

TOWN OF STOW
FISCAL YEAR 2024
CLASSIFICATION PRESENTATION



Presented by the
Stow Board of Assessors
Kristen Fox, MAA, Principal Assessor
November 14, 2023

FISCAL YEAR 2024

DISCUSSION AND DECISION BY THE SELECTBOARD

MAINTAIN A SINGLE TAX RATE **OR** ADOPT A SPLIT TAX RATE

SIGN DOR FORM LA-5

OTHER OPTIONS:

SMALL COMMERCIAL EXEMPTION

OPEN SPACE DISCOUNT

RESIDENTIAL EXEMPTION



SMALL COMMERCIAL EXEMPTION

- An exemption of up to 10% of the property valuation for commercial properties only
- Eligible business cannot have more than 10 employees as certified by the Dept. of Employment and Training
- Building Value cannot exceed \$1,000,000
- Increases commercial and industrial tax rates
- Shifts the burden to higher assessed commercial and industrial properties
- One business in a building could not qualify unless every business qualified
- Exemption goes to the building owner, not the tenant

OPEN SPACE DISCOUNT

- **Open Space** is defined as “land which is not otherwise classified and which is not taxable under provisions of Chapters 61A or 61B, or taxable under a permanent conservation restriction...not held for the production of income but maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public”.
- A maximum exemption of 25% may be adopted, however, the Town has never voted a discount for open space.
- Raises the residential tax rate

RESIDENTIAL EXEMPTION

- **Residential Exemption**: Shifts the tax burden to non-domiciled taxpayers
- Only adopted in 18 communities including Boston, Nantucket, and Barnstable
- Intended for communities with a high number of apartments or second homes (seasonal)
- Increases the residential tax rate
- FY23 Tax Rate would rise from \$18.13 to \$22.26
- Tax burden for owner occupied properties below the break even point of \$621,750 would be decreased
- Most homes in Stow are owner occupied (95%)
- There are 8 seasonal homes in Stow
- There are 6 apartment buildings in Stow
- In summation, adoption of a residential exemption will significantly raise the residential tax rate while providing a benefit ONLY to those properties below the break-even point

FOUR CLASSES OF PROPERTY



RESIDENTIAL/OPEN SPACE



COMMERCIAL



INDUSTRIAL



PERSONAL PROPERTY

MINIMUM RESIDENTIAL FACTOR

- A Residential Factor of 1 would yield a single tax rate
- Tax Levy/Taxable Value X 1000 = Single Tax Rate
- Stow may select a factor less than 1, thereby shifting more of the tax burden onto the CIP classes or properties
- **Historically, Stow has chosen a minimum residential factor of 1**



Decrease



Increase



MINIMUM RESIDENTIAL FACTOR OPTIONS

CIP SHIFT	MRF	RES%	CIP%	RES TR	CIP TR
1	1.00	94.3596	5.6404	16.97	16.97
1.1	0.9940	93.7956	6.2044	16.87	18.67
1.2	0.9880	93.2315	6.7685	16.77	20.36
1.3	0.9821	92.6675	7.3325	16.67	22.06
1.4	0.9761	92.1035	7.8965	16.56	23.76
1.5	0.9701	91.5394	8.4606	16.46	25.46

*actual calculations may differ slightly due to rounding

ESTIMATED TAX AMOUNTS RESIDENTIAL

- The FY2024 Average Single-Family Value is \$736,500 (rounded)

CIP SHIFT	MRF	RES %	RES TR	EST BILL
1	1.00	94.3596	16.97	\$12,498
1.1	0.9940	93.7956	16.87	\$12,425
1.2	0.9880	93.2315	16.77	\$12,351
1.3	0.9821	92.6675	16.67	\$12,277
1.4	0.9761	92.1035	16.56	\$12,196
1.5	0.9701	91.5394	16.46	\$12,123

ESTIMATED TAX AMOUNTS CIP

- The FY2024 Average Commercial Value is \$871,500 (rounded)

CIP SHIFT	MRF	CIP%	CIP TR	EST BILL
1	1.00	5.6404	16.97	\$14,789
1.1	0.9940	6.2044	18.67	\$16,271
1.2	0.9880	6.7685	20.36	\$17,744
1.3	0.9821	7.3325	22.06	\$19,225
1.4	0.9761	7.8965	23.76	\$20,707
1.5	0.9701	8.4606	25.46	\$22,188

FY 2024 ESTIMATED TAX RATE

- With a Minimum Residential Factor of 1, our estimated tax rate will be:
- **\$16.97**

