

UXBRIDGE

CLASSIFICATION

BRIEFING



Classification Defined

MGL Ch. 40 sec 56 – Allows a shift in the tax burden between property classes.

The Classification Hearing consists of **four** votes to be taken by the Select Board:

1. Selection of a Residential Factor
2. Open Space Discount
3. Residential Exemption
4. Small Commercial Exemption

Property Type Classification

- Multiple-Use
- Residential
- Open Space
- Commercial
- Industrial
- Personal Property
- Forest Property - Chapter 61
- Agricultural/Horticultural Chapter - 61A
- Recreational Property - Chapter 61B
- Exempt Property



Role of the Board of Selectmen

A favorable by the Board of Selectmen will result in the following Outcomes:

CONSIDERATION	CATEGORY	OUTCOME
1	Residential Factor	Shifts the Tax Rate between Residential and Commercial Properties
2	Open Space Discount	Shifts Tax Burden to Residential from Open Space
3	Residential Exemption	Shifts the Tax Burden within the Residential Classes
4	Small Commercial Exemption	Shifts Burden within Commercial and Industrial classes to give a discount to qualifying Commercial Properties



Definitions

Residential Exemption

Gives up to a 20% Discount to **Owner Occupied** Residential Properties:

The impact is to the overall residential class, and shifts the burden from the “less expensive” properties onto the higher priced and non-resident homes. Benefits would be to communities with a high number of vacation homes, or non-owner occupied properties.

Small Commercial Exemption

Provides up to 10% of value to Small Commercial Properties:

- Business has less than ten employees and the Assessed value does not exceed \$1 million.
- Individual parcels must be reviewed and qualified by the Assessor prior to setting of tax rate.
- Effectively increases the commercial/industrial tax rate and shifts the tax burden onto larger commercial and all industrial properties.

Open Space Discount

- Provides up to a 25% discount to property owners.
- Effectively increases residential tax rate.

NOTE: Currently there is no taxable Classified Open Space Property in Uxbridge.

Tax Levy

Total taxes to be collected on real estate and personal property.

The amount is determined by Town Meeting at the Spring and Fall Annual Town Meetings.



