

Fiscal Year 2024

Tax Classification Hearing

November 6, 2023



Boylston Board of Assessors

Van Baker, Chairman

Rebecca Dono Healy, Member

Tom Martiska, Member

David Manzello, Regional Assessor

Jack Valleli, Administrative Assistant

Introduction

Prior to the mailing of 3rd quarter tax billings, the Select Board will hold a public hearing to determine the percentage of the Town's property tax levy to be borne by each major property class. This responsibility and procedure are described in Chapter 40, Section 56 of the Massachusetts General Laws.

The steps in completing the Classification Hearing are outlined below. Also provided is information about the levy, property assessments, and recommendations made by the Board of Assessors.

Steps in Setting Tax Rates

Pre-classification Hearing Steps

Step 1: Determination of the property tax levy (Budget Process)

Step 2: Determine assessed valuations (Assessors)

Step 3: Tabulate assessed valuations by class (Assessors)

Classification Hearing Steps

Step 4: Classification hearing presentation (Assessors & Selectmen)

Step 5: Determine tax shift options (Board of Selectmen)

Step 6: Voting a tax shift factor (Board of Selectmen)

Post Classification Hearing Steps

Step 7: Sign the LA-5 Classification Form (Board of Selectmen)

Step 8: Send annual recap to DOR for tax rate approval (Assessors)

Step 9: Obtain DOR approval of tax rates (DOR)

Terminology

The following are definitions of the terms frequently used in the discussion of tax rates.

Levy: The tax levy is the amount of property taxes to be raised. The levy amount is determined by the budget. The total amount of the approved budget less revenues from other sources like motor vehicle excise, municipal fees, and state aid; is the amount to be raised from property taxation. **Fiscal year 2024 proposed levy is \$17,680,518.56 up 6.29% from fiscal year 2023 (\$16,633,378.15)**

Levy Ceiling: The levy ceiling is 2½ percent of the full value of the Town. Based on the Boylston aggregate valuation of \$ **1,280,269,265**, the town cannot levy taxes in excess of **\$32,006,732**

New Growth Revenue: Property taxes derived from newly taxable properties like new construction, additions, renovations, subdivisions, and personal property. The Assessors have tabulated new growth revenues of \$ **644,577**

Levy Limit: Also referred to as the “maximum allowable levy,” this is calculated by adding 2½ percent of the previous year’s levy limit plus new growth revenue for the present fiscal year to last year’s levy limit. Exceeding the levy limit requires an override of Proposition 2 ½.

For Fiscal Year 2024, there are no overrides of Proposition 2 ½.
For Fiscal Year 2024 the maximum allowable levy limit is **\$18,986,494**

Excess Levy Capacity: Excess levy capacity is the difference between the actual levy and the levy limit. Proposed excess levy capacity for fiscal year 2024 is **\$1,305,975.44**

The Fiscal Year 2024 Levy Limit Calculation

Fiscal Year 2023 Levy Limit	16,554,890
Levy Increase Allowed Under Prop. 2 ½	413,872
New Growth Revenue	644,577
Fiscal Year 2024 Overrides	0
Excluded Debt to Pay Bonds	1,373,155
Capital Expenditure Exclusions	0
Fiscal Year 2024 Levy Limit	18,986,494
Levy Ceiling	32,006,732
Levy To Be Raised	17,680,519
Excess Levy Capacity	1,305,975

Valuations by Class Before Tax Shift

<u>Major Property Class</u>	<u>Valuation</u>	<u>Percent</u>	<u>Res Vs. CIP%</u>
<u>R</u> esidential	1,059,885,373	82.7861	82.7861%
<u>C</u> ommercial	115,098,482	8.9902	
<u>I</u> ndustrial	80,721,600	6.3051	17.2139%
<u>P</u> ersonal Property	24,563,810	1.9186	
TOTAL	1,280,269,265	100%	100%

