

SPECIAL TOWN MEETING QUESTION OF THE WEEK




Week 9:

**How Much Will the New Facilities
Cost Me as a Taxpayer?**

The Town developed a taxpayer-focused financing plan to support the construction of the proposed Public Safety Facility and new Elementary School. These substantial projects require substantial investment. Hingham's debt exclusion plan relies on the Town's Financial Policy and responsible stewardship to access financing at the lowest possible interest rate.

The plan also includes several mitigation measures to reduce impacts on all residents. Hingham also has a wide range of exemption and relief programs that can further reduce tax impacts for qualifying residents.

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- The Town plans to borrow \$136 million over a 30-year term to fund the construction of both projects.
 - The Town plans to borrow \$48,285,380 for the Public Safety Facility and \$87,653,017 for the new Elementary School.
 - The Town's borrowing approach will mitigate tax impacts on residents in several ways:
 - The Town secured a \$25 million Massachusetts School Building Authority (MSBA) grant to support construction of the new school, which directly reduces the cost to taxpayers.
 - \$7 million, drawn from the Town's Unassigned Fund Balance (savings account) will be used to offset tax increases in the initial years of borrowing when debt service costs are projected to peak.
 - Our AAA credit rating – the highest rating possible from all three major credit rating agencies – ensures that the Town can borrow funds at the lowest interest rates available.
 - Borrowing over 30 years, the longest term allowed under state law, provides for lower annual payments.

- Estimated tax impact on the median assessed value in Hingham:
 - The table below provides a quick summary of the average annual estimated tax impact of the two projects for the first 10 years of debt service (FY24 - FY33).

10-Year Average Projected Tax Impact for Foster School and Public Safety Facility Projects			
	25th Percentile Assessed Value (\$552,000)	50th Percentile Assessed Value (\$739,400)	75th Percentile Assessed Value (\$1,028,000)
Base Property Bill	\$7,396	\$9,913	\$13,788
Average Annual Tax Increase for Foster	\$ 265	\$ 356	\$ 495
Average Annual Tax Increase for PSF	\$ 176	\$ 236	\$ 329
Property Tax Bill including both projects	\$7,837	\$10,505	\$14,612

- The table shows estimates for three levels of taxpayers: those with an assessed property value at the 25th percentile in Hingham (assessed value of \$552,000), those with an assessed property value at the median (\$739,400), and those with an assessed property value at the 75th percentile in town (\$1,028,000).
- For the owner of a median assessed value property in Hingham, the 10-year projected average annual tax increase for both projects is \$592.
- The table above assumes current interest rate projections from the Town’s financial advisors and the use of \$7 million from Unassigned Fund Balance in FY25-28.
- For more details, including a year-by-year estimate of taxes for the first 10 years, see the Hingham Town Meeting website: www.hingham-ma.gov/Town-Meeting.

- The Town offers a range of tax exemptions and relief programs for qualifying residents.
 - Program criteria and impacts vary, but all can help reduce property tax bills for those in need.
 - Depending on taxpayer eligibility, many of the tax exemptions and programs offered through the Town can significantly reduce or eliminate altogether the estimated tax impact of these building projects.

Tax Exemption/Relief Program	FY23 Max. Benefit
1. Financial hardship	varies
2. Senior Means-Tested Tax Exemption (new)	\$1,170
3. Residents over 65 years old	\$1,000
4. Surviving spouses or persons over 70 years old	\$334
5. Elderly and Disabled Taxation Aid Fund	varies
6. Residents who are legally blind	\$500
7. Various programs for disabled veterans	varies
8. Gold Star Family tax exemption	full exemption
9. Community Preservation Act exemption	varies
10. Tax Deferral Program	varies - can defer all
11. Senior Tax Workoff Program	\$1,781
12. Valor Act (Veterans) Tax Workoff Program	\$1,500

- Learn more about these programs on the Hingham Town Assessor's web site: www.hingham-ma.gov/180/Exemptions-and-Relief or by contacting the Assessing Department at 781-741-1455.