



Fiscal 2026 Classification Hearing

December 2, 2025



Purpose



Every year by statute (MGL c.40, sec.56) the Select Board must decide if they want to split the tax rate.

It is the responsibility of the Board of Assessors to provide the Select Board with relevant information regarding the fiscal effects of splitting the tax rate.

Single Tax Rate



Each class of property pays a share of the tax levy equal to its share of the total town value.

| | |
|---|------------------|
| Town Meeting voted appropriations of | \$85,167,405.99 |
| Add the unappropriated amounts to be raised | + \$2,125,789.60 |
| Subtract the estimated revenue | -\$29,443,854.99 |

Equals the amount to be raised in taxes = \$57,849,340.60

This amount must be less than the maximum allowable (by law) Levy.

Levy Limit



I. TO CALCULATE THE FY 2025 LEVY LIMIT

| | | |
|--------------------------------------|-------------|--------------------|
| A. FY 2024 Levy Limit | 51,283,621 | |
| A1. Amended FY 2024 Growth | 0 | |
| B. ADD (IA + IA1)*2.5% | 1,282,091 | |
| C. ADD FY 2025 New Growth | 522,319 | |
| C1. ADD FY2025 New Growth Adjustment | 0 | |
| D. ADD FY 2025 Override | 0 | |
| E. FY 2025 Subtotal | 53,088,031 | |
| F. FY 2025 Levy Ceiling | 102,205,340 | I. 53,088,031 |
| | | FY 2025 Levy Limit |

II. TO CALCULATE THE FY 2026 LEVY LIMIT

| | | |
|---------------------------------------|-------------|--------------------|
| A. FY 2025 Levy Limit from I. | 53,088,031 | |
| A1. Amended FY 2025 Growth | 0 | |
| B. ADD (IIA + IIA1)*2.5% | 1,327,201 | |
| C. ADD FY 2026 New Growth | 449,668 | |
| C1. ADD FY 2026 New Growth Adjustment | 0 | |
| D. ADD FY 2026 Override | 0 | |
| E. ADD FY 2026 Subtotal | 54,864,900 | |
| F. FY 2026 Levy Ceiling | 106,969,935 | II. 54,864,900 |
| | | FY 2026 Levy Limit |

III. TO CALCULATE THE FY 2026 MAXIMUM ALLOWABLE LEVY

| | |
|---|---------------|
| A. FY 2026 Levy Limit from II. | 54,864,900 |
| B. FY 2026 Debt Exclusion(s) | 1,893,379 |
| C. FY 2026 Capital Expenditure Exclusion(s) | 0 |
| D. FY 2026 Stabilization Fund Override | 1,188,684 |
| E. FY 2026 Other Adjustment | 0 |
| F. FY 2026 Water/Sewer | 0 |
| G. FY 2026 Maximum Allowable Levy | \$ 57,946,963 |

Single Tax Rate Continued



Divide the amount to be raised in taxes by the total
(taxable) town value $57,849,340.60 / 4,278,797,382 =$

to get the single tax rate of **\$13.52**

With a single tax rate, a residential property assessed at 1,000,000
or a commercial property assessed at 1,000,000 both pay
the same amount of tax, **\$13,520.**

Single Tax Rate Continued



Overall what does this mean?

| | |
|---------------------------------|--------------------------|
| Residential properties' portion | \$55,003,240.67 = 95.08% |
| CIP properties' portion | \$ 2,846,099.93 = 4.92% |
| Total taxes to be collected = | \$57,849,340.60 = 100% |

| | |
|----------------------------|------------------------|
| Residential properties' AV | 4,068,287,032 = 95.08% |
| CIP properties' AV | 210,510,350 = 4.92% |
| Total Taxable Value = | 4,278,797,382 = 100% |

The percentage of the taxes to be paid by each class of property correlates directly with the percentage of the total town value for each class of property.

Split Tax Rate



If we split the tax rate, won't that create more
REVENUE???

NO

Split Rate Explained



Splitting the rate reduces the share of the tax levy paid by the residential property owners and shifts those taxes to the commercial, industrial and personal property (CIP) taxpayers.

| | |
|---|------------------|
| Town Meeting voted appropriations of | \$85,167,405.99 |
| Add the unappropriated amounts to be raised | + \$2,124,939.11 |
| Subtract the estimated revenue | -\$29,443,854.99 |

Equals the new amount to be raised in taxes
=\$57,848,490.11

What changed? We are actually raising less in taxes?

