



Fiscal Year 2023
Tax Classification Hearing

December 7, 2022

Becket Board of Assessors

Geraldine Walters – Chairman

Jessica Perotti – Member

Beverly Gilbert – Member

Harald M. Scheid – Regional Tax Assessor

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 town will be raising \$7,055,645 in property tax revenues. The tax levy has increased \$673,689 (11.0%) over last year's levy of \$6,381,956.

Levy Ceiling: The levy ceiling is 2.5 percent of the full value of the Town. Based on the Becket's aggregate valuation of \$650,241,672, the town cannot levy taxes in excess of \$16,256,042.

New Growth Revenue: Property taxes derived from newly taxable properties like new construction, additions, subdivisions, and personal property. The assessors have tabulated new growth revenues of \$62,937.

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 the levy limit is \$7,163,548.

Excess Levy Capacity: Excess levy capacity is the difference between the levy and the levy limit. Much of Becket's prior excess levy capacity is being used to balance the fiscal year 2023 budget.

The Fiscal Year 2023 Levy Limit and Amount to be Raised

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

Fiscal year 2022 levy limit	\$6,634,346
Levy increase allowed under Prop. 2 ½	165,859
New growth revenue	62,937
Excluded Debt to Pay Bonds	300,406
Fiscal year 2023 levy limit	7,163,548
Levy to be raised	\$7,055,645
Excess levy capacity	\$107,903

Valuations by Class Before Tax Shift

<u>Major Property Class</u>	<u>Valuation</u>	<u>Percent</u>	<u>Res vs CIP%</u>
Residential	588,972,445	90.5707	90.5707
Commercial	19,688,610	3.0277	
Industrial	1,924,045	0.2959	9.4293
Personal Property	39,704,752	6.1057	
TOTAL	650,289,852	100.0000	

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 Becket's relatively small commercial, industrial, and personal property tax base, it takes a CIP tax rate increase of approximately 10% to yield a 1% residential tax rate reduction.

Tax Rates

The estimated single tax rate for fiscal year 2023 is \$10.80 per thousand valuation.

<u>Property Class</u>	<u>FY2022</u>	<u>FY2023</u>
Residential	\$10.80	10.85
Commercial	\$10.80	10.85
Industrial	\$10.80	10.85
Personal Property	\$10.80	10.85

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

Tax Rates History

Fiscal Year 2021	\$11.62	Fiscal Year 2018	\$10.87
Fiscal Year 2020	\$11.08	Fiscal Year 2017	\$10.54
Fiscal Year 2019	\$11.07	Fiscal Year 2016	\$10.46

Tax Impacts

Examples of Typical Residential Tax Changes

<u>Property 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	\$275,300	\$2,973	\$312,500	\$3,391	\$418 (14%)

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 Becket.

Voting a Tax Shift Factor (proposed motion)

The Becket 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)

MASSACHUSETTS DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES
BUREAU OF LOCAL ASSESSMENT

Becket

TOWN

ASSESSMENT/CLASSIFICATION REPORT as of January 1, 2022

Fiscal Year 2023

Property Type	Parcel Count	Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	Class5 Pers Prop
101	1,701	531,507,400				
102	0	0				
MSC 103,109	40	9,278,400				
104	7	2,437,700				
105	0	0				
111-125	0	0				
130-32,106	1,934	42,038,900				
200-231	0		0			
300-393	18			16,868,200		
400-442	4				1,210,600	
450-452	1				447,000	
CH 61 LAND	2	30	0	581,031		
CH 61A LAND	3	6	0	94,737		
CH 61B LAND	4	9	0	316,031		
012-043	8	3,710,045	0	1,828,611	205,545	
501	822					3,383,992
502	2					7,954
503	0					0
504	1					25,140,744
505	5					5,842,500
506	0					0
508	3					750,216
550-552	1					4,579,346
TOTALS	4,601	588,972,445	0	19,688,610	1,924,045	39,704,752
Real and Personal Property Total Value						650,289,852
Exempt Parcel Count & Value					299	40,334,900

Comparison of Aggregate Valuations

MASSACHUSETTS DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES
BUREAU OF LOCAL ASSESSMENT

Becket
TOWN

LA4 Comparison Report - Fiscal Year 2023

Small PP Exemption:		Certification Year:		2022	
Billing Cycle:		Quarterly		Joseph Barberi	
Chapter 65B:		No			