MASSACHUSETTS DEPARTMENT OF REVENUE

Boylston

DIVISION OF LOCAL SERVICES

TOWN

BUREAU OF LOCAL ASSESSMENT

ASSESSMENT/CLASSIFICATION REPORT as of January 1, 2023

Fiscal Year 2024

Property Type	Parcel Count	Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	Class5 Pers Prop
101	1,491	867,643,400				
102	280	107,203,310				
MISC 103,109	18	11,461,679				
104	53	25,812,200				
105	5	2,069,200				
111-125	17	23,004,000				
130-32,106	173	14,627,400				
200-231	0		0			
300-393	35			101,937,100		
400-442	20				80,721,600	
450-452	0				0	
CH 61 LAND	0	8	0	21,700		
CH 61A LAND	6	7	0	406,500		
CH 61B LAND	3	12	0	2,369,400		
012-043	11	8,064,184	0	10,363,782	0	
501	36					3,856,400
502	39					13,394,240
503	0					0
504	2					4,281,140
505	1					2,546,800
506	0					0
508	3					485,230
550-552	0					0
TOTALS	2,220	1,059,885,373	0	115,098,482	80,721,600	24,563,810
Real and Personal Property Total Value						1,280,269,265
Exempt Parcel Count & Value						173 159,408,955

Tax Impacts

Actual property tax impacts will vary from property to property. Note that the FY2024 rate is an estimate only and may change upon Department of Revenue review.

Valuations for all property classes including single family homes, multi-family dwellings, and commercial properties will increase for fiscal year 2024, reflecting an aggressive real estate market.

Properties will realize corrective adjustments, or value increases related to additions, renovations and/or data corrections. An extensive database review was performed to attempt to equalize data.

Examples of Typical Residential Tax Changes

	<u>Average Home Value</u>	<u>Average Tax Bill</u>	<u>Change</u>
FY 2024	\$ 581,900 X \$13.81 per thousand	\$8,036.04	\$319.08
FY 2023	\$ 535,900 X \$14.40 per thousand	\$7,716.96	
	<u>Average Condo Value</u>	<u>Average Tax Bill</u>	<u>Change</u>
FY 2024	\$ 382,900 X \$13.81 per thousand	\$5,287.85	\$648.17
FY 2023	\$ 322,200 X \$14.40 per thousand	\$4,639.68	

Shifting the Tax Burden

Share Percentages							Levy Amounts					Estimated Tax Rates				Average Single Family	Average Commercial
CIP Shift	Res Factor	Res SP	Comm SP	Ind SP	PP SP	Total SP	Res LA	Comm LA	Ind LA	PP LA	Total LA	Res ET	Comm ET	Ind ET	PP ET	581,900	2,912,500
1.000	1.000	82.786	8.990	6.305	1.919	100.000	14,637,012	1,589,514	1,114,774	339,218	17,680,519	13.81	13.81	13.81	13.81	\$8,036.04	\$40,221.63
1.100	0.979	81.065	9.889	6.936	2.111	100.000	14,332,662	1,748,465	1,226,252	373,140	17,680,520	13.52	15.19	15.19	15.19	\$7,867.29	\$44,240.88
1.190	0.961	79.516	10.698	7.503	2.283	100.000	14,058,747	1,891,522	1,326,582	403,670	17,680,520	13.26	16.43	16.43	16.43	\$7,715.99	\$47,852.38
1.250	0.948	78.483	11.238	7.881	2.398	100.000	13,876,137	1,986,893	1,393,468	424,023	17,680,521	13.09	17.26	17.26	17.26	\$7,617.07	\$50,269.75
1.400	0.917	75.901	12.586	8.827	2.686	100.000	13,419,612	2,225,320	1,560,684	474,906	17,680,522	12.66	19.33	19.33	19.33	\$7,366.85	\$56,298.63
1.500	0.896	74.179	13.485	9.458	2.878	100.000	13,115,262	2,384,271	1,672,162	508,828	17,680,522	12.37	20.72	20.72	20.71	\$7,198.10	\$60,347.00

Board of Assessors Recommendation

The Board of Assessors recommends that the Select Board adopt a single tax rate for all classes of property in Boylston. A split rate could potentially be a detriment to the current state of commercial and industrial growth in town, a split rate will also affect all the farmers and chapter properties in town.

Voting a Tax Shift Factor (proposed motion)

The Boylston Select Board votes in accordance with M.G.L., Ch. 40, Sec. 56, as amended, the percentage of local tax levy which will be borne by each class of real and personal property, relative to setting the Fiscal Year 2023 tax rates and set the Residential Factor at 1.0, with a corresponding CIP shift of 1.0, pending approval of the town's annual tax recap by the Massachusetts Department of Revenue.