Split Rate Math



The unappropriated amounts to be raised \$2,124,939.11 under a split tax rate vs. \$2,125,789.60 under a single rate. This changed because we are now rounding two tax rates instead of one. The overlay has to adjust to accommodate for the rounding. So that is the \$850.49 difference

“Overlay is a single account to fund abatements and exemptions of committed real and personal property taxes for any fiscal year. The overlay amount is determined by the board of assessors and may be raised in the tax rate without appropriation.”

Since it is not an appropriation it is used in the tax rate recap to round the final formulas to 2 decimals to get dollars and cents, example: \$13.52

Overlay Accounts



II. Amounts to be raised

IIa. Appropriations (col.(b) through col.(g) from page 4)

85,167,405.99

IIb. Other amounts to be raised

1. Amounts certified for tax title purposes

0.00

2. Debt and interest charges not included on page 4

0.00

3. Final Awards

0.00

4. Retained Earnings Deficit

0.00

5. Total cherry sheet offsets (see cherry sheet 1-ER)

34,646.00

6. Revenue deficits

0.00

7. Offset receipts deficits Ch. 44, Sec. 53E

0.00

8. CPA other unappropriated/unreserved

0.00

9. Snow and ice deficit Ch. 44, Sec. 31D

82,802.86

10. Other : Municipal Building Stabilization Override

1,188,684.00

TOTAL IIb (Total lines 1 through 10)

1,306,132.86

IIc. State and county cherry sheet charges (C.S. 1-EC)

610,530.00

IId. Allowance for abatements and exemptions (overlay)

209,126.74

IIe. Total amount to be raised (Total IIa through IId)

87,293,195.59

III. Estimated receipts and other revenue sources

IIIa. Estimated receipts - State

Split Rate Math Simplified



We are going to assume for this example that the Select Board is going to split the rate the maximum amount it can, which is 50%. This means that the CIP properties would have to pay 1.5 X the amount of taxes they would be paying under a single rate.

CIP Property assessed at 1,000,000 under the single tax rate:
Pays: \$13,520

But under the new split tax rate:
Pays: \$20,280 – an additional \$6760

$$\$13,520 \times 1.5 = \$20,280$$

Split Tax Rate Continued



The total to be raised remains almost the same at
\$57,848,490.11

| | | |
|-----------------------|-----------------|--------|
| Residential portion = | \$53,579,340.21 | 92.62% |
| CIP portion = | \$4,269,149.90 | 7.38% |
| Total = | \$57,848,490.11 | 100 % |

| | | |
|------------------------------|---------------|----------|
| Residential properties' AV = | 4,068,287,032 | = 95.08% |
| CIP properties' AV = | 210,510,350 | = 4.92% |
| Total Value = | 4,278,797,382 | = 100% |

The CIP tax rate would be \$20.28 and
The Residential rate would be \$13.17

Back to the property assessed at 1,000,000
Residential property would now pay \$13,170 under this new
split rate vs \$13,520 under a single rate for a savings of \$350
CIP Property would pay \$20,280, an increase of \$6760

Surrounding Towns' FY25 Tax Rates:



| Town | Res. Rate | CIP Rate | Residential % |
|----------|-----------|----------|---------------|
| Dover | 11.27 | 11.27 | 97.0796 |
| Norfolk | 15.97 | 15.97 | 93.2392 |
| Millis | 16.40 | 16.40 | 92.4142 |
| Sherborn | 16.58 | 16.58 | 95.2293 |
| Walpole | 12.83 | 17.34 | 85.3810 |
| Westwood | 12.80 | 24.26 | 78.2136 |
| Medfield | 13.80 | 13.80 | 94.8676 |

Single-Family Averages



| <u>Year</u> | <u>SFA Value</u> | <u>Tax \$</u> | <u>Tax Rate</u> |
|-------------|------------------|---------------|-----------------|
| 2022 | 720,800 | \$12,556 | \$17.42 |
| 2023 | 839,800 | \$12,958 | \$15.43 |
| 2024 | 903,200 | \$13,223 | \$14.64 |
| 2025 | 984,100 | \$13,581 | \$13.80 |
| 2026 | 1,028,400 | \$13,904 | \$13.52 |

Overall Assessed values increased approximately 4.75%

Individual parcel valuations may vary from the average class increase due to typical differences, data updates and corrections, new construction, and the effect of market trends for specific characteristics.

Vote



Adopting a residential factor of “1” will result in the taxation of all property at the same rate.

Adopting a residential factor of .974128 would split the tax rate

The maximum amount of 50%

Questions??

