

New Ashford Tax Classification Hearing

New Ashford Town Hall/Zoom

September 4, 2024

Select Board Present: Jason Jayko (Chair), Mark Phelps

Select Board Zoom: Ken McInerney

Others Present: Chris Lamarre, Lori Jayko, Michelle Singer, Kurt Singer, Richard George, Susan Supranowicz

Others Zoom: None

Hearing opened at 6:30

Chris Lamarre, Assessor, explained that the Tax Classification Hearing is for the Select Board to vote for one or a combination of four classification options for distributing the tax levy among property owners: Open Space Discount (does not apply to New Ashford as we do not classify land as open space), Residential Exemption, Small Commercial Exemption, or Single or Split Tax Rate. The Residential Exemption grants an exemption to property that is the principal residence of a tax payer, up to 35% of the average assessed value of all assessed property. Granting this increases the residential tax rate for all tax payers, as the tax burden is shifted from lower value homes to dwellings valued at greater than the breakeven. The Small Commercial Exemption is applied to commercial properties with an assessed value of less than \$1,000,000, having no more than ten employees. Up to 10 % of the assessed value of eligible property would be exempt. The property owner is the beneficiary of this savings. A Single Tax Rate requires a vote of a residential factor of 1.00, allowing all property classes to pay only their fair share of the tax levy without shifting the tax burden to any. The Split Tax Rate shifts the tax burden from residential to commercial. The maximum shift reduces the residential tax rate from \$5.66 to \$5.21 and increases the commercial rate to \$8.49. Voting to grant exemptions or discounts results in a higher tax rate for those not receiving the benefit, as the tax burden is shifted away from the exempted recipients to the non-qualifiers. Voting more than one exemption option will result in different tax rates for select property classes. Voting a residential factor of less than 1.00 splits the tax rate and shifts the tax burden from residential to commercial, personal property, and chapter land. Voting a residential factor of 1.00 affirms a single tax rate and proportionate sharing of the tax levy between all classes of property.

The FY25 tax levy is \$368,012, down \$98,062 or 21% from the prior fiscal year's levy. The levy has gone down \$120,659 in the past two years. The biggest driving factor is the decrease in school age children. Sale prices of homes has been outstripping assessments. Total taxable value is \$65,019,935, up \$10,058,347 or 18.3%. The tax rate is the levy divided by the value of all taxable property times 1,000, yielding a tax rate of \$5.66. The value going up and the levy going down results in a decrease in tax rate of \$2.82 from FY24. The excess levy capacity is the difference between the maximum allowable levy and the amount levied. The excess levy capacity is \$331,393. If the excess levy capacity were used, the tax rate would be \$10.75. New growth for FY25 is \$621,652. Of that, \$191,200 is residential, \$274,300 is commercial, and \$156,152 is personal property, which yields \$5,271 in new tax dollars. The tax bill for a median single family residence valued at \$423,700 will be \$2,398, down \$633 from last year. The tax bill for a median commercial property valued at \$800,000, will have a tax bill of \$4,528, down \$2,179 from last year. Mark made a motion to keep a residential factor of 1.00, seconded by Ken. The motion passed unanimously. Mark made a motion to not grant an open space

discount, seconded by Jason. The motion passed unanimously. Mark made a motion to deny the residential exemption, seconded by Jason. The motion passed unanimously. Mark made a motion to deny the small commercial exemption, seconded by Jason. The motion passed unanimously. Chris will submit the necessary documents to the DOR and anticipates their approving the tax rate at \$5.66. Catalis is doing the final data extract for Vadar. When that is done, we can work on issuing tax bills for October 1.  
The Tax Classification Hearing was adjourned at 6:56