



Fiscal Year 2026

Tax Classification Hearing

November 25, 2025 at 6:30PM

Otis Board of Assessors

William O'Brien, Chairperson

Jill Moretz, Member

Heather Gray, Member

Vision Appraisal

Candy Chaffee, Administrative Assessor

Introduction

Prior to the mailing of 3rd quarter tax billings, the Select Board holds a public hearing to determine the percentage of the Town's property tax levy to be borne by each major property class. This responsibility and procedure are described in Chapter 40, Section 56 of the Massachusetts General Laws.

The steps in completing the Classification Hearing are outlined below. Also provided is information about the levy, property assessments, and recommendations made by the Board of Assessors.

Steps in Setting Tax Rates

Pre-classification Hearing Steps

- Step 1: Determination of the property tax levy (Budget Process)
- Step 2: Determine assessed valuations (Assessors)
- Step 3: Tabulate assessed valuations by class (Assessors)

Classification Hearing Steps

- Step 4: Classification hearing presentation (Assessors & Selectboard)
- Step 5: Determine tax shift options (Selectboard)
- Step 6: Voting a tax shift factor (Selectboard)

Post Classification Hearing Steps

- Step 7: Sign the LA-5 Classification Form (Selectboard)
- Step 8: Send annual recap to DOR for tax rate approval (Assessors)
- Step 9: Obtain DOR approval of tax rates (DOR)

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 projected tax levy is **\$6,226,436**. Last year's levy was **\$6,089,027**. That is a modest 2% increase.

Levy Ceiling: The levy ceiling is 2.5 percent of the full value of the Town. Based on the Otis aggregate valuation of **\$1,044,022,114** the town cannot levy taxes in excess of **\$26,100,553**.

New Growth Revenue: Property taxes derived from newly taxable properties like new construction, additions, renovations, subdivisions, and personal property. The assessors have tabulated new growth revenues of **\$29,632**.

Levy Limit: Also referred to as the “maximum allowable levy”, 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 2½. For Fiscal Year 2026 the levy limit is **\$6,450,240**.

The Fiscal Year 2026 Levy Limit and Amount to be Raised

The following is a calculation of Otis’ levy limit for fiscal year 2026

Fiscal year 2025 levy limit	\$6, 264,008
Levy increase allowed under Prop. 2 ½	\$156,600
New growth revenue	\$29,632
FY2026 Overrides	0
Excluded Debt	-8,200
Fiscal year 2026 maximum allowable levy	\$6,442,040
Levy to be raised	\$6,226,436
Excess levy capacity	\$215,604

Valuations by Class before Tax Shift

<u>Major Property Class</u>	<u>Valuation</u>	<u>Percent</u>	<u>Res vs CIP%</u>
Residential	\$986,849,636	94.52	94.52%
Commercial	\$19,498,670	1.87	
Industrial	\$4,529,300	0.43	
<u>Personal Property</u>	<u>\$33,144,508</u>	<u>3.18</u>	<u>5.48%</u>
TOTAL	\$1,044,022,114	100.0000	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 Otis’ small commercial and industrial base, it would take an approximate 10 percent increase in the commercial tax rate to yield a 1 percent residential tax rate reduction.

Board of Assessors Recommendation

The Board of Assessors recommends that the Selectboard adopts a single tax rate to be applied to all classes of property in Otis.

Tax Rates

Based on the above shift factors, the Board of Assessors has calculated the following tax rates needed to raise the tax levy:

<u>Property Class</u>	<u>FY2025</u>	<u>FY2026</u>
Residential	\$6.46	\$5.96
Commercial	\$6.46	\$5.96
Industrial	\$6.46	\$5.96
Personal Property	\$6.46	\$5.96

*Note that the FY2026 rate is an estimate and may change incrementally upon Department of Revenue review.

Tax Impacts

Actual property tax impacts will vary from property to property.

The average single-family tax bill will increase by approximately 3%. Individual tax bill increases or decreases will vary depending on a number of property criteria.

Fiscal Year 2025 Average Assessment	\$504,831
Tax Rate / \$1,000 Assessment	6.46
Average Single-Family Tax Bill	\$3,261.21
Fiscal Year 2026 Average Assessment	\$564,608
Tax Rate / \$1,000 Assessment	5.96
Average Single-Family Tax Bill	\$3,365.06

Voting a Tax Shift Factor (proposed motion)

The Otis Selectboard 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 2025 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.

Assessor's Classification Report (LA4)

OTIS, MA

All Neighborhoods

Real Property

Property Type	Mix Use Chap Count	Parcel Count	Class 1 Residential Assessed Value	Class 2 Open Space Assessed Value	Class 3 Commercial Assessed Value	Class 4 Industrial Assessed Value	Total for Property Type
101	0	1,548	874,012,449	0	0	0	874,012,449
102	0	0	0	0	0	0	0
misc 103, 109, 110	0	62	38,362,634	0	0	0	38,362,634
104	0	9	3,917,168	0	0	0	3,917,168
105	0	1	300,000	0	0	0	300,000
111-125	0	2	1,020,900	0	0	0	1,020,900
130-132,106	0	1,091	61,040,366	0	0	0	61,040,366
200-231	0	0	0	0	0	0	0
300-393	0	36	0	0	11,499,982	0	11,499,982
400-442	0	10	0	0	0	4,529,300	4,529,300
450-452	0	0	0	0	0	0	0
ch 61 (600)	7	23	0	0	257,493	0	257,493
ch 61a (700)	1	4	0	0	31,600	0	31,600
ch 61b (800)	2	6	0	0	156,500	0	156,500
012-043	0	25	8,196,119	0	7,553,095	0	15,749,214
900	0	223	0	0	0	0	42,904,791
		3,050	986,849,636	0	19,498,670	4,529,300	1,053,782,397

1,010,877,606

Personal Property

Total Real Property:

Property Type	Parcel Count	Class 5 Personal Prop Assessed Value
501	1,095	6,222,487
502	20	684,218
504	2	18,307,748
505	3	4,366,200
506	1	2,685,300
508	3	878,555
	1,124	33,144,508

Total Personal Property: 33,144,508

Total Real + PP Taxable Property 1,044,022,114

42,904,791

Total Exempt Property:

Total Count Real and PP: 4,174