

Fiscal Year 2025

Tax Classification Hearing

December 10, 2024



Blackstone Board of Assessors

Robert Kluchevitz, Chair

Joseph Morin, Member

Jeremiah Carey, Member

Marcus Milano, Associate Assessor

Nicole Desmeule, 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 2025 proposed levy is \$23,765,487.17, up 5.03% from fiscal year 2024 (\$22,628,290.70)**

Levy Ceiling: The levy ceiling is 2½ percent of the full value of the Town. Based on the Blackstone aggregate valuation of **\$1,573,542,197**, the town cannot levy taxes in excess of **\$39,338,555**

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 **\$604,238**

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 2025, there are no overrides of Proposition 2 ½.

For Fiscal Year 2025 the maximum allowable levy limit is **\$24,000,313**

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 **\$234,826**

The Fiscal Year 2025 Levy Limit Calculation

Fiscal Year 2024 Levy Limit	22,825,439
Levy Increase Allowed Under Prop. 2 ½	570,636
New Growth Revenue	604,238
Fiscal Year 2024 Overrides	0
Excluded Debt to Pay Bonds	0
Capital Expenditure Exclusions	0
Fiscal Year 2025 Maximum Allowable Levy	24,000,313
Levy Ceiling	39,338,555
Levy To Be Raised	23,765,487
Excess Levy Capacity	557,958

Valuations by Class Before Tax Shift

<u>Major Property Class</u>	<u>Valuation</u>	<u>Percent</u>	<u>Res Vs. CIP%</u>
<u>Residential</u>	1,242,567,609	78.9663	78.9663%
<u>Commercial</u>	30,137,885	1.9153	
<u>Industrial</u>	37,156,593	2.3613	21.0337%
<u>Personal Property</u>	263,680,110	16.7571	
TOTAL	1,573,542,197	100%	100%

MASSACHUSETTS DEPARTMENT OF REVENUE

Blackstone

DIVISION OF LOCAL SERVICES

TOWN

BUREAU OF LOCAL ASSESSMENT

ASSESSMENT/CLASSIFICATION REPORT as of January 1, 2024

Fiscal Year 2025

Property Type	Parcel Count	Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	Class5 Pers Prop
101	2,211	938,423,200				
102	368	105,039,400				
MISC 103,109	38	22,675,100				
104	255	100,442,400				
105	52	18,633,600				
111-125	55	30,824,342				
130-32,106	339	14,472,700				
200-231	0		0			
300-393	81			26,478,300		
400-442	54				8,159,200	
450-452	6				28,997,393	
CH 61 LAND	0	6	0	11,600		
CH 61A LAND	1	15	0	335,194		
CH 61B LAND	0	0	0	0		
012-043	26	12,056,867	0	3,312,791	0	
501	77					964,230
502	66					3,819,880
503	0					0
504	3					21,058,520
505	4					6,183,900
506	2					11,310,000
508	4					400,610
550-552	5					219,942,970
TOTALS	3,668	1,242,567,609	0	30,137,885	37,156,593	263,680,110
Real and Personal Property Total Value						1,573,542,197
Exempt Parcel Count & Value						198 99,162,300

Tax Impacts

Actual property tax impacts will vary from property to property. Note that the FY2025 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 2025, 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 2025	\$ 424,433 X \$15.10 per thousand		\$6,408.94	-\$21.94
FY 2024	\$ 393,808 X \$16.33 per thousand		\$6,430.88	
	<u>Average Condo Value</u>		<u>Average Tax Bill</u>	<u>Change</u>
FY 2025	\$ 285,433 X \$15.10 per thousand		\$4,310.04	\$477.17
FY 2024	\$ 234,713 X \$16.33 per thousand		\$3,832.87	

Shifting the Tax Burden

Res Factor	Share Percentages					Levy Amounts					Estimated Tax Rates					Avg SF	Avg Comm
	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			
1.0000	78.9663	1.9153	2.3613	16.7571	100.0000	18,766,726	455,180	561,174	3,982,406	23,765,487	15.10	15.10	15.10	15.10	6,408.94	4,936.08	
0.9734	76.8629	2.1068	2.5974	18.4328	100.0000	18,266,849	500,698	617,292	4,380,647	23,765,486	14.70	16.61	16.61	16.61	6,239.17	5,429.69	
0.9467	74.7596	2.2984	2.8336	20.1085	100.0000	17,766,972	546,216	673,409	4,778,888	23,765,485	14.30	18.12	18.12	18.12	6,069.39	5,923.29	
0.9334	73.7079	2.3941	2.9516	20.9464	100.0000	17,517,033	568,975	701,468	4,978,008	23,765,485	14.10	18.88	18.88	18.88	5,984.51	6,171.73	
0.9201	72.6562	2.4899	3.0697	21.7842	100.0000	17,267,095	591,734	729,527	5,177,128	23,765,484	13.90	19.63	19.63	19.63	5,899.62	6,416.90	
0.8935	70.5528	2.6814	3.3058	23.4599	100.0000	16,767,218	637,253	785,644	5,575,369	23,765,484	13.49	21.14	21.14	21.14	5,725.60	6,910.51	
0.8668	68.4494	2.8730	3.5420	25.1357	100.0000	16,267,341	682,771	841,762	5,973,610	23,765,483	13.09	22.65	22.65	22.65	5,555.83	7,404.12	

Board of Assessors Recommendation

The Board of Assessors recommends that the Select Board adopt a single tax rate for all classes of property in Blackstone. 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 Blackstone 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 2025 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.