

Selectmen's Meeting
Wednesday, November 19, 1997
2nd floor Town Hall Meeting Room
Town Hall, Main St., Ayer, MA

7:00p.m. Open Session

The Board met with Chairman Norstrom, Selectman Hamel and Selectman Bresnahan for the purpose of conducting a Public Hearing re: the Town of Ayer's Fy-98 Tax Classification. Present for the meeting was Thomas Hogan Assistant Assessor, Sandra Jones Assessor, Denis Callahan, Assessor and Edward Cornellier, Chairman of the Board of Assessors. Chairman Norstrom opened the Hearing by reading the legal advertisement which ran in the Nashoba Publications newspaper and aired on Cable TV-Channel 8.

7:00p.m. Chairman Norstrom opened the Public Hearing re: the Town of Ayer's Fy-98 Tax Classification by introducing Thomas Hogan who gave an overview of the Town's Options:

1. Open Space Discount-(25%)
2. Residential Discount-(20%)
3. Small Commercial Exemption-(10%)
4. Residential Factor-% tax burden to be borne by ea. class of property

Mr. Hogan opened the discussion by reporting on the definitions of the four options, a Fy-98 valuation breakdown, tax levy summary, historical breakouts, and a comparative tax rate listing of surrounding towns depicting one rate communities and two rate communities.

The Board after receiving comment from those in attendance closed the hearing.

Chairman Norstrom called for a vote to close the Fy-98 Tax Classification Hearing. Selectman Bresnahan moved to closed the Fy-98 Tax Classification Hearing, 2nd by Selectman Hamel; VOTE: unanimous, so moved.

7:45p.m. The Public Hearing Closed.

7:45p.m. Selectman Bresnahan moved the Board accept Multi Rate Option C Residential Tax Rate of \$10.16 and Commercial/Industrial Rate of \$19.34 shifting the residential factor percentage to 29.8735% and Commercial Industrial percentage shift to 70.1265%, 2nd by Selectman Hamel, VOTE: unanimous, so moved.

Mr. Hogan stated the Fy-98 tax bills will be out the 1st week in December 1997.

Chairman Norstrom requested Mr. Kreidler advertise for two (2) citizens at large to serve on a Tax Classification Committee-this request coming from the Board's meeting conducted on Tuesday, November 18, 1997, when the Board received comment from residents and businesses.

The Board complimented the Board of Assessors and Mr. Hogan for their presentation and thanked all present for their participation.

Selectman Bresnahan moved the Board adjourn the meeting, 2nd by Selectman Hamel, Vote unanimous, so moved.

7:50p.m. Selectmen's Meeting closed.


Paul D. Bresnahan

-DATE:

DEC 1 1997

Paul D. Bresnahan, Clerk
AYER BOARD OF SELECTMEN



**Board of Assessors
Town Hall
1 Main Street
Ayer, Massachusetts 01432**

Tel: (978) 772-8211

Fax: (978) 772-8222

Date: November 19, 1997
To: Board of Selectmen
From: Board of Assessors
Re: Fiscal Year 1998 Tax Rate

In accordance with Chapter 390 of the Acts of 1982, the Ayer Board of Selectmen is required to hold a public hearing for the determination of the following items as to the Fiscal year 1998 tax rate:

1. The determination of a discount factor of up to 25% for all land identified as Open Space.
2. The determination of a Residential Exemption of up to 20%.
3. The determination of a Small Commercial Exemption of up to 10%.
4. The adoption of a Residential Factor for the purpose of determining the percentage tax burden to be borne by each class of property.

The information that follows is submitted to the Board of Selectmen in order to assist you in understanding the impact of your vote.

The Board of Assessors shall attend the public hearing in order to assist the Selectmen as needed.

Sincerely,

C. Edward Cornellier, Chairman
Board of Assessors

**TOWN OF AYER
FISCAL YEAR 1998
CLASSIFICATION OPTIONS**

1. Open Space Discount

Open space is defined as land maintained in an open or natural condition which contributes significantly to the benefit and enjoyment of the public. It may not include land taxable under the provisions of Ch. 61 (Forest Land), Ch. 61A, (Agricultural), Ch. 61B (Recreational Land), or under a permanent conservation restriction. Tax exempt land or land held for the production of income is also excluded from the open space classification. The discount can be up to 25% of the full and fair cash value of the open space class and any discount granted is picked up within the residential class.

2. Residential Exemption

A residential exemption, which would be applied to every residential property which is the principal residence of a taxpayer, may be adopted by the Board of Selectmen. The residential exemption does not apply to accessory land incidental to a residential use, summer homes, or residential property not occupied by its owner. If adopted, the residential exemption may be up to 20% of the average assessed value of all residential property. The Town of Ayer has never adopted a residential exemption.

