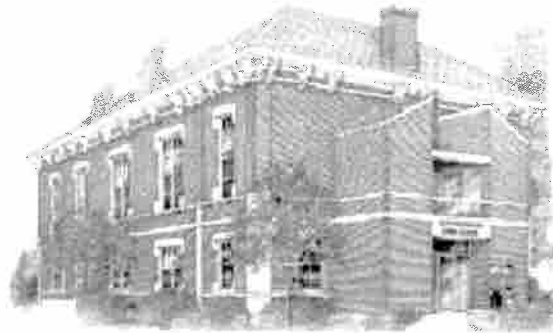


Southborough, Massachusetts

Fiscal Year 2013



Town of Southborough

Tax Classification Hearing

Prepared for: Southborough Board of Selectmen

John Rooney, Chairman

Daniel Kolenda

William Boland

Prepared by: Southborough Board of Assessors

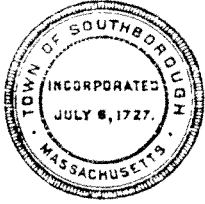
Shirley Bator, Chairwoman

Thomas Beaumont

Arthur Holmes

Paul Cibelli, Principal Assessor

November 20, 2012



Town of Southborough
BOARD OF ASSESSORS

17 COMMON STREET
SOUTHBOROUGH, MASSACHUSETTS 01772
OFFICE 508-485-0720 FAX 508-480-0161

November 20, 2012

To the Board of Selectmen and Citizens of Southborough:

The Board of Assessors is pleased to present information and options for the Board of Selectmen to determine whether there shall be a single tax rate or split tax rate for various classes of property for Fiscal Year 2013.

Tax classification allows communities to have different rates for certain classes of property and allows the Board of Selectmen to make the decision whether or not to shift the tax burden from one class of property to another. State statute provides a maximum allowable portion of the tax levy (up to 150%) to be borne by the commercial, industrial and personal property classes (CIP), and a minimum allowable portion to be borne by the residential class.

For FY2013 the total taxable value for the town of Southborough increased by \$9.75 million to \$2.068 billion. The Assessors calculated \$27.14 million in "new growth" value within the Town which equates to \$438,066 in new tax dollars, down from \$461,385 in FY2012. Southborough's average single family home valuation increased slightly from \$516,400 in FY2012 to \$518,300 in FY2013, a .37% increase.

Should the Board of Selectmen decide to continue with a single tax rate, the FY2013 rate would increase from \$16.14 to \$16.54. The average single family tax bill would increase from \$8,335 in FY2012 to \$8,573 in FY2013, a \$238 or 2.86% increase (excluding the Community Preservation Act surcharge).

The Board of Assessor's have attached several split rate options at the end of this classification packet for the Board of Selectmen's review. The chart depicts various split rate shifts, the tax rate impact, as well as the effect on the average single family tax bill. Also attached is a list of sixteen surrounding communities which reveals five having a split tax rate.

The Board of Assessors unanimously recommends that the Town of Southborough continue with a single tax rate. We believe a single tax rate helps a small town like Southborough attract new business into the community while retaining those already located in the town. Expanding business within the community provides new tax dollars with little impact on costly town services.

A major factor in the Board of Assessors recommendation is the amount of the Town's value that is derived from the Commercial, Industrial and Personal Property (CIP) classes which accounts for 19.32% of Southborough's total value. With a relatively small percentage of value coming from these classes, a split tax rate would only produce a small savings to the residential class while causing a large increase to the CIP classes, thus making Southborough a less attractive place to conduct business.

It is important to note that of the Town's 3,696 taxable parcels, 233 of them are commercial/industrial properties. Commercial and industrial properties therefore represent 6.3% of the taxable parcels in Southborough but account for 19.32% of the total tax revenue. This figure includes personal property taxes which many businesses pay in addition to their real estate taxes. This data suggests commercial and industrial classes pay their fair share of taxes under a single tax rate. The Board of Assessors also recognizes the role businesses play in contributing additional funds to support many of the town's, athletic, recreational and community events.

