

## Tax Classification Committee - Meeting Minutes

Town of Hingham Tax Classification Study Committee

October 1, 2013 Meeting Minutes Central North Meeting Room, Second floor, Town Hall

Present: Committee voting members Michael Shaughnessy and Ben Burnham, Non voting members Richard Nowlan, Director of Assessing and Tax Alexiades, Town Administrator

Guests: Carol Mayer, Hingham Journal, Irma Lauter, Hal Goldstein and Greg Hall

Call to order:

Chairman Shaughnessy called the meeting to order at 5:00 pm as posted

Mr. Shaughnessy acknowledged four guests including a member of the press

Mr. Shaughnessy noted that Peter Forman , President and CEO of the South Shore Chamber of Commerce would be a guest speaker at this meeting, but that he had not arrived yet.

Mr. Shaughnessy read a letter from former Board of Assessor member Mark Tyburski with his opinions on the split rate situation. Mark noted that in the past, the town and selectman have voted to keep one rate due to concerns for the small business owners and that Hingham has a small percentage of commercial/industrial sites. The letter also mentioned that we have based our sample analysis in the past on the average commercial assessment, but perhaps we should be using the median commercial assessment.

Peter Forman and guest Bruce Rabuffo arrived at 5:15pm. Chairman Shaughnessy explained that we have been discussing Mr. Tyburski's letter about the the split rate situation.

Mr. Forman gave a presentation on the split rate situation. The Chamber believes that the split rate issue is not the best alternative. Many towns that have a split rate did so for political reasons only. Many towns with a split rate, now wish they did not have one, but it's hard to change back. Mr. Forman also said its ironic that some town with split rates offer TIFs or tax incentives for businesses to come to their town. In those towns they are charging a higher commercial tax rate which affects the small business, but they are offering tax incentives for some of the larger businesses.

Mr. Forman said that Hingham is a very popular town. One reason it is so popular is that we have the Derby shops, the shipyard, etc. Businesses and the town need to work together. This has worked well for Hingham. As residential property values increase this will bring more commercial uses in.

A split rate would not cause the Derby shops and other high end business to leave, but it will affect the smaller business owners. It may also affect the decision of new businesses coming to Hingham. There is a lot of availability along Routes 53, 139 , etc. Norwell, Hanover, Rockland, Weymouth, etc will be competing with Hingham for new businesses

Another issue with the split rate is that the majority of small business owners in Hingham, including many in the downtown and harbor area, are tenant occupied. The business owners will pass any tax increases off to their tenant, who will then pass it onto the consumer or they may be forced to close. The Derby shops and the Shipyard are doing well, but the downtown and harbor are still hurting.

Mr. Forman completed his presentation and left the meeting approximately 5:45 pm.

The committee and guests discussed the situation further. Projected figures for Fy 14 show that residential properties make up about 89% of the tax base while commercial/industrial only make up about 11%. The residential values are increasing faster because of increased market activity and popularity of the town. Commercial values have not rebounded like the residential values. One person asked, does it make sense to charge the commercial owners more, when their values are down or stable at best. .

The selectman and the committee understand that there is an issue with some taxpayers having trouble paying their tax bill. Carol from the Journal noted that there are programs to help senior citizens, but little to help those under 65. The selectman recognize this and are studying the issue. A special committee tax relief committee studied this issue, exemptions and qualification levels have been amended to help. The veteran agents has added a work off program. The meals tax revenues will be used to lower the tax load, etc. Some believe that the best way to help, is to stop spending so much money.

The committee will continue to study the issue. A motion was made by Mike to set a meeting for 5:00 pm , October 22, 2013 in the Central north meeting room. Ben seconded, all in favor, so moved. The committee will probably meet again the last week in October, if more time is needed to study the matter further. The goal is to be able to offer an opinion to the selectman for the classification meeting, tentatively scheduled for early November

Mike made a motion to adjourn at 6:40 pm, Ben seconded, all in favor, so moved

Richard G. Nowlan, Committee member