Property Type	Description	FY 2022 Parcel Count	FY 2022 Assessed Value	FY 2023 Parcel Count	FY 2023 Assessed Value	Parcel Difference	Parcel % Difference	Assessed Value Difference	Assessed Value % Difference
101	Single Family	1,700	468,012,900	1,701	531,507,400	1	0.1%	63,494,500	13.6%
102	Condominiums	0	0	0	0	0		0	
MISC 103.109	Miscellaneous Residential	39	8,368,500	40	9,278,400	1	2.6%	909,900	10.9%
104	Two - Family	7	2,007,400	7	2,437,700	0		430,300	21.4%
105	Three - Family	0	0	0	0	0		0	
111-125	Apartment	0	0	0	0	0		0	
130-52,106	Vacant / Accessory Land	1,959	52,842,800	1,934	42,038,900	-25	-1.3%	-10,803,900	-20.4%
200-231	Open Space	0	0	0	0	0		0	
300-303	Commercial	18	15,947,300	18	16,963,200	0		1,020,900	6.4%
400-442	Industrial	4	1,158,800	4	1,210,600	0		51,800	4.5%
450-452	Industrial Power Plant	1	447,900	1	447,900	0		0	
CH 61 LAND	Forest	1	268,752	2	561,031	1	14.3%	312,279	116.2%
CH 61A LAND	Agriculture	3	98,234	3	94,737	0		-3,497	-3.6%
CH 61B LAND	Recreational	4	401,031	4	316,031	0		-85,000	-21.2%
012-043	Multi-use - Residential	8	2,990,975	8	3,710,045	0		719,070	24.0%
012-043	Multi-use - Open Space	0	0	0	0	0		0	
012-043	Multi-use - Commercial	0	1,495,053	0	1,828,611	0		333,658	22.3%
012-043	Multi-use - Industrial	0	251,755	0	265,545	0		13,790	5.5%
501	Individuals / Partnerships / Associations / Trusts / LLC	844	3,999,899	822	3,383,982	-22	-2.6%	-615,917	-15.4%
502	Corporations	2	23,153	2	7,954	0		-15,199	-65.6%
503	Manufacturing	0	0	0	0	0		0	
504	Public Utilities	1	20,435,458	1	25,092,564	0		4,657,106	22.8%
505	Centrally Valued Telephone	5	6,976,500	5	5,942,500	0		-34,000	-0.6%

Levy Limit Calculation

MASSACHUSETTS DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES
BUREAU OF ACCOUNTS

Becket

TOWN

Levy Limit Fiscal Year 2023

FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY 2022 LEVY LIMIT

A. FY 2021 Levy Limit	6,400,223	
A1. Amended FY 2021 Growth	300	
B. ADD (IA + IA1)*2.5%	160,238	
C. ADD FY 2022 New Growth	64,585	
C1. ADD FY 2022 New Growth Adjustment	0	
D. ADD FY 2022 Override	0	
E. FY 2022 Subtotal	6,634,346	
F. FY 2022 Levy Ceiling	14,773,046	I. 6,634,346 FY 2022 Levy Limit

II. TO CALCULATE THE FY 2023 LEVY LIMIT

A. FY 2022 Levy Limit from I	6,634,346	
A1. Amended FY 2022 Growth	0	
B. ADD (IIA + IIA1)*2.5%	165,859	
C. ADD FY 2023 New Growth	62,937	
C1. ADD FY 2023 New Growth Adjustment	0	
D. ADD FY 2023 Override	0	
E. ADD FY 2023 Subtotal	6,863,142	
F. FY 2023 Levy Ceiling	16,256,042	II. 6,863,142 FY 2023 Levy Limit

III. TO CALCULATE THE FY 2023 MAXIMUM ALLOWABLE LEVY

A. FY 2023 Levy Limit from II.	6,863,142
B. FY 2023 Debt Exclusion(s)	300,406
C. FY 2023 Capital Expenditure Exclusion(s)	0
D. FY 2023 Stabilization Fund Override	0
E. FY 2023 Other Adjustment :	0
F. FY 2023 Water/Sewer	0
G. FY 2023 Maximum Allowable Levy	7,163,548