



Fiscal Year 2023

Tax Classification Hearing

December 5, 2022

Dalton Board of Assessors

Jean M. Boudreau - Chairman

Laura L. Maffuccio - Member

Prior to the mailing of 3rd/4th quarter tax billings, the Select Board holds 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 property tax levy is determined by the budget process. Assessed valuations and valuations by class are determined by the Assessors. The classification hearing is set by the Select Board and the Assessors make recommendations. The Select Board votes to adopt a residential factor.

After the Classification Hearing the Select Board signs the LA-5 Classification Form. The annual recap is sent to DOR for tax rate approval. DOR approves the tax rate

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. The town will be raising \$14,455,805 in property tax revenues. The tax levy has increased \$274,449 (1.9%) over last year's levy of \$14,181,356.

New growth revenue is property taxes derived from newly taxable properties like new construction, additions, subdivisions, and personal property. The assessors have tabulated new growth revenues of \$176,919.

The levy limit, also referred to as the "maximum allowable levy", is calculated by adding 2.5 percent of the previous year's levy limit plus new growth revenue for the current fiscal year to last year's levy limit. Exceeding the levy limit requires an override of Proposition 2 ½. For Fiscal Year 2023 the levy limit is \$15,599,272.

Excess levy capacity is the difference between the levy and the levy limit.

Municipalities with a large commercial/industrial tax base often see fit to shift the tax burden to help maintain lower residential taxes. Dalton's CIP tax base is about 15%. Given Dalton's relatively small commercial, industrial, and personal property tax base, it takes a CIP tax rate increase of approximately 7% to yield a 1% residential tax rate reduction.

The estimated single tax rate for fiscal year 2023 is estimated to be \$18.44 per thousand valuation.

<u>Property Class</u>	<u>FY2022</u>	<u>FY2023</u>
Residential	\$20.74	18.44
Commercial	\$20.74	18.44
Industrial	\$20.74	18.44
Personal Property	\$20.74	18.44

Note that the FY2023 rate is an estimate and may change upon Department of Revenue review.

Tax Rate History

Fiscal Year 2021	\$21.51	Fiscal Year 2018	\$19.91
Fiscal Year 2020	\$20.29	Fiscal Year 2017	\$19.87
Fiscal Year 2019	\$19.48		

Board of Assessors Recommendation

The Board of Assessors recommends that the Select Board adopt a "Residential Factor of 1", or a single tax rate to be applied to all classes of property in Dalton.

Voting a Tax Shift Factor (proposed motion)

The Dalton 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.

Summary of Assessments (LA4)

<u>Property Type</u>	<u>Count</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Personal Property</u>
101-Single Family	1985	539,778,200	-0-	-0-	-0-
102-Condominiums	113	37,544,300	-0-	-0-	-0-
103,109-Misc Res	12	2,785,600	-0-	-0-	-0-
104-Two Family	160	35,461,000	-0-	-0-	-0-
105-Three Family	23	4,945,000	-0-	-0-	-0-
111-125-Apartments	30	22,231,700	-0-	-0-	-0-
130's-Vacant Land	180	8,345,300	-0-	-0-	-0-
012-043-Mixed Use	30	9,013,832	6,344,443	21,226,400	-0-
300-393-Commercial	66	-0-	25,652,160	-0-	-0-
400-452-Industrial	40	-0-	-0-	30,372,700	-0-
500's-Pers. Prop.	220	-0-	-0-	-0-	40,106,610
600's-Forestry	20	-0-	167,105	-0-	-0-
700's-Agricultural	13	-0-	77,243	-0-	-0-
800's-Recreation	3	-0-	85,021	-0-	-0-
TOTAL BY CLASS	2,895	660,104,932	32,325,972	51,599,100	40,106,610
TOTAL TAXABLE PROPERTIES					784,136,614
TOTAL TAX EXEMPT PROPERTIES					95,776,480