- Note: This rate can change slightly during the DOR approval process



Percentage of Values by Property Class

	FY 2023			FY 2024	
Residential	1,609,935,175	93.66%	Residential	1,850,224,151	94.36%
Commercial	57,407,537	3.35%	Commercial	58,150,320	2.97%
Industrial	29,395,250	1.71%	Industrial	30,239,050	1.54%
Personal			Personal		
Prop	22,014,987	1.28%	Prop	22,208,261	1.13%
C.I.P.	108,817,774	6.34%	C.I.P.	110,597,631	5.64%
Total	1,718,752,949		Total	1,960,821,782	

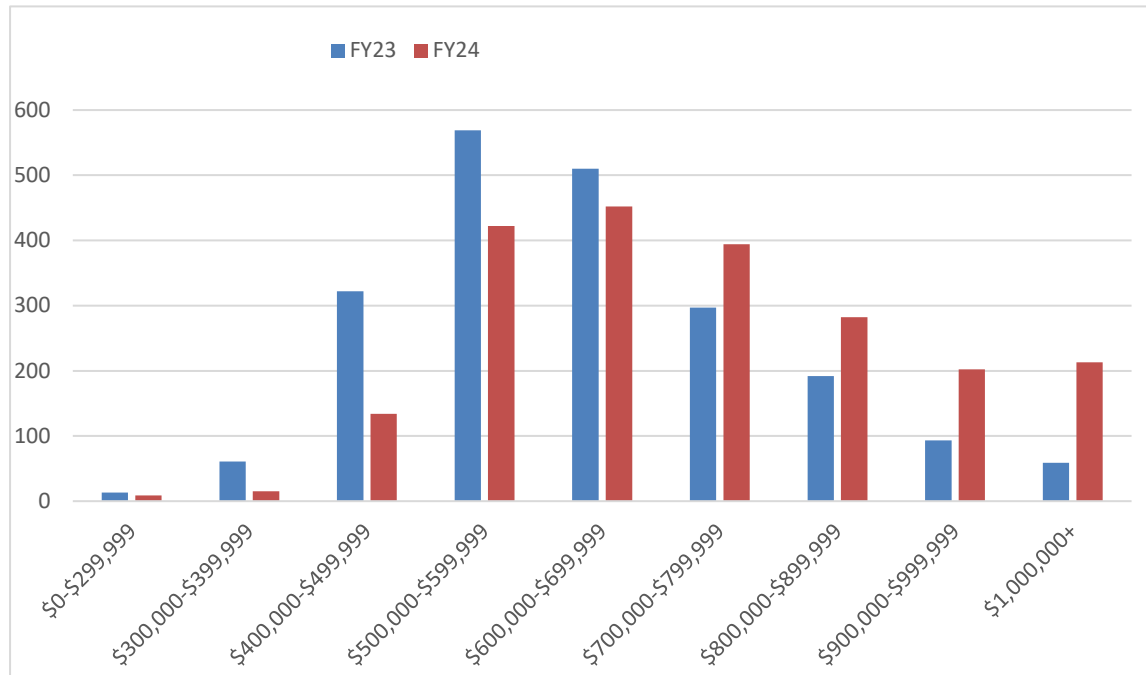
AVERAGE TAX BILL FY 2023 – FY 2024

	FY 2023	FY 2024	FY24 Trend	% Change
Avg. Single Family Value	\$640,800	\$736,500	Increase \$83,900	+15%
Tax Rate	\$18.13	\$16.97	Decrease \$1.16	-6.4%
Avg. Res Tax Bill	\$11,618	\$12,498	Increase \$880	+7.6%
Tax Levy	\$31,160,188	\$33,275,146	Increase \$2,114,958	+6.8%



