



Select Board

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Select Board Meeting Minutes December 15, 2022

Quorum present: Select Board Members Kathleen Keresey, Chair, Andrew Potter and Andrew Krouss and Town Administrator Marie Ryan

Others in Attendance: Mary Stodden, Assessing Clerk and Harold Scheid, Principal Assessor

Kathleen called the meeting to order at 6:00 PM and listed Select Board members present.

Andy Potter made a point of order that he was not convinced that this was a legal public hearing because he feels the meeting did not meet the Open Meeting Law Requirements.

Harold Scheid, introduced himself and explained to the Board that the Department of Revenue has recently changed the requirements for the Tax Classification Hearings. The meetings can be virtual and the only additional posting requirement was that the notice of the meeting be posted on the Town's website, which it was for this meeting.

Harold stated that the purpose of this meeting is for the Select Board to vote on one matter only. Per the Board of Assessors' recommendation, the Select Board is being asked to vote to keep a single tax rate for the Town. He then reviewed the handouts sent to the Board. (see below)

Andy Potter made the following motion, seconded by Kathleen;

The West Stockbridge 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.

Roll call Vote:

Andy Potter Yes

Andy Krouss Yes

Kathleen Yes

Motion Approved.

Select Board Speak:

None.

Andy Potter made a motion to adjourn, seconded by Andy Krouss at 6:28 PM.

Roll Call Vote:

Kathleen Yes

Andy Potter Yes

Andy Krouss Yes

Meeting adjourned.

Respectfully submitted,

Marie y. Ryan

Marie Y. Ryan

Town Administrator



Fiscal Year 2023

Tax Classification Hearing

December 15, 2022

West Stockbridge Board of Assessors

Michelle Laramée – Assessor

Susan Lupo – Assessor

Ed Sporn – Assessor

Harald M. Scheid, Regional Tax Assessor

Mary Stodden – Clerk

Introduction

Prior to the mailing of 3rd 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 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

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| 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

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|---|----------------------------|
| Step 4: Classification hearing presentation | (Assessors & Select Board) |
| Step 5: Determine tax shift options | (Select Board) |
| Step 6: Voting a tax shift factor | (Select Board) |

Post Classification Hearing Steps

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| Step 7: Sign the LA-5 Classification Form | (Select Board) |
| 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 (or 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 fiscal year 2023 levy is \$5,490,793, \$124,673, 2.3% higher than last year's levy of \$5,366,120.

Levy Ceiling: The levy ceiling is 2.5 percent of the full value of the Town. Based on the West Stockbridge aggregate valuation of \$532,569,609, the town cannot levy taxes in excess of \$13,314,240.

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 \$61,196.

Levy Limit: Also referred to as the "maximum allowable levy", this is calculated by adding 2.5 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 2023, there are no overrides of Proposition 2 ½.

Excess Levy Capacity: Excess levy capacity is the difference between the levy and the levy limit.

The Fiscal Year 2023 Levy Limit and Amount to be Raised

The following is a calculation of West Stockbridge's levy limit for fiscal year 2023.

Fiscal year 2022 levy limit	\$6,535,357
Amended FY2022 Growth	0
Levy increase allowed under Prop. 2 ½	163,384
New growth revenue	61,196
FY2023 Overrides	0
FY2023 Debt Exclusions	84,315
Fiscal year 2023 levy limit	6,844,252
Levy to be raised	\$5,518,751
Excess levy capacity	\$1,325,501

Valuations by Class Before Tax Shift

<u>Major Property Class</u>	<u>Valuation</u>	<u>Percent</u>	<u>Res vs CIP%</u>
Residential	498,639,456	93.6290	93.6290
Commercial	16,057,263	3.0151	
Industrial	2,700,900	0.5071	6.4107
Personal Property	15,171,990	2.8488	

TOTAL	532,569,609	100.0000
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Shifting the Tax Burden

Municipalities with a large commercial/industrial tax base often see fit to shift the tax burden to help maintain lower residential taxes. Given West Stockbridge's small commercial and industrial base, it would take a large shift of the tax burden from the residential class to the commercial and industrial class to yield a modest residential tax reduction.

Board of Assessors Recommendation

The Board of Assessors recommends that the Select Board adopt a single tax rate to be applied to all classes of property in West Stockbridge.

Tax Rates

Based on the above shift factors, the Board of Assessors has calculated the following tax rates needed to raise the tax levy:

<u>Property Class</u>	<u>FY2022</u>	<u>FY2023</u>
Residential	\$12.56	10.31
Commercial	\$12.56	10.31
Industrial	\$12.56	10.31
Personal Property	\$12.56	10.31

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

Tax Impacts

While the relatively modest change in tax rate is encouraging, actual property tax impacts will vary from property to property.

The residential classes, including single family homes and small multifamily homes, have increased for FY2023, reflecting the continued increases in the real estate market. Valuations for other classes of property have also been increased.

Examples of Typical Residential Tax Changes

<u>Residential Class</u>	<u>Average FY22 Value</u>	<u>Avg. Tax</u>	<u>Average FY23 Value</u>	<u>Avg. Tax</u>	<u>Change</u>
Single Family Homes	\$455,200	\$5,717	\$574,500	\$5,923	\$206 (3.6%)
2 & 3 Family Homes	404,400	5,079	487,100	5,022	\$-57 (1.1%)

Voting a Tax Shift Factor (proposed motion)

The West Stockbridge 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.