

TOWN OF CANTON

Town Meeting

April 18, 2024



What is a Net Grand List

- ▶ A town's net grand list is the calculation of the following properties aggregated together (@ 70% value) to form the grand list of the town or simply stated. "how much taxable property there is in town"

- ▶ Residential Property (single family, multi family, condominiums)
- ▶ Commercial Property
- ▶ Personal Property
- ▶ Motor Vehicles

Canton's Net Grand List for FY 2023-2024 \$ 1,154,086,995

Canton's Net Grand List for FY 2024-2025 \$ 1,512,478,704

Revaluation

- ▶ Since your property is taxed according to value, and property condition as well as the real estate market both fluctuate, state law requires every city and town to perform a new town-wide revaluation every five years. [CGS. 12-62](#)
- ▶ The statutes further provides a municipal option to phase in assessment increases resulting from revaluation of real property. [CGS. 12-62C](#)
 - ▶ *Provided the phase in is no less than 25% per year*
 - ▶ *Allows the legislative body of the town to cancel the phase in at any time prior to October 1 to which the proceeding changes would be reflective in the following July 1 tax bill.*

Grand List Comparisons

- ▶ FY23-24 \$ 1,154,086,995
- ▶ FY24-25 \$ 1,512,478,704
- ▶ Increase in value \$ 358,391,709

- ▶ Real Estate comprised 37.56% increase
- ▶ Personal Property 5.58% increase
- ▶ Motor Vehicle 5.55% decrease

- ▶ TOTAL GRAND LIST INCREASE IS 31.05%

What happens with 37.56% increase

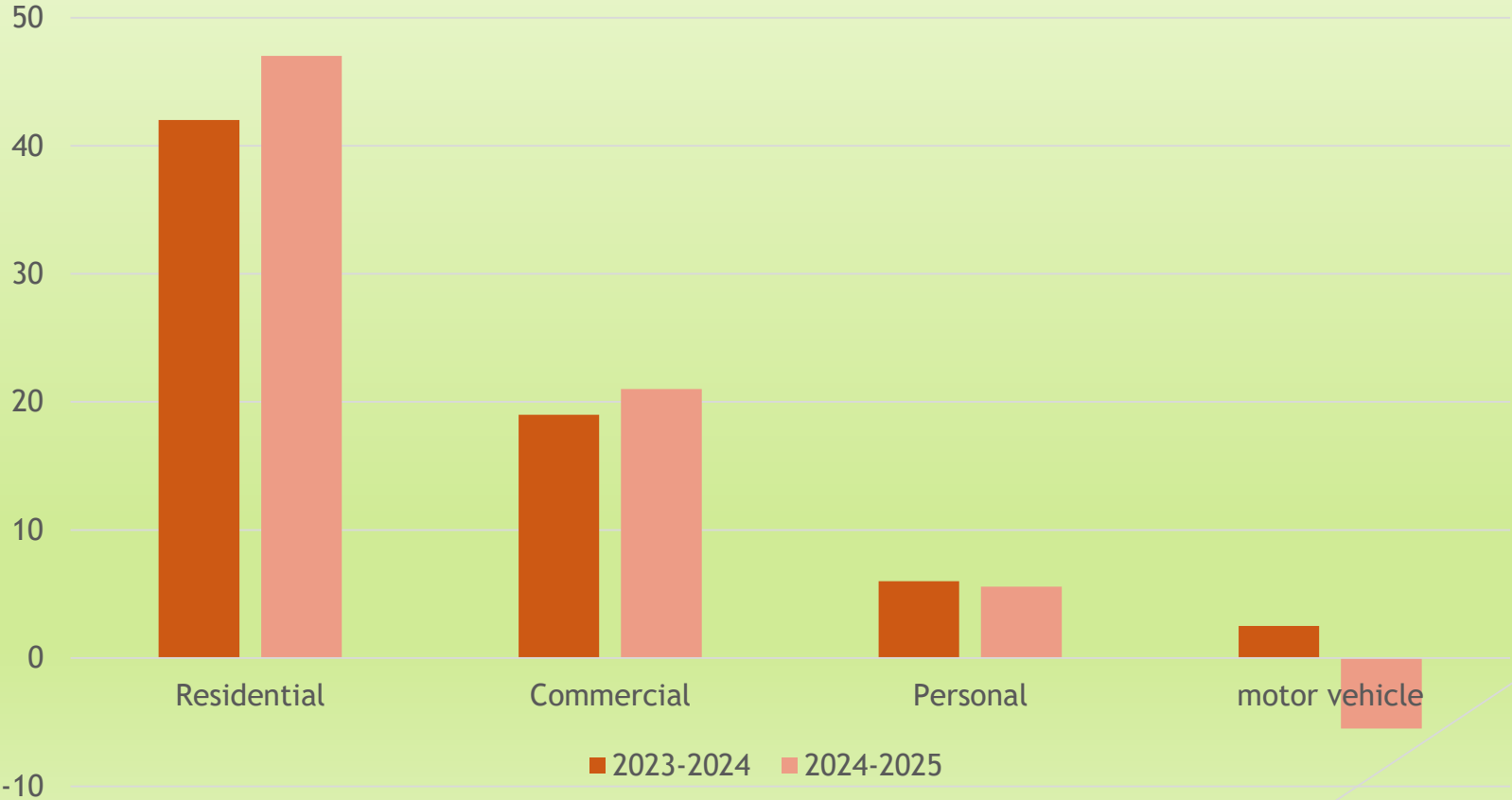
- ▶ To understand the % increase in the grand list and how it relates to taxes, the following formula is utilized.
- ▶ Assessed value of your property (which is 70% of market value)
- ▶ Multiply this # by the mill rate (currently 35.37)
- ▶ Divide that number by 1,000
- ▶ This is the expected property tax on your real estate

