Information about your Fiscal Year 2011 Real Estate Tax Bill

This insert is intended to provide you with some information about your enclosed tax bill. The following questions are most commonly asked by residents about their tax bills.

Did all property values in Westwood change from FY10 to FY11?

No. Approximately 70% of the residential homes in Town had no change in value in FY11. Values are required to be updated to reflect market conditions and sales activity. As always, values also change due to home renovation or improvements. The value of all real estate in Town declined 2.36%, with residential value declining 2.41% and commercial value declining 2.03%.

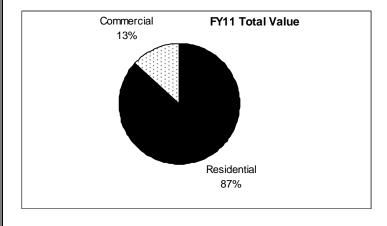
A report listing all home values for FY10 and FY11 can be found on the Town's web site at www.townhall.westwood.ma.us (left side of home page under "Important Links") or in printed form at Town Hall. For more detail, you may also access the Assessors' on-line database, which is also located on the Town's web site under "Important Links". It is important to remember that state tax law dictates that your FY11 tax bill is based on assessed home value as of **January 1, 2010** and home sales during calendar year **2009**.

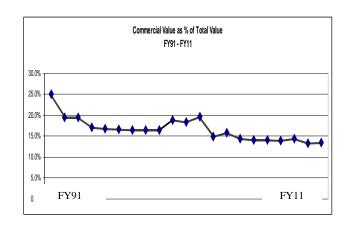
If you notice any data errors when viewing the on-line Assessors' database, please contact the Assessors' Office. The Board of Assessors is committed to making sure that each property is fairly and accurately assessed.

Was there any change or shifting in tax burden between residential and commercial properties?

Yes. There was a slight shifting of the tax burden. Overall residential value decreased 2.41% while overall commercial value declined 2.03%. While overall residential values dropped 2.4%, over 70% of homes had no change in value and 10% of homes experienced value decreases greater than 5%. On the commercial side, while overall values decreased 2.03%, most commercial values decreased 3 – 4%, with an increase of commercial personal property value of 8.5%. So the true presentation of value changes is 0% for residential offset against a 3% decline in commercial values. In FY11, commercial property will be 13.44% of the total Town value. The historical commercial as % of value is shown on the line chart below.

The Town of Westwood has a split tax rate, taxing commercial and industrial property at a higher rate than residential property. The Board of Selectmen, in consultation with the Board of Assessors, voted to set the FY11 shift factor at the current 1.65 rate. This means that in FY11, commercial property, while only representing 13.4% of the Town's value, will pay 22% of the total taxes. Without this split rate, the average tax bill would increase an additional 11% or \$825.





What is the change in real estate tax rates for FY11?

Because overall value declined, the FY11 tax rates must correspondingly increase to meet the Proposition 2 ½ levy.

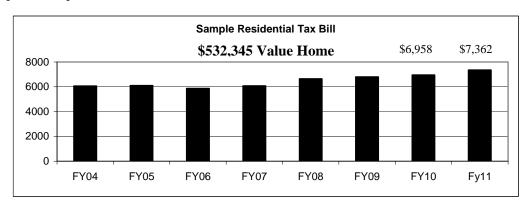
The FY11 tax rates per \$1,000 of valuation are as follows:

Tax Rate	FY10	FY11	Rate Increase FY10 to FY11	% Increase in Rate FY10 to FY11
Residential	\$13.07	\$13.83	\$.76	5.8%
Commercial	\$23.99	\$25.38	\$1.39	5.8%

What happened to my individual tax bill?

The tax rate on your bill is based upon the value of the residential and commercial property in the Town and the amount of money that was voted to be spent at the Town Meeting last May. It also includes debt outside of Proposition 2 ½ described below. This tax rate is then multiplied by the value of your house to arrive at your new tax amount.

Proposition 2½ places limits on the total amount of taxes that can be raised by a city or town. It does not apply to an individual tax bill. While the total taxes collected by the Town, without new growth, increased by 2.2%, each <u>individual</u> tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.



This sample home has a tax increase of \$404, or 5.8% from FY10 to FY11 and has no change in assessed value from FY10 to FY11.

What debt outside Proposition 2 ½ is included in this bill?

There are two components to the total taxes collected by the Town: 1) the general tax levy, and 2) the exempt debt, which is the principal and interest costs for the debt approved outside the limits of Proposition $2\frac{1}{2}$.

The FY11 tax levy includes principal and interest payments that the Town will be making for the Proposition 2½ debt exclusion projects listed below. All other debt projects approved outside of Proposition 2½ have been completed, meaning the bond has been fully repaid and the cost removed from the tax levy. The library project approved at the 2010 special town meeting is not included in the levy since the bond has not yet been issued.

Project/Bond Issued	Fiscal Year Debt Will Be Completed	FY11 Debt Payments	Net Amount of Debt in FY11 Levy
Downey School Construction - \$6,500,000	2012	9 th of 10	\$64,170
Martha Jones School Construction - \$7,200,000	2012	9 th of 10	\$164,920
High School Construction - \$39,262,300	2023	8 th of 20	\$1,609,004

The Town is now receiving state payments for <u>all</u> the school projects. This money directly reduces the taxes that must be raised for the debt. Only the net amount is paid by the residents.