

Tax Rate Information

We know that residents have been anxiously awaiting the setting of the tax rate after this year's town-wide revaluation conducted by our third-party assessing firm, Avitar Associates, so we are offering the following information for your understanding of this year's rate, and the impact it will have on different tax payers/properties.

After last year's tax rate increase, we made a conscious effort to put forward a conservative budget for 2018 with a 0% increase, as well as very limited warrant articles to be raised by taxation. We did so with an awareness that, having used 300k of fund balance to reduce the tax rate in 2017 (without which the increase would have been over \$10 per thousand), the Town's cash position (money in the bank available to meet our obligations) would likely allow for little or no use of fund balance this year. The proposed budget and warrant articles were approved as presented by voters at Town Meeting.

Our tax rate is made up of 4 components: Municipal, County, Local School, and State School rates. The municipal rate is the only component that the town officials have any ability to impact, and is derived from the total commitment (approved budget and warrant articles minus revenues) divided by the Town's total valuation, with adjustments for use of fund balance, which brings the rate down, and overlay (an amount added to offset the lost revenue due to abatements), which increases the rate. With zero fund balance used to offset taxes, and a very conservative amount for overlay (\$5,000), the municipal portion of the rate will be \$12.58, down 14.9% from last year's municipal rate of \$14.45. Reductions were realized in the county portion, down from \$1.29 to \$1.15 (-12.2%), and the state school portion, down from \$2.43 to \$1.96 (-24%). Unfortunately, despite the increased valuation, the local school rate is increasing, from \$12.91 to \$13.53. The resultant total rate (finalized 10/25/2018 by the DRA) is \$29.22.

Overall, the Town's valuation increased 18.35% (19.9% including utilities), however the percentage change of values was vastly different amongst different types of property. Many single-family homes and mobile homes increased between 15 and 30% (with some as high as 40+%), whereas most 2-families and multis remained flat, or even decreased slightly in value. The effect of this, despite a decrease in the total tax rate, is that some properties will see increased tax bills. Those with the largest increases in assessed value will see the largest percentage increase in their tax bill.

We understand the hardship that this will cause many property owners in Town, and we are committed to prudent financial management of costs within our control. We encourage the public's involvement in all aspects of town government, from discussions of the challenges we face and exploration of viable solutions, to the voting opportunities which commit funds for the operation of the town and the school district. As always, Selectmen's meetings are open to the public. Our next meeting will be November 14th.

Greenville Board of Selectmen