3. Small Commercial Exemption

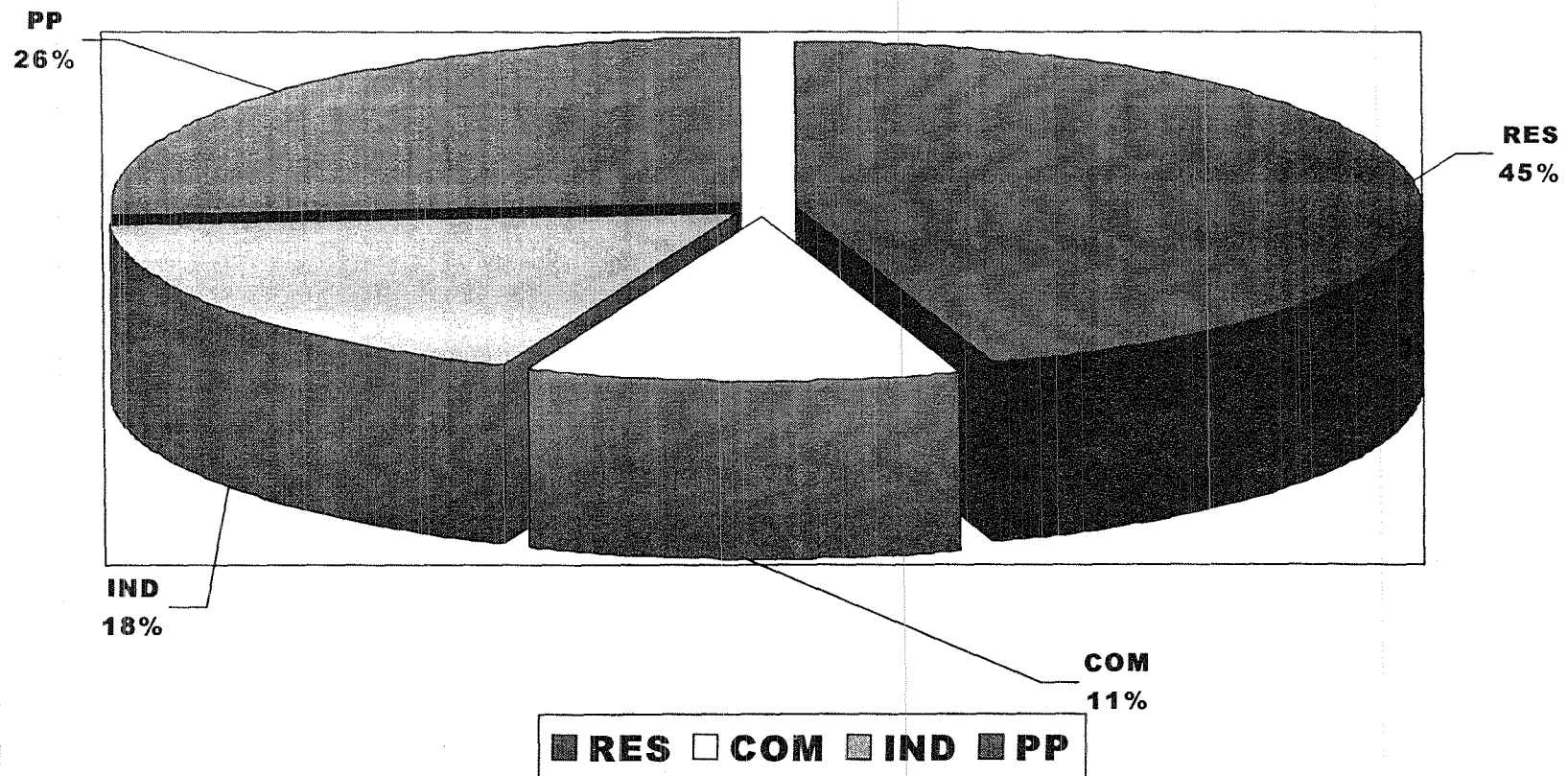
The small commercial exemption is a relatively new option under the property tax classification law that permits local officials to give preferential treatment to commercial properties occupied by small businesses. The Board of Selectmen may now decide annually to exempt up to 10% of the value of commercial parcels that are occupied by businesses with an average annual employment of no more than ten people as certified by the Commissioner of the Department of Employment and Training. Additionally, eligible parcels must have assessed valuations of less than one million dollars. If adopted, it has the effect of reducing property taxes on properties occupied by small businesses and shifting those taxes onto other commercial and industrial properties.

