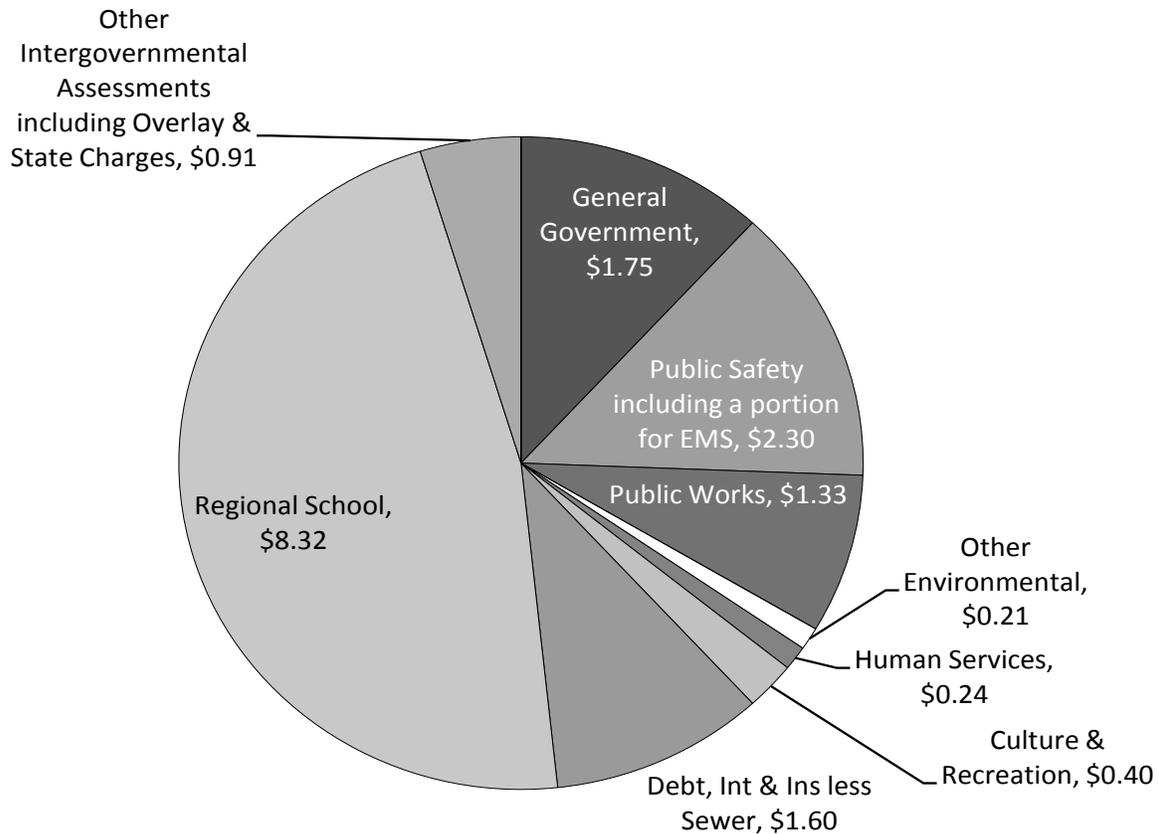


# FY 14 - July 1, 2013 to June 30, 2014

## Division of \$17.06 Tax Rate

The Excess Levy Capacity (the amount below Proposition 2½ Limit) for this year is \$196,427.55.



The Board of Selectmen appreciate the difficulty people are facing in these uncertain economic times and is trying along with all boards, commissions and staff to operate town government in the most efficient manner possible. The local tax rate has increased mainly due to the school debt exclusion of \$1,009,390, along with limited state aid, increases in operating expenses, such as the regional school assessment, public safety EMS and new police department school resource officer, fixed expenses, debt service, and major projects like road infrastructure along with modest increases to provide government services voted at Town Meetings. The town's valuation has increased slightly from \$968,847,898 for fiscal year 2013 to \$971,611,457 for fiscal year 2014.

Town government has worked hard to hold down tax increases and will continue to look for savings by reviewing all programs and services on an annual basis and by working with both state and federal representatives to make sure Southwick receives its fair share of both state and federal aid.

