

Town Budget



DETERMINING THE AMOUNT TO BE SPENT

- AMOUNT OF AVAILABLE FUNDS
- ESTIMATED RECEIPTS
- AMOUNT RAISED BY PROPERTY TAXES

Town Budget



AVAILABLE FUNDS

- **FREE CASH**
- **OTHER FUNDS**

Town Budget



ESTIMATED RECEIPTS

- **MOTOR VEHICLE EXCISE**
- **CHARGES FOR SERVICES**
- **PENALTIES & INTEREST**
- **LICENSES AND PERMITS**
- **RENTALS**

Town Budget



PROPERTY TAXES

- **REAL ESTATE**
- **PERSONAL PROPERTY**

Town Budget



DETERMINING THE AMOUNT TO BE RAISED FROM PROPERTY TAXES

- ALLOWABLE LEVY AMOUNT**
- OVERRIDES**
- DEBT EXCLUSIONS**

Town Budget



ALLOWABLE LEVY (LEVY LIMIT)

- BEGINS WITH LAST YEARS LEVY LIMIT**
- 2.5% LEGAL INCREASE ADDED**
- NEW GROWTH ADDED**
- RESULTS IN CURRENT YEAR LEVY LIMIT
(TOTAL AMOUNT TOWN CAN LEGALLY RAISE
THROUGH TAXATION)**

Town Budget



OVERRIDE

- **TOWNS CAN VOTE TO INCREASE THE CURRENT YEAR LEVY LIMIT BY ADDING TO IT WITH A PUBLIC VOTE**
- **FIRST AT A TOWN MEETING**
- **THEN WITH PUBLIC VOTE TO RATIFY**
- **PERMANENT INCREASE TO LEVY LIMIT**

Town Budget



DEBT EXCLUSION

- TOWNS CAN SPEND ABOVE THE LEVY LIMIT
BY APPROVING TEMPORARY CAPITAL
SPENDING OVER A PERIOD OF TIME**
- FIRST AT A TOWN MEETING**
- THEN WITH A PUBLIC VOTE TO RATIFY**
- NOT PERMANENT**

Town Budget



TOWN MEETING

- DETERMINES THE BUDGET**
- DETERMINES IF AN OVERRIDE VOTE IS NEEDED**
- DETERMINES IF DEBT EXCLUSION VOTE IS NEEDED**

Tax Rate



**CURRENT YEAR BUDGET NEEDED TO
BE RAISED BY TAXATION DIVIDED BY
THE TOTAL VALUE OF THE TOWN
(DIVIDED BY 1000)**

Tax Rate



$$\begin{aligned} &\cdot\text{BUDGET TO BE RAISED BY TAXATION} \\ &= \\ &\quad \cdot\$18,190,326 \\ &\cdot\text{TOTAL VALUE OF TOWN} = \\ &\quad \cdot\$755,550,788 \\ &\cdot\$18,190,326 / (\$ 755,550,788 / 1000) = \\ &\quad \cdot\text{TAX RATE OF } \$24.08 \end{aligned}$$

Tax Rate



Value of Property only determines what the Tax Rates will be.

The Budget is the set figure at Town Meeting

Tax Rate



- **IF PROPERTY VALUES INCREASE**
- **DEPENDING OF HOW MUCH THE TOWN BUDGET INCREASES THE TAX RATE MAY INCREASE SLIGHTLY OR EVEN DECREASE.**

Tax Rate



- **IF PROPERTY VALUES DECREASE**
- **DEPENDING OF HOW MUCH THE TOWN BUDGET INCREASES THE TAX RATE WILL INCREASE.**

Tax Rate



CLASSIFICATION

**MGL ALLOWS COMMUNITIES TO SHIFT MORE
OF THE BURDEN TO COMMERCIAL/INDUSTRIAL
AND PERSONAL PROPERTY OWNERS**

•AVON ADOPTED THIS IN 1982

Tax Rate



THE BOARD OF SELECTMEN VOTE ANNUALLY TO DETERMINE THE AMOUNT TO SHIFT BY CHOOSING THE RESIDENTIAL FACTOR.

- OVER THE LAST TEN YEARS THE FACTOR CHOSEN HAS BEEN BETWEEN 65 TO 70%**
- THIS YEAR'S FACTOR IS 68.0%**

Tax Rate



- CHOOSING THAT FACTOR RESULTS IN A**
- RESIDENTIAL RATE OF \$16.37 (.68 *\$24.08)**
- COM/IND/PP RATE OF \$32.82**

Tax Rate



SMALL COMMERCIAL EXEMPTION

**·SELECTMEN ALSO ANNUALLY VOTE
WHETHER OR NOT TO GRANT SMALL
COMMERCIAL BUSINESS OWNERS AN
EXEMPTION AND THE AMOUNT TO BE
EXEMPTED**

·THIS YEAR WAS GRANTED AT 10%

Tax Rate



ELIGIBILITY FOR THE EXEMPTION

- BUSINESS VALUED AT \$1,000,000 OR LESS**
- HAVE NO MORE THAN 10 EMPLOYEES**
- BUILDING MOSTLY OCCUPIED.**

Tax Rate



EFFECT ON THE COMMERCIAL/ INDUSTRIAL RATE

- TO MAKE UP FOR THE EXEMPTED AMOUNT.
THE TOTAL VALUE OF THE COMMERCIAL
AND INDUSTRIAL PROPERTIES ARE
ADJUSTED ABSORBING THE EXEMPTED
VALUE. THIS INCREASE THE COM/IND TAX
RATE SLIGHTLY**

Tax Rate



AVON TAX RATES FY2015

·RESIDENTIAL RATE OF \$16.37

·COM/IND RATE OF \$32.87

·PERSONAL PROPERTY RATE OF \$32.82

Your Tax



- Your property value divided by 1000 multiplied by the appropriate rate.
- A Residential property with value of \$275,000 would be $(275,000/1000) \times 16.37 =$ tax of \$4,501.75
- A Commercial/Industrial property of \$275,000 would be $(275,000/1000) \times 32.87 =$ tax of \$9,039.25

Other Exemptions



OTHER RESIDENTIAL EXEMPTIONS AVAILABLE

•VETERANS WITH DISABILITIES

•ELDERLY

•BLIND

•HARDSHIPS