4. Residential Factor

The final decision that the Board of Selectmen must make is the annual determination of the residential factor. The residential factor is employed to establish the tax burden to be borne by each class of property. Adoption of any factor other than 1.0000 will serve to shift the tax burden from the residential taxpayers onto the commercial, industrial, and personal property taxpayers.

Town Of Ayer Tax Classification Study

FY98 - Valuation Breakdown



TOWN OF AYER

FISCAL YEAR 1998 TAX RATE

A. VALUATION SUMMARY

<u>CLASS</u>	<u>VALUE</u>	<u>PERCENT</u>	<u>% SPLIT</u>
RESIDENTIAL	240,343,900	44.7823%	
OPEN SPACE	0	0.0000%	45%
COMMERCIAL	57,943,695	10.7964%	
INDUSTRIAL	96,341,105	17.9508%	
<u>PERSONAL</u>	<u>142,065,530</u>	<u>26.4705%</u>	<u>55%</u>
TOTALS	536,694,230	100.00%	100%

B. TAX LEVY SUMMARY

FY97 LEVY LIMIT	7,654,141
INCREASED 2.5%	191,354
FY98 GROWTH	130,595
DEBT EXCLUSION	<u>197,987</u>
FY98 LEVY LIMIT	8,174,077
FY98 TAX LEVY	8,174,077
EXCESS LEVY CAPACITY	0
FY97 TAX LEVY	7,877,022
LEVY INCREASE %	4%
FY97 EQUALIZED TAX RATE	\$14.78
FY98 EQUALIZED TAX RATE	\$15.23
% INCREASE	3%

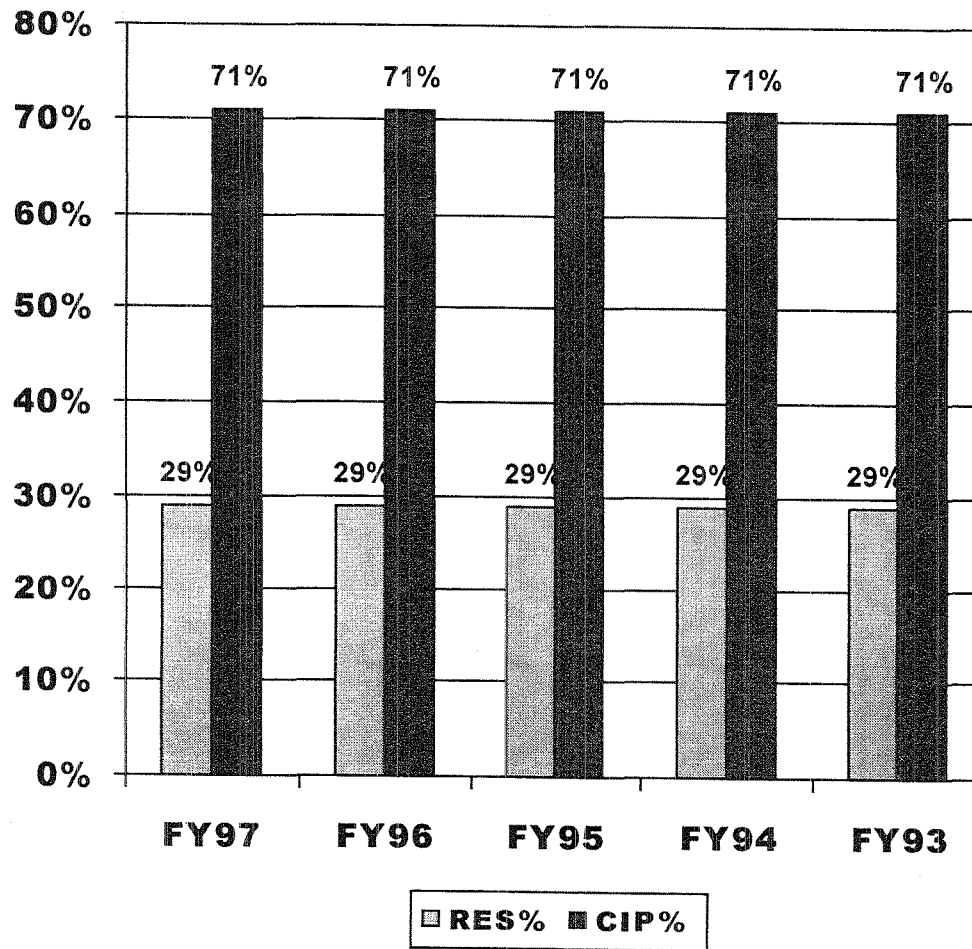
C. LAST YEAR'S TAX LEVY ALLOCATION

<u>CLASS</u>	<u>VALUE</u>	<u>% SPLIT</u>	<u>% SHARE OF LEVY</u>	<u>TAX RATES</u>
RESIDENTIAL	233,493,953	44%	29%	\$9.85
<u>COM/IND/PER</u>	<u>299,361,587</u>	<u>56%</u>	<u>71%</u>	<u>\$18.63</u>
TOTALS	532,855,540	100%	100%	

SELECTED RESIDENTIAL FACTOR - 1997 66.6658%

Town of Ayer

FY98 Classification Data



■ Historical Levy Percentages for Tax Years 1993-1997.