	FY 13	% of budget	FY 14	% of budget	Tax Rate	inc/dec over FY13	% inc/dec over FY13
General Government	\$2,030,335	11.1%	\$2,050,889	10.3%	\$1.75	\$20,554	1.01%
Public Safety including a portion for EMS	\$2,527,904	13.8%	\$2,693,118	13.5%	\$2.30	\$165,214	6.54%
Public Works	\$1,528,665	8.3%	\$1,556,120	7.8%	\$1.33	\$27,455	1.80%
Other Environmental (plus Sewer Fee Offset)	\$257,845	1.4%	\$250,223	1.3%	\$0.21	-\$7,622	-(3.0%)
Human Services	\$236,799	1.3%	\$275,338	1.4%	\$0.24	\$38,539	16.27%
Culture & Recreation	\$465,425	2.5%	\$470,698	2.4%	\$0.40	\$5,273	1.13%
Debt, Int & Ins less Sewer	\$1,800,668	9.8%	\$1,874,241	9.4%	\$1.60	\$73,573	4.09%
Regional School Assessment (including debt exclusion)	\$8,420,696	46.0%	\$9,739,044	48.7%	\$8.32	\$1,318,348	15.66%
Other Intergovernmental Assessments	\$1,045,816	5.7%	\$1,068,914	5.4%	\$0.91	\$23,098	2.21%
<b>Total Budget</b>	<b>\$18,314,153</b>	<b>100.0%</b>	<b>\$19,978,585</b>	<b>100.0%</b>	<b>\$17.06</b>	<b>\$1,664,432</b>	<b>9.09%</b>
<b>Total Town Costs without Regional School or other Intergovernmental Assessments</b>	<b>\$8,847,641</b>		<b>\$9,170,627</b>			<b>\$322,986</b>	<b>3.65%</b>

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## HOW PROPERTY TAXES ARE DETERMINED

Assessors are required by Massachusetts law to value all real and personal property within their community. They value every property, from single-family residences to commercial and industrial enterprises. Assessors do not make the laws that affect property owners. Tax laws are enacted by the Massachusetts Legislature. Guidelines and regulations to implement the legislation are established by the Massachusetts Department of Revenue. Assessors follow the procedures established by others to set the value of property. *Value is actually set by property buyers and sellers as they establish the worth of comparable properties through their transactions in the real estate marketplace.*

Assessors do not determine taxes. The level of property taxation is determined by the Town through its Town Meeting. Similarly, the Assessors don't decide who is entitled to relief on their property tax bills through exemptions; Assessors simply follow the Massachusetts state law.

Valuation in Massachusetts is based on "full and fair cash value," the amount a buyer would pay a seller on the real estate marketplace. Assessors must collect, record, and analyze a great deal of information about property and market characteristics in order to estimate the fair market value of all taxable properties in their communities. Properties such as churches and educational institutions are also valued, even though they are exempt from taxation.

Size, type, and quality of construction, number of rooms, baths, fireplaces, type of heating system - are all examples of the data listed on individual property record cards before the valuation process can begin. Assessors may not have to go inside each property before every revaluation if records are kept up-to-date and building permits are checked and recorded for changes in individual properties.

Finding the "full and fair cash value" or "market value" of a property involves discovering what similar properties are selling for, what the property would cost today to replace, and what financial factors, such as interest rates, may be affecting the real estate market. Valuation techniques for commercial and industrial properties also include analysis from an investment point of view, since the purchase price the buyer is willing to pay depends in part on the return he/she expects to receive.

Assessors submit the community's values to the Massachusetts Department of Revenue every three years for certification. Values are maintained by the Assessors during the years between certifications so that each property taxpayer in the community pays his/her fair share of the cost of local government – no more or less – in proportion to the amount of money the property is worth.

The Town Meeting adopts a budget that reflects the funds to be raised through the levy and the additional funds from other sources, such as state aid and local receipts from fees and user charges. Finally, the amount to be collected from the property tax (called the "levy"), is divided among the local taxpayers in proportion to the value of their property