

New Ashford Tax Classification Hearing
New Ashford Town Hall
November 14, 2019

Select Board Present: Jason Jayko (Chair), Ken McInerney, Mark Phelps
Others Present: Assessor Chris Lamarre, Sherry Youngkin, Frank Youngkin, Helen Majchowski,
Alan Steinhoff, Tammy Steinhoff, Barb Holden, Mike Holden, Cindy Grosso, Ed Grosso, Lori Jayko

Hearing opened at 5:30

Chris Lamarre, Assessor, explained that the purpose of the hearing is for the Select Board to determine how the tax levy is shared among the tax payers. There are four classification options: open space discount, residential exemption, small commercial exemption, and single or split tax rate. The town currently has a single tax rate. A vote for exemptions results in a higher tax rate for non-qualified properties. The tax levy is the same regardless of which classification option is chosen. A residential factor of 1 is a single tax rate shared between all classes of property. A residential factor of less than one shifts the tax burden to industrial, commercial, and personal property owners, (includes all chapter land) with the tax rate being lower for residential and open space. The town's minimum residential factor, as set by the Department of Revenue, is .913172. An open space discount shifts the burden to residential rate payers. The residential exemption may not exceed 35% of the average assessed value of all residential class properties. The average assessed value in New Ashford is \$216,553.00, 35% of which is \$75,794. This shifts the tax rate away from lower valued occupied homes to those with higher values. Most of the communities that exercise this option are near, and including, Boston (due to apartments) and Cape Cod (due to second home owners). The small commercial exemption is for commercial properties assessed at less than \$1,000,000, having no more than an average of ten employees. The benefit goes to the property owner and not the tenant. This creates a different tax rate in the commercial group. When there is a single tax rate, everyone pays only their share. Splitting the tax rate shifts the burden to the commercial properties. The town's tax levy for FY 20 is \$491,791, a decrease of \$65,364 or 11.8%. The FY19 levy was \$557,155. The total taxable value in town is \$39,374,930. The assessor monitors the home sales reports and does an assessment to sale ratio study. This compares the sales price to the assessed value. There was a nominal amount of sales last year, so the DOR requires looking at two years of data. The proposed tax rate for FY20 is \$12.48, down \$1.67 from FY19. The excess levy capacity is \$90,365. The maximum levy allowed this year is \$582,156. New growth is \$240,602 in new value which equals \$3,405 in new tax dollars. New growth is allowed prior to January 1. The town can opt to take it to June 30th by a vote to become a 653 community. Typically, towns that do quarterly billing exercise this option. The median single home value in town is \$245,200. That tax bill will decrease by \$396. The bill on a \$273,374 property will decrease by \$460. The value of open space went up by 7.4%, likely due to additional property being classified as open space. Most communities do not classify open space. Chris thinks we should do away with this classification and also suggests increasing the assessing budget to allow for thirty to forty parcels being inspected a year. Assessors have to inspect each property once in a nine-year period. Mark made a motion to adopt the residential rate of 1, making a single tax rate for FY20 of \$12.48, seconded by Ken. All in favor. The Select Board signed the LA 4 form and will sign in Gateway tonight so that Chris can submit to the DOR tomorrow. Once the DOR approves, the bills can be sent out.

Hearing closed at 6:22.