**TOW OF AYER
FISCAL YEAR 1998
ESTIMATED TAX RATES**

(A)		(B)		(C)		(D)		(E)	
% SHIFT	RES. FACTOR	COMM. PERCENT	RES. PERCENT	RES. TAX RATE	C&I TAX RATE	RES RATE CHANGE	C&I RATE CHANGE	RES BILL \$ CHANGE	C&I BILL \$ CHANGE
1.0000	100.0000%	55.2177%	44.7823%	15.23	15.23	55%	-18%	\$670	(\$1,716)
1.0500	93.8348%	57.9786%	42.0214%	14.29	15.99	45%	-14%	\$553	(\$1,333)
1.1000	87.6697%	60.7395%	39.2605%	13.35	16.75	36%	-10%	\$436	(\$949)
1.1500	81.5045%	63.5004%	36.4996%	12.41	17.51	26%	-6%	\$319	(\$565)
1.2000	75.3396%	66.2612%	33.7388%	11.47	18.28	16%	-2%	\$202	(\$177)
1.2100	74.1065%	66.8134%	33.1866%	11.29	18.43	15%	-1%	\$179	(\$101)
1.2200	72.8734%	67.3656%	32.6344%	11.10	18.58	13%	0%	\$156	(\$25)
1.2300	71.6404%	67.9178%	32.0822%	10.91	18.73	11%	1%	\$132	\$50
1.2400	70.4075%	68.4699%	31.5301%	10.72	18.89	9%	1%	\$108	\$131
1.2500	69.1744%	69.0221%	30.9779%	10.54	19.04	7%	2%	\$86	\$207
1.2600	67.9414%	69.5743%	30.4257%	10.35	19.19	5%	3%	\$62	\$283
1.2700	66.7083%	70.1265%	29.8735%	10.16	19.34	3%	4%	\$39	\$358
1.2800	65.4752%	70.6787%	29.3213%	9.97	19.49	1%	5%	\$15	\$434
1.283855	65.0000%	70.8915%	29.1085%	9.90	19.55	1%	5%	\$6	\$464

TOWN OF AYER COMPARATIVE TAX RATE LISTING

ONE TAX RATE COMMUNITIES

<u>FY</u>	<u>MUNICIPALITY</u>	<u>TAX RATE</u>
97	TOWN OF AYER	\$14.78
97	ACTON	\$19.02
97	DUNSTABLE	\$15.32
97	GROTON	\$17.68
97	HARVARD	\$14.21
97	LEOMINSTER	\$17.36
97	LUNENBURG	\$18.46
97	PEPPERELL	\$14.92
97	SHIRLEY	\$13.89
97	TOWNSEND	\$18.24
97	WESTFORD	<u>\$14.90</u>
	AVERAGE:	\$16.40

TWO TAX RATE COMMUNITIES

<u>FY</u>	<u>MUNICIPALITY</u>	<u>RESIDENTIAL</u>	<u>C.I.P</u>
97	TOWN OF AYER	\$9.85	\$18.63
97	ANDOVER	\$15.48	\$22.57
97	BILLERICA	\$15.38	\$34.82
97	BURLINGTON	\$11.60	\$30.80
97	CHELMSFORD	\$19.37	\$20.33
97	FITCHBURG	\$15.89	\$23.59
97	FRAMINGHAM	\$17.25	\$30.61
97	LAWRENCE	\$19.33	\$36.51
97	LITTLETON	\$15.58	\$24.06
97	LOWELL	\$19.19	\$40.81
97	MARLBOROUGH	\$16.93	\$29.49
97	METHUEN	\$16.82	\$22.23
97	N. ANDOVER	\$13.87	\$16.61
97	PEABODY	\$10.30	\$19.25
97	TEWKSBURY	\$14.42	\$23.65
97	WILMINGTON	\$13.18	\$28.50
97	WOBURN	<u>\$11.20</u>	<u>\$24.81</u>
	AVERAGE:	\$15.36	\$26.79