FISCAL YEAR 2027

Town of Shutesbury Select Board

Tax Classification Public Hearing

November 17, 2026

Prepared for the Select Board

Shutesbury Board of Assessors

Chairman: Howard Shpetner
Member: J April Stein
Member: George Arvanitis
Administrative Assessor: John Whelihan

Purpose of the Tax Classification Hearing

1. To establish a Residential Factor to determine the proportion of the tax levy to be borne by each class of property (Residential, Commercial, Industrial and Personal). This allows shifting taxes from Residential property to Commercial.

2. To adopt the percentage of the Residential Exemption. This allows shifting taxes within the Residential class.

INTRODUCTION

Prior to the mailing of the actual fiscal year tax bill, the Select Board holds a public hearing to determine the percentage of the town's tax levy to be borne by each class of property. The responsibility and procedures are described in Chapter 40, Section 56 of the MGL.

Pre-Classification Hearing:

- Determination of the annual budget/tax levy (town meeting/budget)
- Determination of the town's assessed values (Assessors)
- Approval of assessed values (DLS)
- Approval of "new growth" (DLS)

Classification Hearing

- Conduct Public Hearing (Select Board & Assessors)
- Vote on a residential factor/tax shift (Select Board)

Post Classification Hearing

- Sign LA5 Classification approval form (Assessors & Town Clerk)
- Submit Tax Rate Recapitulation (Recap) (Assessors & Accountant)
- Approval of the Tax Rate (DLS)
- Mail tax bills (by December 31) (Assessors & Tax Collector)

MASSACHUSETTS DEPARTMENT OF REVENUE

DIVISION OF LOCAL SERVICES

BUREAU OF ACCOUNTS

Shutesbury

TOWN

TAX RATE RECAPITULATION

Fiscal Year 2027

I. TAX RATE SUMMARY

Ia.	Total amount to be raised (from page 2, IIe)	$ 9,743,332.19
Ib.	Total estimated receipts and other revenue sources (from page 2, IIIe)	3,153,409.40
Ic.	Tax Levy (Ia minus Ib)	$ 6,589,922.79

Id. Distribution of Tax Rates and levies

CLASS	(b) Levy percentage (from LA5)	(c) Ic above times each percent in col (b)	(d) Valuation by class (from LA-5)	(e) Tax Rates (c) / (d) x 1000	(f) Levy by class (d) x (e) / 1000
Residential	92.926701	6,123,797.83	361,646,973.00		
Net of Exempt			361,291,013.00	16.95	6,123,882.67
Open Space	0.000000	0.00	0.00	0.00	0.00
Commercial	0.541704	35,697.87	2,108,173.00	16.93	35,691.37
Net of Exempt					
Industrial	0.317159	20,900.50	1,234,300.00	16.93	20,896.70
SUBTOTAL	***93.785563***		***364,989,446.00***		***6,180,470.74***
Personal	6.214437	409,526.59	24,185,000.00	16.93	409,452.05
TOTAL	***100.000000***		***389,174,446.00***		***6,589,922.79***

MUST EQUAL 1C

Signatures

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Documents

No documents have been uploaded.

Do Not Write Below This Line --- For Department of Revenue Use Only

Reviewed By: Nick Cantella

Date:

Approved:

Director of Accounts:

MASSACHUSETTS DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES
BUREAU OF ACCOUNTS

Shutesbury
TOWN

Levy Limit
Fiscal Year 2027

FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY 2026 LEVY LIMIT			
A. FY 2025 Levy Limit	6,507,047		
A1. Amended FY 2025 Growth	0		
B. ADD (IA + IA1)*2.5%	162,676		
C. ADD FY 2026 New Growth	47,803		
C1. ADD FY 2026 New Growth Adjustment	0		
D. ADD FY 2026 Override	0		
E. FY 2026 Subtotal	***6,717,526***		
F. FY 2026 Levy Ceiling	9,469,977	I.	***6,717,526***
			FY 2026 Levy Limit
II. TO CALCULATE THE FY 2027 LEVY LIMIT			
A. FY 2026 Levy Limit from I	6,717,526		
A1. Amended FY 2026 Growth	0		
B. ADD (IIA + IIA1)*2.5%	167,938		
C. ADD FY 2027 New Growth	73,140		
C1. ADD FY 2027 New Growth Adjustment	0		
D. ADD FY 2027 Override	0		
E. ADD FY 2027 Subtotal	***6,958,604***		
F. FY 2027 Levy Ceiling	9,729,361	II.	***6,958,604***
			FY 2027 Levy Limit
III. TO CALCULATE THE FY 2027 MAXIMUM ALLOWABLE LEVY			
A. FY 2027 Levy Limit from II.	6,958,604		
B. FY 2027 Debt Exclusion(s)	144,578		
C. FY 2027 Capital Expenditure Exclusion(s)	0		
D. FY 2027 Stabilization Fund Override	0		
E. FY 2027 Other Adjustment :	0		
F. FY 2027 Water/Sewer	0		
G. FY 2027 Maximum Allowable Levy	***7,103,182***		

Signatures

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Documents

No documents have been uploaded.

