Estimated Qualified Parcels \$ 1,026

Qualified Properties				
Property Value	Taxes without Exemption	Taxes with Exemption	Savings (or Cost)	
\$ 750,000	\$ 3,225	\$ 2,553	\$	672
\$ 1,000,000	\$ 4,300	\$ 3,676	\$	624
\$ 1,385,000	\$ 5,956	\$ 5,405	\$	551
\$ 2,000,000	\$ 8,600	\$ 8,166	\$	434
\$ 3,000,000	\$ 12,900	\$ 12,656	\$	244
\$ 5,000,000	\$ 21,500	\$ 21,636	\$	(136)
\$ 10,000,000	\$ 43,000	\$ 44,086	\$	(1,086)
\$ 25,000,000	\$ 107,500	\$ 111,436	\$	(3,936)

Non-Qualified Properties				
Property Value	Taxes without Exemption	Taxes with Exemption	Cost	
\$ 750,000	\$ 3,225	\$ 3,368	\$	(142)
\$ 1,000,000	\$ 4,300	\$ 4,490	\$	(190)
\$ 1,385,000	\$ 5,956	\$ 6,219	\$	(263)
\$ 2,000,000	\$ 8,600	\$ 8,980	\$	(380)
\$ 3,000,000	\$ 12,900	\$ 13,470	\$	(570)
\$ 5,000,000	\$ 21,500	\$ 22,450	\$	(950)
\$ 10,000,000	\$ 43,000	\$ 44,900	\$	(1,900)
\$ 25,000,000	\$ 107,500	\$ 112,250	\$	(4,750)

Exhibit B

FY24 Town of West Tisbury Residential Exemption Estimator

Exemption Percent	20.00%
Exemption Value Amount	\$ 362,617
Estimated Qualified Parcels	\$ 1,026

Qualified Properties			
Property Value	Taxes without Exemption	Taxes with Exemption	Savings (or Cost)
\$ 750,000	\$ 3,225	\$ 1,821	\$ 1,404
\$ 1,000,000	\$ 4,300	\$ 2,996	\$ 1,304
\$ 1,385,000	\$ 5,956	\$ 4,805	\$ 1,150
\$ 2,000,000	\$ 8,600	\$ 7,696	\$ 904
\$ 3,000,000	\$ 12,900	\$ 12,396	\$ 504
\$ 5,000,000	\$ 21,500	\$ 21,796	\$ (296)
\$ 10,000,000	\$ 43,000	\$ 45,296	\$ (2,296)
\$ 25,000,000	\$ 107,500	\$ 115,796	\$ (8,296)

Non-Qualified Properties			
Property Value	Taxes without Exemption	Taxes with Exemption	Cost
\$ 750,000	\$ 3,225	\$ 3,525	\$ (300)
\$ 1,000,000	\$ 4,300	\$ 4,700	\$ (400)
\$ 1,385,000	\$ 5,956	\$ 6,510	\$ (554)
\$ 2,000,000	\$ 8,600	\$ 9,400	\$ (800)
\$ 3,000,000	\$ 12,900	\$ 14,100	\$ (1,200)
\$ 5,000,000	\$ 21,500	\$ 23,500	\$ (2,000)
\$ 10,000,000	\$ 43,000	\$ 47,000	\$ (4,000)
\$ 25,000,000	\$ 107,500	\$ 117,500	\$ (10,000)

Exhibit B

FY24 Town of West Tisbury Residential Exemption Estimator

Exemption Percent		35.00%
Exemption Value Amount	\$	634,580
Estimated Qualified Parcels	\$	1,026

Qualified Properties				
Property Value	Taxes without Exemption	Taxes with Exemption	Savings (or Cost)	
\$ 750,000	\$ 3,225	\$ 583	\$	2,642
\$ 1,000,000	\$ 4,300	\$ 1,845	\$	2,455
\$ 1,385,000	\$ 5,956	\$ 3,790	\$	2,166
\$ 2,000,000	\$ 8,600	\$ 6,895	\$	1,705
\$ 3,000,000	\$ 12,900	\$ 11,945	\$	955
\$ 5,000,000	\$ 21,500	\$ 22,045	\$	(545)
\$ 10,000,000	\$ 43,000	\$ 47,295	\$	(4,295)
\$ 25,000,000	\$ 107,500	\$ 123,045	\$	(15,545)

Non-Qualified Properties				
Property Value	Taxes without Exemption	Taxes with Exemption	Cost	
\$ 750,000	\$ 3,225	\$ 3,788	\$	(562)
\$ 1,000,000	\$ 4,300	\$ 5,050	\$	(750)
\$ 1,385,000	\$ 5,956	\$ 6,994	\$	(1,039)
\$ 2,000,000	\$ 8,600	\$ 10,100	\$	(1,500)
\$ 3,000,000	\$ 12,900	\$ 15,150	\$	(2,250)
\$ 5,000,000	\$ 21,500	\$ 25,250	\$	(3,750)
\$ 10,000,000	\$ 43,000	\$ 50,500	\$	(7,500)
\$ 25,000,000	\$ 107,500	\$ 126,250	\$	(18,750)

Exhibit B

Fiscal Year 2024 Classification Hearing Motion

Note: In order to maintain a single tax rate and keep all else as it has been in the past the motion would be as follows:

“I move that the Town of West Tisbury should:

adopt a residential factor of one (1),

adopt no additional discount for Open Space,

adopt no small business exemption,

and adopt no residential exemption”