

FISCAL YEAR 2021

November 10, 2020

Prepared for the Town Council

Town of East Longmeadow Tax Classification Hearing

Prepared by:

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Notice of Hearing

Town of East Longmeadow

Tax Classification

NOTICE IS HEREBY GIVEN IN ACCORDANCE WITH M.G.L. CHAPTER 30A SECTIONS 18-25, THAT THE EAST LONGMEADOW TOWN COUNCIL will hold a Public Hearing on Tuesday, November 10, 2020 at 6:10 p.m., via Zoom. Please click the link below to join the webinar:

<https://us02web.zoom.us/j/92481023445?pwd=TWxSMDlZTk15UDE1ODJvb1MwRytwQT09>

Passcode: 256253

The purpose of this Public Hearing will be on the issue of determining the percentages of tax levy to be borne by each class of real and personal property for Fiscal Year 2021.

All interested East Longmeadow tax payers are welcome to attend this hearing to present any oral or written comments on the matter. In the event a taxpayer is unable to attend the hearing, written comments may be submitted in advance to Mr. Michael Kane, Town Council President, 60 Center Square, East Longmeadow MA 01028.

Jeanne R. Quaglietti
Town Clerk, Clerk of the Council

The following information is for illustrative purposes.

No tax rate has been approved for FY 2021 as of yet.

The purpose of this hearing is for the Town Council to receive information from the Board of Assessors in order to decide on a factor to establish the allocation of the tax levy.

This hearing does not determine what the tax rate will be.

Town Council

Tax Classification Decision

- The Town Council will vote to determine if the Town of East Longmeadow will have a single tax rate or a split tax rate.
- The Town Council may vote to adopt a residential exemption and/or a small commercial exemption.

Fiscal Year 2021 Tax Rate Calculation

Calculated Based on a Single Tax Rate

Tax Levy Limit Prior Year (FY 2020)		\$44,321,187	\$20.84
Additions to FY 2021 Levy Limit			
2.5% Levy Growth		\$1,108,030	
New Growth in Tax Dollars		\$698,594	
Override		\$ 0	
FY 2021 Levy Limit (Before Debt Exclusion)			\$46,127,811
Amounts Outside Levy Limit			
Public Safety Radio Update		\$113,066	
Library Construction		\$83,925	
New Middle School		\$256,649	
12 School Modular's		\$101,308	
Total Debt Exclusions		\$554,948	
Tax Levy Limit Plus Debt Exclusion		\$46,682,759	

Fiscal Year 2021*

Summary of Tax Rate Options

**Chart is for illustrative purposes to show impact of split tax rate on four classes of properties.*

Tax Factor		Percentage of Tax Levy		Tax Rate	
Residential	CIP	Residential	CIP	Residential	CIP
1.00	1.00	82%	18%	\$21.06	\$21.06
.989	1.05	81%	19%	\$20.83	\$22.12
.977	1.10	80%	20%	\$20.60	\$23.17
.945	1.25	78%	22%	\$19.92	\$26.33
.89	1.50	73%	27%	\$18.77	\$31.59

Maximum Shift of 50% lowers the average single family tax bill: \$665

Maximum Shift of 50% increases the average C&I Tax Bill: \$8.328

Based on a average single family assessed value of \$290,400 and a average C&I assessed value of \$790,900

Historical Perspective- Levy Percentages Taxes Paid by Residential, Commercial, Industrial & Personal Property (CIP)

***For illustrative purposes only**

F. Y.	Tax Rate	Residential	Levy %	Commercial	Industrial	Personal Property	Levy %
2012	\$18.85	\$27,572,489	83	\$2,252,694	\$2,249,559	\$ 745,742	17
2014	\$20.47	\$29,943,835	83	\$3,059,107	\$2,417,918	\$ 826,954	17
2016	\$21.12	\$31,493,081	82	\$3,497,483	\$2,292,903	\$1,105,518	18
2017	\$20.77	\$31,777,186	82	\$3,577,904	\$2,256,056	\$1,311,258	18
2018	\$20.94	\$32,815,893	82	\$3,868,569	\$2,218,214	\$1,193,266	18
2019	\$20.55	\$33,520,755	82	\$3,856,743	\$2,169,598	\$1,449,815	18
2020	\$20.84	\$35,010,087	82	\$ 4,041,614	\$2,232,444	\$1,548,619	18
2021	\$21.06	\$36,737,897	82	\$ 4,107,160	\$2,261,157	\$1,630,271	18

Neighboring Towns FY 2020 Tax Comparison-Single Family Home

Town	Tax Rate	Average Home Value	Average Single Family Tax Bill	Total Tax Levy
East Longmeadow	\$20.84	\$281,000	\$5,856	\$42,832,763
Longmeadow	\$24.21	\$373,900	\$9,052	\$54,504,292
Wilbraham	\$22.38	\$298,300	\$6,677	\$39,428,024*
Ludlow	\$20.62	\$231,200	\$4,766	\$44,249,314
South Hadley	\$ 19.94	\$264,800	\$5,280	\$29,172,331**
Tax Rate \$17.58**	\$ 20.34		\$5,386	
Belchertown	\$18.17	\$279,600	\$5,081	\$28,678,308
*Regional School District ** Plus Fire District Tax Rate				

Residential Exemption

- The Town Council may vote to adopt a Residential Exemption.
- Presently there are sixteen municipalities (out of 351) that have a high percentage of rental properties.
- In FY20 the following communities adopted this exemption: Barnstable, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Nantucket, Provincetown, Somerville, Tisbury, Truro, Waltham, Watertown and Wellfleet.
- This exemption does not change the total taxable value for residential properties. This exemption shifts the tax burden between owner occupied and rental properties.
- East Longmeadow taxpayers would not benefit from this exemption due to the majority of residential properties being owner occupied.

Small Commercial Exemption

- The Town Council may vote to adopt a Small Commercial Exemption.
- Any commercial parcel with a valuation less than \$1 million that is occupied solely by businesses with an average annual employment of no more than 10 people would qualify. A confidential list is provided annually by the Division of Unemployment Assistance.
- In FY20, there were approximately 42 commercial properties that might qualify out of 374 commercial and industrial properties.
- This exemption does not change the total taxation for commercial properties. This exemption would lower the taxable valuation on the properties that qualify by 10% and shift the remaining tax burden between all other commercial and industrial properties.
- This exemption does not benefit the small business owner but the owner of the real estate.
- In FY 2020 there were only fourteen communities who adopted the Small Commercial Exemption. Those communities included Auburn, Avon, Bellingham, Berlin, Braintree, Chelmsford, Dartmouth, Erving, New Ashford, North Attleboro, Seekonk, Swampscott, Westford and Wrentham.