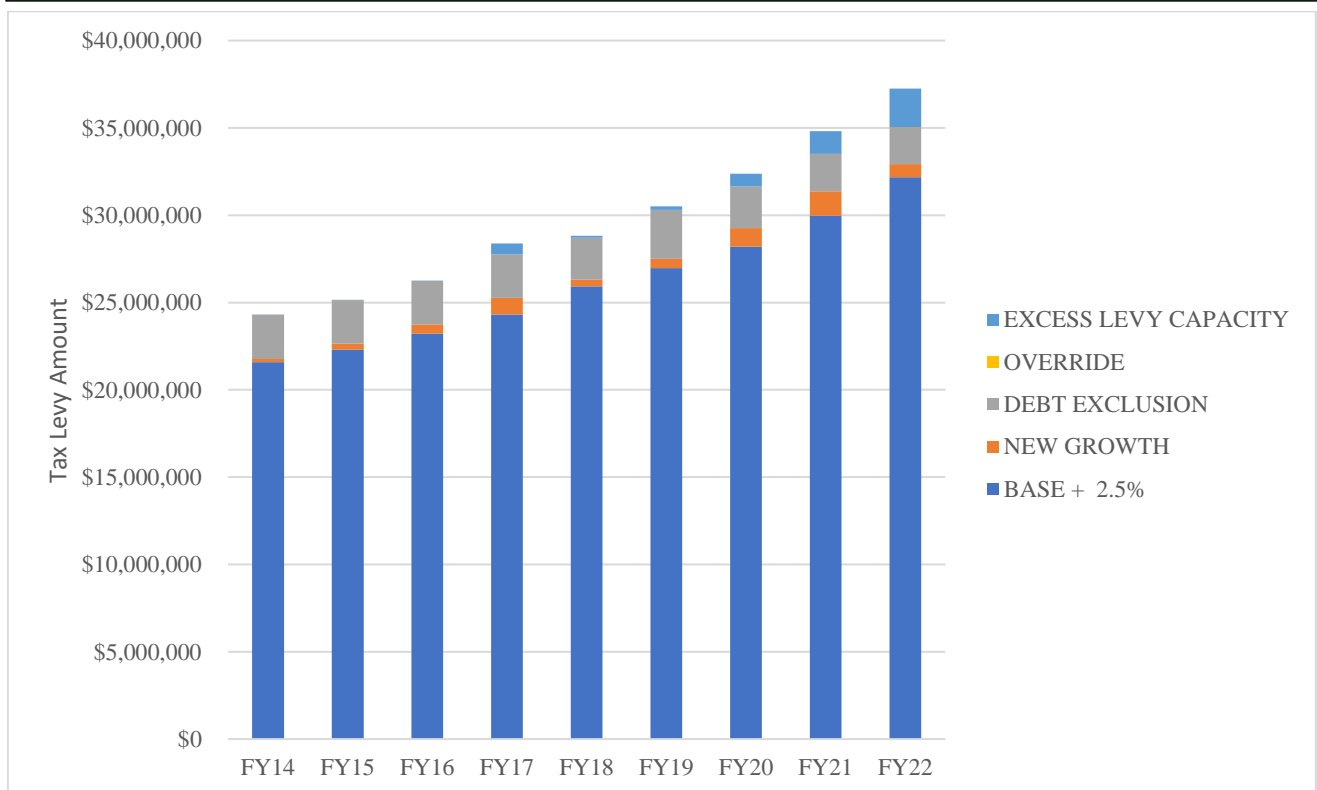
Setting the Tax Rate

The Tax Rate is set using the standard formula, which is:

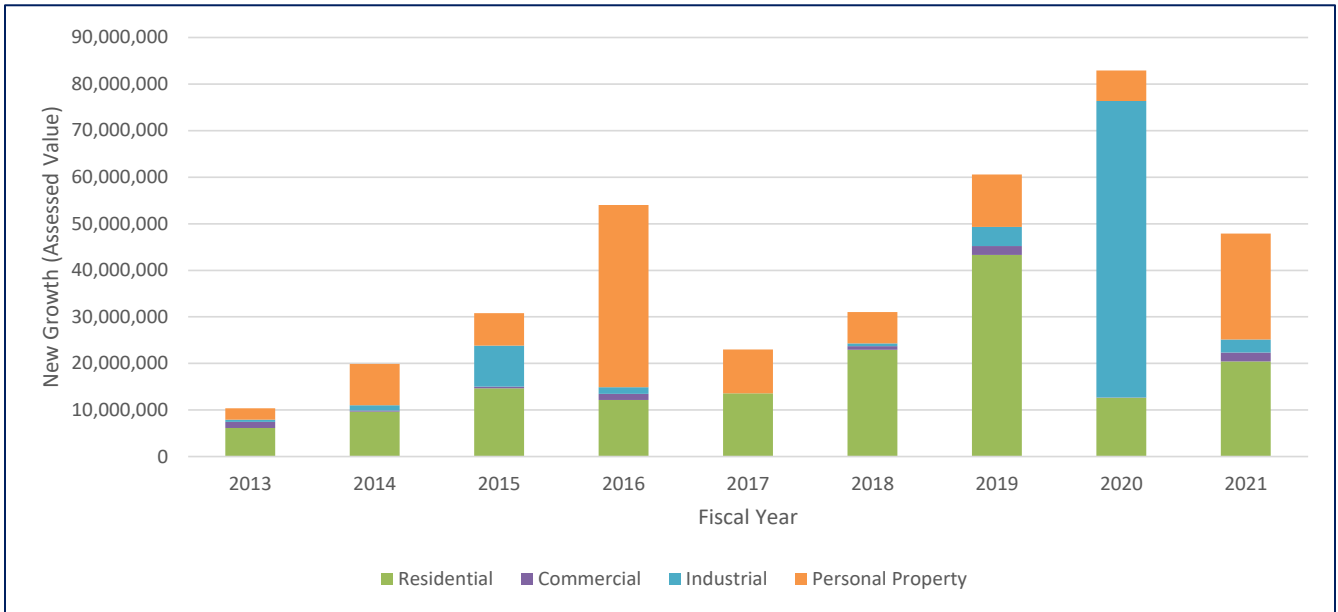
$$\text{Total Tax Levy} \div \text{Total Assessed Value}$$

TAX LEVY	
Prior Year Levy Limit	\$
Amended FY22 New Growth	\$
2.50% increase	\$
FY23 New Growth	\$
FY23 Override	\$0.00
FY23 LEVY LIMIT	\$
Debt Exclusion	\$
FY23 MAXIMUM LEVY	\$