MMA | Massachusetts Municipal Association

Proposition 2 ½ and Municipal Tax Classification

Property Taxes & Proposition 2 1/2

In Massachusetts, municipal revenues are raised through the property tax levy, state aid, local receipts, and other sources. These revenues support local spending for schools, public safety, and other essential public services. The property tax levy is the largest source of revenue for most cities and towns. Proposition 2½, approved by Massachusetts voters in 1980 and first implemented in fiscal 1982, limits the amount of revenue a city or town may raise (or levy) from local property taxes each year to fund municipal operations.

Prop 2 ½ places two constraints on the amount of property taxes a city or town can levy:

1. A community cannot levy more than 2.5 percent of the total full cash value of all taxable property in the community (called the levy ceiling).
2. A community's allowable levy for a fiscal year (called the levy limit) cannot increase by more than 2.5 percent of the maximum allowable limit for the prior year, plus certain allowable increases such as new growth from property added to the tax rolls.

Key terms:

- ***Levy Limit***: This caps the annual increase in property tax revenue (the levy) a city or town can collect from existing properties to 2.5% over the previous year's levy limit, plus any new growth revenue from new properties or improvements.
- ***Levy Ceiling***: The total property tax levy cannot exceed 2.5% of the total assessed value of all taxable property within the municipality.
- ***Assessed value***: The fair market value of property as of the January 1 preceding the start of the fiscal year.
- ***Overrides and Exclusions***: Municipalities can temporarily exceed these limits through voter-approved overrides and exclusions. Overrides permanently increase the levy limit, while exclusions (such as for debt or capital expenditures) temporarily increase the limit.

Property Tax Classification

In 1978, the Massachusetts General Court approved a law that allows municipalities to set different tax rates for different sectors. Under Prop 2 ½, a municipality can apply different tax rates to different classes of property, as long as it is within the constraints of the levy limit and levy ceiling. Massachusetts cities and towns can adopt a classification system to shift the tax obligation between different types of properties: residential and CIP (commercial, industrial, and personal) property. This flexibility allows a municipality to determine which property taxpayers will pay a higher rate and by how much. This could include a higher tax rate for commercial and industrial property, in order to maintain a lower tax rate for the residential tax base.

When setting the tax rate, the local legislative body determines how much of a shift factor to adopt for the upcoming year. The maximum shift is set by the state. For commercial properties, the shift can be up to 175% of the rate on residential properties.

