



FY2024 TAX CLASSIFICATION HEARING

Supplemental Tax Information
Packet

Wednesday, November 15, 2023

Tax Classification: Select Board's Role

MGL Chapter 40, Section 56 (*relevant excerpts*)

“The selectmen... shall annually first determine the percentage of the local tax levy to be borne by each class of real property...

“In determining such percentages, the selectmen... shall first adopt a residential factor...”

“Prior to the adoption of such percentages, the selectmen,... shall conduct a public hearing on the question of their adoption.”



TOWN OF LENOX	FISCAL 2022	FISCAL 2023	FISCAL 2024	FISCAL 2025	FISCAL 2026
TAX LEVY DASHBOARD	FINAL	FINAL	PROJECTED	PROJECTED	PROJECTED
MAXIMUM ALLOWABLE TAX LEVY CALCULATION:					
Base	19,395,615	20,300,666	21,117,030	21,852,260	22,548,566
Maximum allowable tax levy increase (2 1/2%)	484,890	507,517	527,926	546,306	563,714
New Growth	420,161	308,847	207,304	150,000	150,000
Overrides					
Capital Outlay Exclusions	-	-	-	-	-
Debt Exclusions Current	-	-	-	-	-
Debt Exclusions Authorized/Unissued	-	-	-	-	-
MAXIMUM ALLOWABLE TAX LEVY	20,300,666	21,117,030	21,852,260	22,548,566	23,262,280
ACTUAL LEVY	16,412,035	17,082,671	17,848,003	18,607,212	19,341,498
EXCESS LEVY CAPACITY	3,888,632	4,034,359	4,004,257	3,941,354	3,920,782
Tax Levy % Increase	2.53%	4.09%	4.48%	4.25%	3.95%



Factors that push tax bills higher

- Appropriations funded by property taxes (\$765k)
- Shifting (if at all) the tax burden back to residential from CIP classes



Factors that push tax bills lower

- “New Growth” – property that is being taxed for the first time (\$207k)
- Relative change in residential values vs commercial values
 - 4.3% increase for average SFH vs. 7.1% for average commercial/industrial property
- Further shifting (if at all) the tax burden from residential to CIP classes



FY2023 Pro Forma Residential Factor 0.923

	SINGLE FAMILY HOME				COMMERCIAL, INDUSTRIAL, PERSONAL			
	FY2023	FY2024	\$ Change	% Change	FY2023	FY2024	\$ Change	% Change
Total Value	\$ 929,304,900	\$ 972,695,000	\$ 43,390,100	4.67%	\$ 312,421,170	\$ 324,194,230	\$ 11,773,060	3.77%
Ave Value	\$ 575,778	\$ 602,288	\$ 26,510	4.60%	\$ 1,347,806	\$ 1,443,853	\$ 96,047	7.13%
Tax Rate*	\$ 9.16	\$ 9.08	\$ (0.08)	-0.87%	\$ 12.96	\$ 12.86	\$ (0.10)	-0.77%
Tax Bill*	\$ 5,274	\$ 5,469	\$ 195	3.69%	\$ 17,468	\$ 18,568	\$ 1,100	6.30%

	MEDIAN SINGLE FAMILY HOME TEST			
	FY2023	FY2024	\$ Change	% Change
Median Value	\$ 461,400	\$ 481,600	\$ 20,200	4.38%
Tax Rate*	\$ 9.16	\$ 9.08	\$ (0.08)	-0.87%
Tax Bill*	\$ 4,226	\$ 4,373	\$ 147	3.47%

**FY2023 Actual; FY2024 assumes Selectmen adopt Residential Factor of .923*



FY2024 Pro Forma Tax Factor Options

TAX FACTOR		SINGLE FAMILY HOME				COMMERCIAL, INDUSTRIAL, PERSONAL			
RES	CIP	Rate	Ave Value	Ave Bill	Change	Rate	Ave Value	Ave Bill	Change
1.000	1.000	9.85	602,288	5,932.54	463.76	9.85	1,443,853	14,221.95	(4,346.00)
0.975	1.089	9.61	602,288	5,787.99	319.21	10.84	1,443,853	15,651.37	(2,916.58)
0.950	1.179	9.36	602,288	5,637.42	168.64	11.82	1,443,853	17,066.34	(1,501.61)
0.925	1.269	9.11	602,288	5,486.84	18.07	12.81	1,443,853	18,495.76	(72.19)
0.923	1.313	9.08	602,288	5,468.78	-	12.86	1,443,853	18,567.95	-
0.900	1.358	8.87	602,288	5,342.29	(126.48)	13.79	1,443,853	19,910.73	1,342.78
0.877	1.500	8.64	602,288	5,203.77	(265.01)	14.70	1,443,853	21,224.64	2,656.69



Recommendation: Maintain Current Residential Factor

To keep the same tax split that Lenox had in FY23, a majority vote on the following motion is required:

“MOVE to adopt a residential factor of 0.923 for the purposes of determining the fiscal 2024 tax rate.”



QUESTIONS?