TAX LEVY HISTORY



NEW GROWTH BY CLASS



ASSESSED VALUE

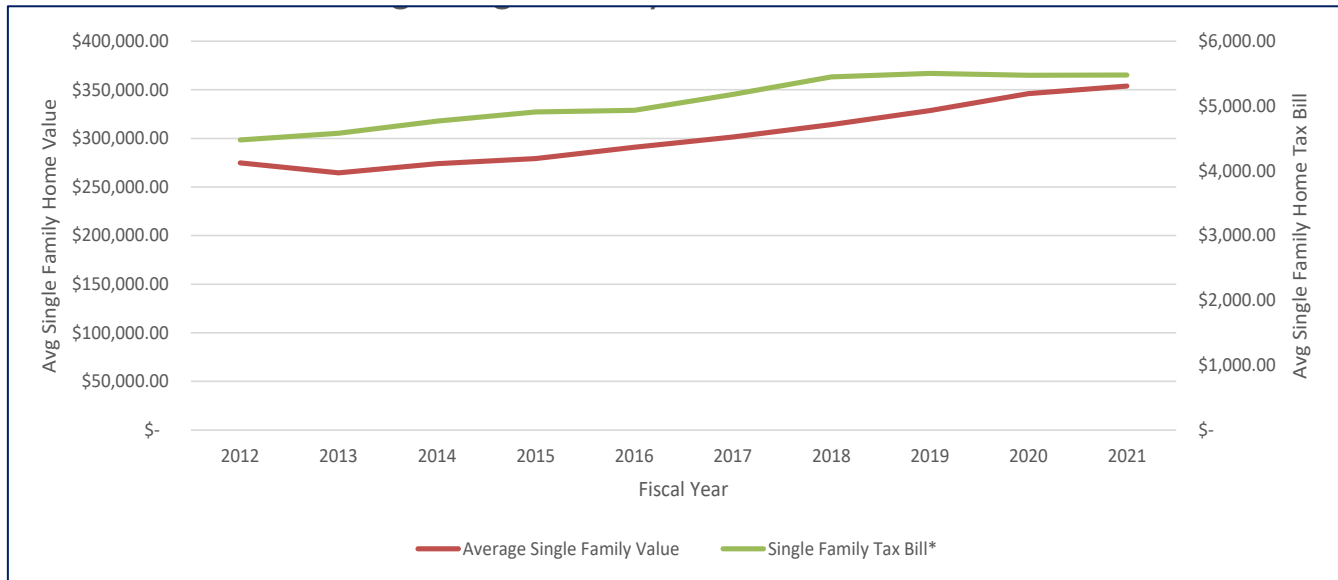
Overall Assessed Value (Based on 2021 sales)	\$
Increase over FY22	%



ASSESSED VALUE

Average Single Family Value – FY23	\$
Increase from FY22	%

AVERAGE SINGLE FAMILY VALUE VS. TAX BILL



HISTORIC TAX RATE (10 YEARS)

Fiscal Year	Tax Rate (per \$1000)	Change
13	\$16.28	+8%
14	\$17.31	+6%
15	\$17.40	+.05%
16	\$17.57	+1%
17	\$16.96	-4%
18	\$17.17	+1%
19	\$17.35	+1%
20	\$16.74	-4%
21	\$15.82	-6%
22	\$15.16	-4%



FY23 TAX RATE

$$\begin{aligned}
 & \$ \text{????????} \div \$ \text{????????} \\
 & \text{Total Tax Levy} \quad \quad \text{Total Assessed Value} \\
 & = \$\text{???}/\$1000
 \end{aligned}$$

FY23 AVERAGE SINGLE FAMILY TAX BILL

$$\$\text{???????} \times \$\text{???} = \$ \text{????}$$

Represents a decrease of \$???/??% compared to FY22



Needed Board of Selectmen Action

The Board of Selectmen are respectfully requested to vote on the following Motion.

A motion to adopt a Residential Factor of 1.____, ____ Open Space Discount, ____ Residential Exemption, ____ Small Commercial Exemption and give authorization to the Principle Assessor to electronically sign and submit the LA-5 to the DOR.

- 1) Residential Factor (1.____)**
- 2) Open Space Discount (Y/N)**
- 3) Residential Exemption (Y/N)**
- 4) Small Commercial Exemption (Y/N)**



APPENDIX

