

FISCAL YEAR 2023

November 10, 2022

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 Thursday, November 10, 2022 at 6:00 p.m., at the Council on Aging Media Room, 328 North Main Street, OR via Zoom webinar. Please click the link below to join the webinar:
<https://eastlongmeadowma.zoom.us/j/83133241134?pwd=Y0JXU0w5bmkrZ1RR0ThrdDZCeFk3Zz09> Passcode: 539891

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 2023.

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. Ralph E. Page, 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.

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 actual tax rate will be. No tax rate has been approved for FY 2023 as of yet.

Final Tax Rates can change slightly when submitting to DOR. Excess Levy figures will change slightly due to rounding.

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 2023 Tax Rate Calculation

Calculated Based on a Single Tax Rate

Tax Levy Limit Prior Year (FY 2022)		\$47,811,490	\$20.29
Additions to FY 2023 Levy Limit			
2.5% Levy Growth		\$1,195,287	
New Growth in Tax Dollars		\$630,358	
Override		\$ 0	
FY 2023 Levy Limit (Before Debt Exclusion)			\$49,637,135
Amounts Outside Levy Limit			
Library Construction		\$78,000	
12 School Modulars		\$73,936	
Total Debt Exclusions			\$151,936
Tax Levy Limit Plus Debt Exclusion		\$49,789,071	

Fiscal Year 2023*

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	84%	16%	\$19.20	\$19.20
.99	1.05	83%	17%	\$19.00	\$20.26
.98	1.10	82%	18%	\$18.83	\$21.10
.95	1.25	80%	20%	\$18.26	\$24.06
.90	1.50	76%	24%	\$17.35	\$28.71

Maximum Shift of 50% lowers the average single family tax bill: \$629

Maximum Shift of 50% increases the average C&I Tax Bill: \$7,875

Based on an average single family assessed value of \$339,800 and a average C&I assessed value of \$828,100

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 %
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	\$1,193,266	18
2020	\$20.84	\$35,010,087	82	\$4,107,160	\$2,232,444	\$1,548,619	18
2021	\$21.06	\$36,737,897	82	\$4,107,160	\$2,261,157	\$1,630,271	18
2022	\$20.29	\$37,635,383	83	\$3,859,191	\$2,157,079	\$1,729,096	17
2023*	\$19.20	\$39,424,643	84	\$3,911,484	\$2,149,564	\$1,604,309	16

Neighboring Towns FY 2022 Tax Comparison-Single Family Home

Town	Tax Rate	Average Home Value	Average Single Family Tax Bill	Total Tax Levy
East Longmeadow	\$20.29	\$308,200	\$6,253	\$45,380,749
Longmeadow	\$24.64	\$392,900	9,681	\$58,490,233
Wilbraham	\$20.49	\$347,400	\$7,110	\$42,283,989*
Ludlow	\$19.99	\$251,700	\$5,031	\$46,706,487
South Hadley	\$ 18.48	\$300,300	\$5,550	\$35,083,875**
Tax Rate \$16.45**	\$ 18.99		\$5,703	
Belchertown	\$17.66	\$306,500	\$5,412	\$30,937,000
*Regional School District ** Plus Fire District Tax Rate				

Residential Exemption

- The Town Council may vote to adopt a Residential Exemption.
- This exemption does not change the total taxable value for residential properties. This exemption shifts the tax burden between owner occupied and rental properties.
- Presently there are sixteen municipalities (out of 351) that adopted this exemption due to having a high percentage of rental properties.
- In FY22 the following communities adopted this exemption: Barnstable, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Nantucket, Oak Bluff, Provincetown, Somerville, Tisbury, Truro, Waltham, Watertown and Wellfleet.
- 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 FY23, there are approximately 57 commercial properties that might qualify out of 372 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 2022 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.