

TOWN OF HAMILTON



TAX CLASSIFICATION

FISCAL YEAR 2019

The purpose of our annual Classification Hearing is to record the determination of the class options which effect the Fiscal 2019 Tax Rate.

There are 4 options:

Historically the 1st 3 options have never been adopted by the Town as they do not apply but a vote by the BOS is mandated by the state for each option.

1 Determination of a discount factor of up to 25% for all Land identified as Open Space.

Hamilton does not have any land classified as Open Space

Open space is land maintained in an open/natural condition that significantly contributes to the benefit and enjoyment of the public. It reduces taxes on open space parcels & shifts the burden onto other residential properties.

Since we do not have land identified as Open Space, the BOA does not recommend a discount.

2 Determination of a Residential Exemption of up to 35%.

2 Types of communities that adopt this exemption are resort communities with expensive seasonal homes or communities with a large # of apartment buildings or investor owned properties.

Adoption of this exemption is typically found in communities with a high percentage of 2nd homes such as Nantucket or communities with a high percentage of investor owned residential properties such as Cambridge. The exemption provides a measure of tax relief to owner occupied residences by shifting the tax burden to non-domiciled residential property owners.

A Residential Exemption is not recommended by the BOA.

3 Determination of a Small Commercial Exemption of up to 10%.

Hamilton doesn't have enough commercial or Industrial properties greater than a million in value to shift the tax burden to.

Exemption provides property tax relief to owners of properties that have small businesses occupying them not the small business itself, by shifting the tax burden to owners of larger commercial/industrial properties. Hamilton lacks the diversity of commercial/industrial properties necessary for the effective implementation of this exemption.

A commercial Exemption is not recommended by the BOA.

4 The adoption of a Residential Factor for the purpose of determining the percentage of tax burden to be borne by each class of property.

We only have 4% Commercial & Industrial properties so there is little benefit to shift the burden.

Dual tax rate structures are typically found in municipalities with significant percentages of commercial, industrial and personal property. Ex: Danvers, Beverly. Hamilton only has 4% commercial, industrial and personal property.

Hamilton has always had one tax rate and always used a factor of one.

Therefore the Board of Assessors' recommend a vote for a Single Tax Rate for all property classes.

FY 2019 TAX RATE SUMMARY

<u>CLASS</u>	<u>VALUE</u>	<u>PERCENT</u>	<u>% SPLIT</u>
RESIDENTIAL	1,591,353,800	95.3068%	95%
COMMERCIAL	63,996,500	3.8328%	
INDUSTRIAL	730,400	0.0437%	
<u>PERSONAL</u>	<u>13,636,236</u>	<u>0.8167%</u>	<u>5%</u>
 TOTALS	 1,669,716,936	 100%	 100%
 FY2019 TAX LEVY		 27,516,935	 7.5%
 FY2018 TAX LEVY		 25,600,839	
 AVERAGE SINGLE FAMILY 2019	 600,400		 6.0%
 AVERAGE SINGLE FAMILY 2018	 566,413		
 AVERAGE COMMERCIAL 2019	 958,900		 5.7%
 AVERAGE COMMERCIAL 2018	 907,000		
 FY19 TAX RATE		 16.48	
 FY18 TAX RATE		 16.22	