

## **The Sandwich Tax Rate –an explanation from our Principal Assessor**

**1** – The question of tax rate level has several facets to it. In attempting to address it as accurately as possible, I first want to establish the fact the a tax rate is the end formula of the total amount of tax levy that the Town raised each year, (based upon the budget as approved by the voters at Town Meeting each year) divided by the total valuation of Town. It is a division formula which is completed after two separate functions are accomplished. (Value setting and budget setting)

In my (almost) 21 years here as Director of Assessing, **I have noted, when asked, a couple of telling valuation factors** as to why Sandwich’s tax rate is higher than the other Cape towns

The main reason, from the value perspective, is **distribution of value**. Sandwich has not only a predominantly residential tax base, but also one that has fewer high end valuations like one sees in the “warm-water” (Nantucket Sound) communities. Bourne, Mashpee, Falmouth, Barnstable, Yarmouth, Dennis, and Harwich all have a large amount of high value residential areas (on a percentage basis). This collective value base serves to lower tax impact, by distribution on the median value properties, which in many cases, derive very few of the higher end service costs due to their seasonal usage (schools, year round public safety), similar to Commercial/Industrial properties

In fact, this tax/service exchange is at the forefront of all discussions considering the expansion of commercial/industrial properties, and really is no different when examining higher end residential values.

Other lower Cape towns (Chatham, Orleans, Eastham, etc) have pockets of exclusive property that bear the same effect as the warm water properties I previously described.

**Sandwich, on a percentage basis, also hosts far fewer second, or resort type homes than other Cape communities, which as previously stated, plays a major role in the relationship between value base and services, (and revenue) required.**

In reality, Sandwich’s value base and tax coverage looks more in line with South Shore communities and less like Cape communities. I realize these don’t represent any solution, but they are an explanation.

### 2- Year Round Residency Percent

Most Cape towns are notably higher (this is a lower service requirement versus contribution by payment) See Second Homes percentage  
Friends Plus Certificates  
versus contribution by payment) See Second Homes percentage

CLS	COUNT	Average Value	Median Value	VALUE INCREMENTS						
				FROM	TO	COUNT	%	Count RT	Run%	
101	8328	407127	347700							
102	480	276676	241700	35,200	200,000	163	1.81%	163	1.81%	
104	60	498723	429100	200,000	300,000	2583	28.68%	2746	30.49%	
105	8	445866	416400	300,000	400,000	3176	35.27%	5822	65.76%	
108	85	661119	587400	400,000	500,000	1427	15.84%	7349	81.60%	
013	45	451849	407000	500,000	600,000	652	7.24%	8001	88.84%	
<b>total</b>	<b>9006</b>	<b>403433</b>	<b>344700</b>	600,000	750,000	494	5.48%	8495	94.33%	
				750,000	1,000,000	379	4.21%	8874	98.53%	
				1,000,000	2,000,000	114	1.27%	8966	99.80%	
				2,000,000	4,483,200	18	0.20%	9006	100.00%	

*Counts are total count over each increment*

Town	Res. Imp. Count							Differences (Counts)				% SEC
		over 750K	% of total	over 1 M	% of total	over 2 M	% of total	Dcount	D750	D1M	D2M	
Sandwich	6096	379	4.21%	774	7.27%	18	0.20%	-	-	-	-	72
Washpee	9242	658	5.15%	351	3.58%	88	1.00%	236	189	217	60	3
Bourne	9036	776	8.59%	449	4.97%	122	1.35%	30	597	335	104	1
Dennis	13072	1302	9.96%	645	4.93%	147	1.12%	4066	923	531	129	4
Barnstable	23094		0.00%		0.00%		0.00%					3

*% SEGHM is estimated second homes percentage - From Towns' Assessing Departments*

WARM WATER INFLUENCE Sandwich FY2009 - Residential Value Minimum Adjustments for Increment

If we considered added value at the lowest consideration - per increment only (not the actual average of each) - we would add in value

Value	Mashpee	% of Sandwich 09 value	Bourne	% of Sandwich 09 value	Dennis*	% of Sandwich 09 value
\$ 750,000	\$ 141,750,000	3.26%	\$ 297,750,000	6.85%	\$ 404,575,000	11.15%
\$ 1,000,000	\$ 217,000,000	4.99%	\$ 335,000,000	7.71%	\$ 371,700,000	8.55%
\$ 2,000,000	\$ 180,000,000	3.68%	\$ 208,000,000	4.78%	\$ 160,600,000	4.15%

Each figure is it's own GRAND TOTAL from increment to highest value

Sandwich TOTAL 2009 Value \$4,347,466,600

Most of these properties are in warm water coast or related areas. \* Dennis adjusted at 70% for total count variance