



To: The Hinesburg Selectboard
Cc: Melissa Ross, Town Clerk/Treasurer
Marie Gardner, Assessor
From: Trevor M. Lashua, Town Administrator
Date: July 16, 2015
Re: FY16 Tax Rate

Proposed municipal and education tax rates are shown on the attached tax rate summary. The proposed rates for FY16 hew closely to the rates presented to voters prior to approval of the Town and school budgets.

The municipal portion of the tax rate accounts for 24% of the total residential rate (including the local agreement rate), while the education portion is 76% of the total rate. The same ratio applies to the non-residential tax rate.

Grand list growth

The positive news is that the grand list did grow – albeit at a slightly lower rate than estimated during the FY16 budgeting process. Grand list growth landed just below 1.0% (0.89%), compared to the 1.08% projected.

Fund Balance

In prior years, unrestricted fund balance was used to lower the municipal portion of the tax rate. Fund balance is not available to apply to the FY16 rate. The budget approved by voters for FY16 took this into account.

Local Agreement Rate

The local agreement rate covers exemptions approved by voters. The largest is the veteran's exemption. The local agreement rate for FY16 is lower than FY15, dropping to \$0.0015 (from \$0.0019). The drop is due, in large part, to the expiration of local, grandfathered agricultural exemptions.

FY16 Tax Rates

Residential – FY16 tax rate

Municipal tax rate: \$0.5165
Local agreement rate: \$0.0015
Hinesburg Community School: \$1.1315
CVU: \$0.5055
Total Residential Rate FY16: \$2.1550
+/- from FY15: +\$0.0361

See the table below for a breakdown based upon assessed value.

Non-Residential – FY16 tax rate

Municipal tax rate: \$0.5165

Local agreement rate: \$0.0015

Non-Residential Education Tax Rate: \$1.6678

Total Non-Residential Rate: \$2.1858

+/- from FY15: +\$0.107

The non-residential education tax rate is determined by multiplying the State's base education rate for non-residential properties (which increased by \$0.02 to \$1.535) by the Town's common level of appraisal (92.04%).

Impact on Residential Property Taxes – Total FY16

<u>Property Value</u>	<u>FY16 Property Taxes – Total</u>	<u>+/- from FY15</u>	<u>Increase per month</u>
\$200,000	\$4,309.60	+\$72.20	+\$6.02
\$300,000	\$6,464.40	+\$108.30	+\$9.02
\$400,000	\$8,619.20	+\$144.40	+\$12.03