Respectfully,

Southborough Board of Assessors
Shirley A. Bator, Chairwoman
Thomas J. Beaumont
Arthur K. Holmes

Town of Southborough Average Single Family Assessment and Tax

Fiscal Year	# Homes	Avg. Valuation	Tax Rate	Total Value
2013	2808	\$518,300	\$16.54 *	\$1,455,493,400
2012	2797	\$516,400	\$16.14	\$1,444,261,500
2011	2776	\$509,800	\$15.58	\$1,415,148,300
2010	2774	\$548,600	\$14.06	\$1,521,871,800
2009	2773	\$556,400	\$14.16	\$1,542,985,700
2008	2771	\$576,600	\$12.54	\$1,597,873,700
2007	2758	\$579,400	\$12.58	\$1,598,070,400

*Estimated, single rate

AVERAGE SINGLE FAMILY TAX BILL

Fiscal Year	TAX	% Change
2013	\$8,573	2.86%
2012	\$8,335	4.94%
2011	\$7,943	2.98%
2010	\$7,713	-2.11%
2009	\$7,879	8.96%
2008	\$7,231	-0.80%
2007	\$7,289	5.90%

Assessed Values by Class

Year	Class 1 Residential	Class 2 Open Space	Class 3 Commercial	Class 4 Industrial	Class 5 Pers. Property	Totals
FY2013	1,668,607,957	0	219,808,206	110,146,800	69,721,400	2,068,284,363
FY2012	1,660,192,647	0	218,948,090	108,793,900	70,602,900	2,058,537,537
FY2011	1,642,445,709	0	239,534,805	113,541,900	78,772,700	2,074,295,114
FY2010	1,764,192,507	0	235,709,090	113,195,400	87,455,900	2,200,552,897
FY2009	1,796,894,929	0	219,715,386	109,669,800	77,730,100	2,204,010,215
FY2008	1,863,236,000	0	207,115,000	105,812,300	90,245,000	2,266,408,300
FY2007	1,869,065,598	0	201,039,802	105,780,000	85,306,300	2,261,191,700
FY2006	1,797,158,400	0	167,917,900	111,435,300	78,300,560	2,154,812,160

Relationship of Class Values

Year	Residential Open Space	COMM/ IND/P.P.	Totals
FY2013	80.68%	19.32%	100%
FY2012	80.65%	19.35%	100%
FY2011	79.18%	20.82%	100%
FY2010	80.17%	19.83%	100%
FY2009	81.53%	18.47%	100%
FY2008	82.21%	17.79%	100%
FY2007	82.66%	17.34%	100%
FY2006	83.40%	16.60%	100%

FY2012 TAX RATES OF SURROUNDING COMMUNITIES

COMMUNITY	SPLIT-RATE	RES. RATE	COMM. RATE
ASHLAND	NO	\$16.57	
BERLIN	YES	\$14.47	\$17.47
BOLTON	NO	\$19.78	
BOYLSTON	NO	\$17.02	
FRAMINGHAM	YES	\$16.94	\$38.05
GRAFTON	NO	\$14.13	
HOLLISTON	NO	\$18.32	
HOPKINTON	NO	\$17.05	
HUDSON	YES	\$15.51	\$29.55
MARLBOROUGH	YES	\$14.80	\$29.04
NATICK	NO	\$13.91	
NORTHBOROUGH	NO	\$15.49	
SHREWSBURY	NO	\$11.11	
SUDBURY	YES	\$17.60	\$22.95
WAYLAND	NO	\$19.01	
WESTBOROUGH	NO	\$19.21	
SOUTHBOROUGH	NO	\$16.14	
		\$16.54	(FY2013 PROPOSED)

*** FY2012 Mass communities with a single tax rate: 243 out of 351 or 69.2% ***

FISCAL YEAR 2013 TAX RATE OPTIONS

CURRENT FISCAL YEAR 2012 TAX RATE

SINGLE RATE	\$16.14
Average Single Family Value	\$516,400
Average Single Family Tax Bill	\$8,335

OPTIONS FOR FISCAL YEAR 2013 TAX RATES

SINGLE RATE	16.54
Average Single Family Value	\$518,300
Average Single Family Tax Bill	\$8,573

SPLIT RATE WITH CIP INCREASE OF 105%	RES.	\$16.34
	COMM.	\$17.37
Average Single Family Tax Bill		\$8,469
Average Single Family Savings		\$104

SPLIT RATE WITH CIP INCREASE OF 110%	RES.	\$16.14
	COMM.	\$18.19
Average Single Family Tax Bill		\$8,365
Average Single Family Savings		\$207

SPLIT RATE WITH CIP INCREASE OF 115%	RES.	\$15.95
	COMM.	\$19.02
Average Single Family Tax Bill		\$8,267
Average Single Family Savings		\$306

SPLIT RATE WITH CIP INCREASE OF 120%	RES.	\$15.75
	COMM.	\$19.85
Average Single Family Tax Bill		\$8,163
Average Single Family Savings		\$409

SPLIT RATE WITH CIP INCREASE OF 125%	RES.	\$15.55
	COMM.	\$20.67
Average Single Family Tax Bill		\$8,060
Average Single Family Savings		\$513

*All rates are per \$1000 of assessed valuation