- ▶ With the increase to the grand list (values have gone up) a corresponding reduction in the mill rate is applied (keeping taxes the same)

Keeping taxes the same

- ▶ Why are your residential taxes going up if the grand list grew by 31.05% and the mill rate is being decreased.

How the grand list shifted



Without the phase in based on proposed 2024-2025 budget.

- ▶ Home assessment prior to revaluation - \$250,000
- ▶ Canton revaluation increased assessment \$100,000
- ▶ Home assessed after revaluation - \$350,000 (40% increase in assessment)

- ▶ With no phase in and the mill rate reduced to 28.50 mills, you will pay-

▶ **\$9,975.00**

With the phase in based on proposed 2024-2025 budget

- ▶ Home assessment prior to revaluation - \$250,000
- ▶ Canton revaluation increased assessment \$100,000
- ▶ Home assessed after revaluation - \$350,000 (40% increase in assessment)
- ▶ Due to 4 year phase in, assessment in home increases 25% per year \$25,000
(100,000 / 4 = 25,000)
- ▶ With a 4-year phase in and the mill rate reduced to 34.85 mills, you will pay-

▶ **\$9,583.75**

Differences

- ▶ The increased value of your home is split into 4 annual increases.
- ▶ The mill rate increase is based (in part) on the phase in of the value of your home.
- ▶ Phasing in the impacts of revaluation places additional burden on most commercial properties (businesses) in town.
- ▶ Why are commercial properties negatively impacted? Businesses will see a slower reduction in their tax liability due to the phase in because the residential increase in the grand list growth was 47% compared to the 21% growth in commercial property. Comparatively the residential portion should shoulder more of the tax burden to ensure “everyone pays their fair share”.

Motor Vehicle taxes



Currently, motor vehicle taxes are capped by state statute at 32.46 mills.

Why does that matter?

Without adoption of the phase in option of the reval. The mill rate will be set at (presumably) 28.50 mills. Canton vehicle owners will pay the assessed blue book value of their car multiplied by 28.50 mills divided by 1,000.

With adoption of the phase in option in years 1 & 2, the mill rates will be above the state cap, 34.85 and 33.44 respectively.

Canton car owners will pay up to 32.46 mills while state taxpayers (through the state budget) will make up the difference.



Examples

- ▶ Example utilizes a 2020 Subaru outback with 50k miles-
- ▶ Kelly Blue Book Trade in value of \$22,570
- ▶ No phase in- Taxes would be year 1- \$ 643.25
Year 2- \$ 659.95
Year 3 \$ 679.81
- ▶ With phase in- year 1- \$738.46
- ▶ year 2- \$738.46
- ▶ year 3- \$ 731.26

How do I determine which option is best for me.

Remember we talked about 37.56% growth in the grand list?

If your residential property was assessed at a growth greater than 37.56%, you will benefit on a year by year basis to phase in the revaluation.

If your residential property was assessed at a growth less than 37.56%, you will pay more in taxes over a four year period to phase in the revaluation.

Tonight's Discussion

- ▶ Tonight's meeting is to either vote to phase in the revaluation over a period of years or accept the increase of the revaluation in the current year.
- ▶ You are not voting on the budget tonight.
- ▶ Tonight's discussion is limited to the phase in, not the increase or decrease in line items contained within the town budget.
- ▶ The Board of Finance is holding the Budget Public Hearing on the proposed budget on Thursday, April 25th at 6:00pm in the Community Center.
- ▶ The budget will be voted on at a referendum on May 7th from 6am to 8pm at the Canton Community Center
- ▶ The mill rate will be set after the Budget Public Hearing and will be contingent upon final approval of the budget.