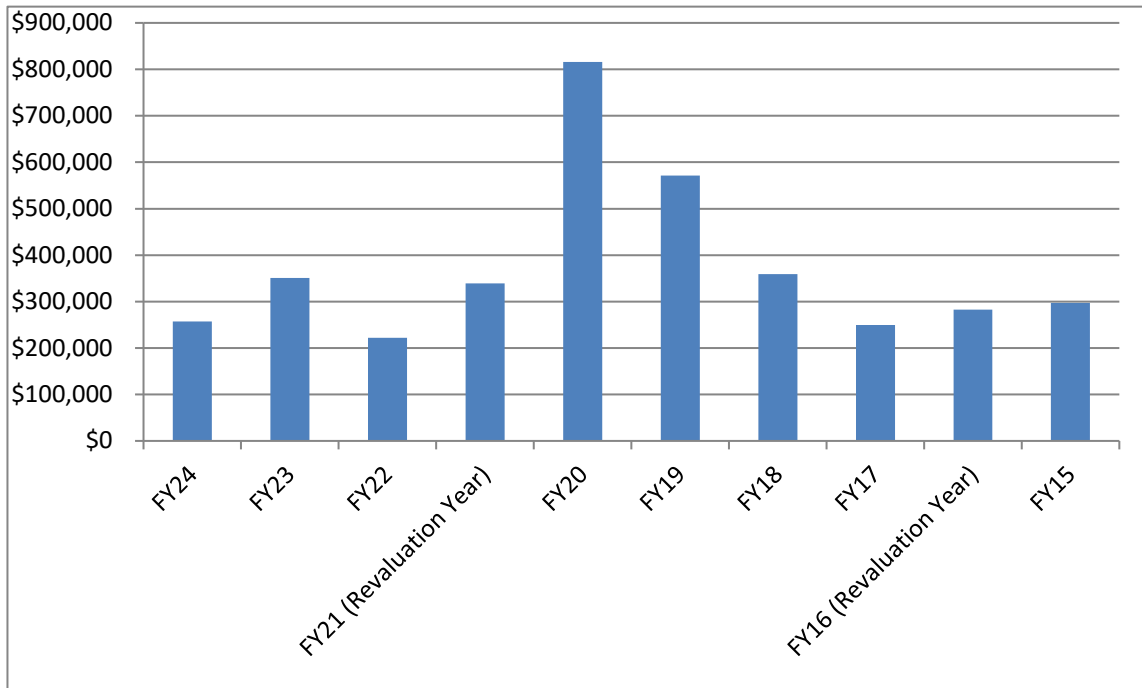
SINGLE FAMILY VALUE DISTRIBUTION

RANGE OF VALUE	# OF HOMES (2122)	% OF HOMES
\$0-\$299,999	9	.4%
\$300,000-\$399,999	15	.7%
\$400,000-\$499,999	134	6.3%
\$500,000-\$599,999	422	19.9%
\$600,000-\$699,999	452	21.3%
\$700,000-\$799,999	394	18.6%
\$800,000-\$899,999	281	13.2%
\$900,000-\$999,999	202	9.5%
\$1,000,000+	213	10.0%



NEW GROWTH

FY24	\$257,415
FY23	\$351,005
FY22	\$221,888
FY21 (Revaluation Year)	\$339,334
FY20 (Regency)	\$816,139
FY19 (Regency)	\$571,082
FY18	\$358,954
FY17	\$249,488
FY16 (Revaluation Year)	\$282,381
FY15	\$296,876



2021 and 2022 SINGLE FAMILY SALES ACTIVITY in STOW

Calendar Year	2021	2022	% Change
Sales Activity	101	68	-33%
Days on Market	32	24	-25%
Avg. Sales Price	\$711,200	\$853,300	+20%

Stats from mlspin.com



SURROUNDING MUNICIPALITIES

Town	2021	2023	2023		2023		FY 2023 Tax Rates		Average SF Tax Bill
	Population	Total Valuation	Residential Valuation	%	CIP Valuation	%	Residential	CIP	
Stow	7,059	\$1,718,752,949	\$1,609,935,175	93.7%	\$108,817,774	6.3%	\$18.13	\$18.13	\$11,617
Acton	23,846	\$5,863,343,462	\$5,278,116,616	90.0%	\$585,226,846	10.0%	\$17.56	\$17.56	\$13,638
Bolton	5,676	\$1,442,380,880	\$1,365,503,623	94.7%	\$76,877,257	5.3%	\$17.50	\$17.50	\$12,463
Boxborough	5,425	\$1,475,569,221	\$1,208,842,085	81.9%	\$266,727,136	18.1%	\$15.52	\$15.52	\$11,868
Lancaster	8,455	\$1,114,280,987	\$1,283,363,620	86.8%	\$169,082,633	13.2%	\$17.19	\$17.19	\$7,842
Northborough	15,667	\$3,888,243,959	\$2,880,725,430	74.1%	\$1,007,518,529	25.9%	\$14.79	\$14.79	\$8,575
Southborough	10,421	\$3,241,019,768	\$2,684,483,336	82.8%	\$556,536,432	17.2%	\$14.76	\$14.76	\$11,860
Hudson	19,790	\$3,704,305,600	\$3,210,130,118	86.7%	\$494,175,482	13.3%	\$14.60	\$28.88	\$7,274
Harvard	6,844	\$1,589,094,617	\$1,520,337,340	95.7%	\$68,757,277	4.3%	\$16.61	\$16.60	\$12,833
Marlborough	41,110	\$7,853,400,882	\$5,642,577,064	71.9%	\$2,210,823,818	28.1%	\$11.54	\$20.32	\$5,856
Maynard	10,574	\$1,916,131,410	\$1,733,695,965	90.5%	\$182,435,445	9.5%	\$18.97	\$25.24	\$8,824
Sudbury	19,059	\$6,171,026,965	\$5,708,346,257	92.5%	\$462,680,708	7.5%	\$15.77	\$20.23	\$15,036