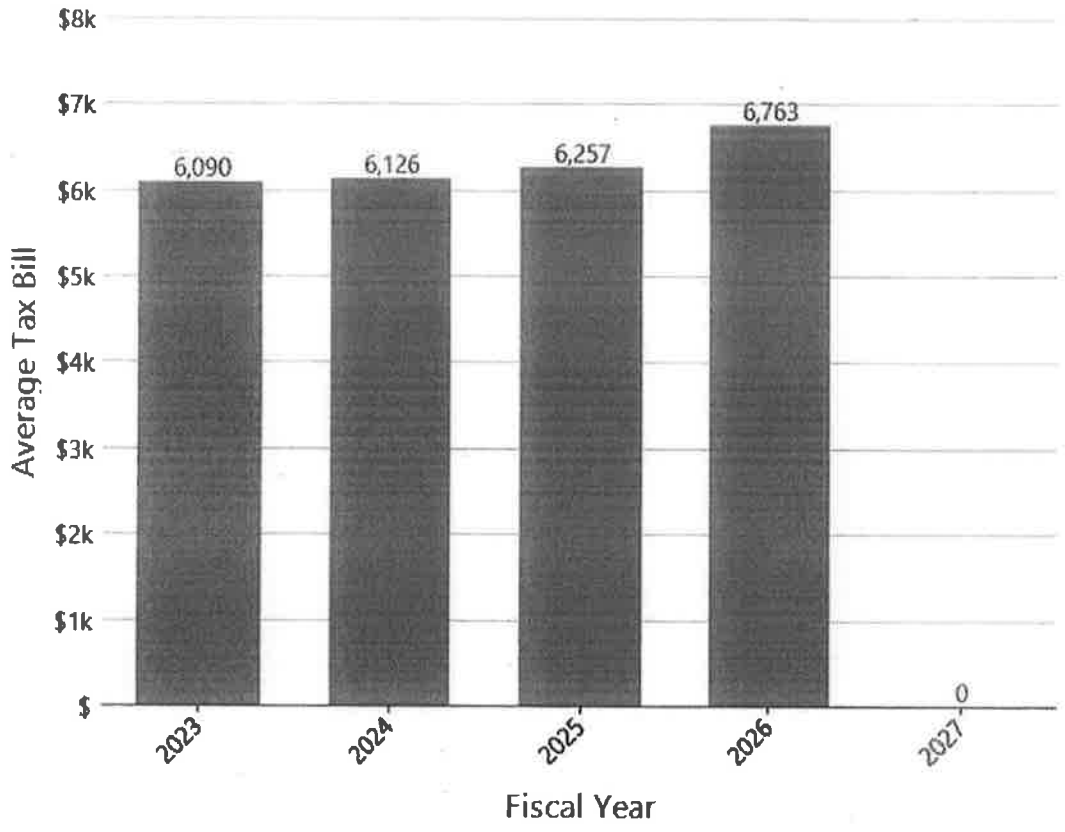
TAX DATA FOR SURROUNDING COMMUNITIES

COMMUNITY	FY26 TAX RATE	FY26 AVE VALUATION	FY25 AVE TAX BILL	FY25 TAX LEVY
Barre	13.35	378,506	5,053	10,942,665
Hardwick	12.74	380,842	4,852	5,276,086
Leverett	15.70	500,104	7,852	7,004,487
New Salem	13.62	363,525	4,951	2,653,755
Orange	16.60	295,760	4,910	15,741,149
Pelham	18.79	490,319	9,213	5,319,376
Petersham	14.24	400,762	5,707	3,698,881
Shutesbury	16.21	417,225	6,763	6,134,092
Wendell	20.50	271,225	5,565	3,201,581

DLS
DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Data Analytics and Resources Bureau
Average Single Family Tax Bill
Data current as of 11/02/2026

Town of Shutesbury



SHUTESBURY

	AVERAGE VALUATIONS	TAX RATE	AVERAGE TAX BILL
FY26			
SINGLE- FAMILY	417,704	16.21	$6,770
TWO/THREE FAMILY	430,064	16.21	$6,970
CONDO	233,400	16.21	$3,783
COMMERCIAL	250,533	16.19	$4,056
INDUSTRIAL	220,740	16.19	$3,573
FY27			
SINGLE-FAMILY	424,326	16.95	$7,192
TWO/THREE FAMILY	436,188	16.95	$7,393
CONDO	231,450	16.95	$3,923
COMMERCIAL	249,566	16.93	$4,225
INDUSTRIAL	223,180	16.93	$3,778

FISCAL YEAR 2027

TAX RATES AT VARIOUS INTERVALS OF CLASSIFICATION

CIP SHIFT	RESIDENTIAL RATE	CIP RATE	RESIDENTIAL FACTOR
0%	16.95	16.93	1.0000
10%	16.82	18.63	.9924
20%	16.69	20.32	.9848
30%	16.56	22.01	.9772
40%	16.43	23.71	.9696
50%	16.30	25.40	.9619 **(MRF)**

Tax Levy Shifting Options

The tax rate can be impacted by decisions regarding classification and exemption options.

- 1. The "**Split Tax Rate**" allows for a shift of the tax burden from the residential class of property to the commercial, industrial and personal property classes (CIP).
- 2. The "**Open Space Discount**" may reduce the amount of the tax levy paid by the open space class to no less than 75% of its full and fair cash share of the levy.
- 3. The "**Residential Exemption**" allows for the shift of a portion of the residential tax burden from primary residences to second home owners and primary residences with higher property values.
- 4. The "**Small Commercial Exemption**" creates a shift that reduces taxes paid by owners of properties occupied by small businesses and shifts them to larger commercial and industrial taxpayers.

I recommend the following motions to the Select Board:

Motion:

The Shutesbury Select Board votes in accordance with MGL 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 2027 tax rates and **set the Residential Factor at 1** (one); pending certification of the town's annual tax recap by the Massachusetts Department of Revenue.

Motion: The Select Board not adopt an "Open Space Discount"

Motion: The Select Board not adopt a "Residential Exemption"

Motion: The Select Board not adopt a "Small Commercial Exemption"