# CLASSIFICATION HEARING

PALMER - FY 2026

NOVEMBER 10, 2025

# PREPARED FOR:

THE PALMER TOWN COUNCIL AND
BRAD BROTHERS, TOWN MANAGER

# PREPARED BY:

RACHAEL CARNEY, MAA, PRINCIPAL ASSESSOR

NOVEMBER 10, 2025

# DISCUSSION ITEMS

- PURPOSE
- DEPARTMENT UPDATE
- NEW GROWTH
- HISTORICAL TRENDS
- LEVY AND TAX RATE
- EXEMPTION OPTIONS
- ASSESSOR RECOMENDATIONS

# PURPOSE

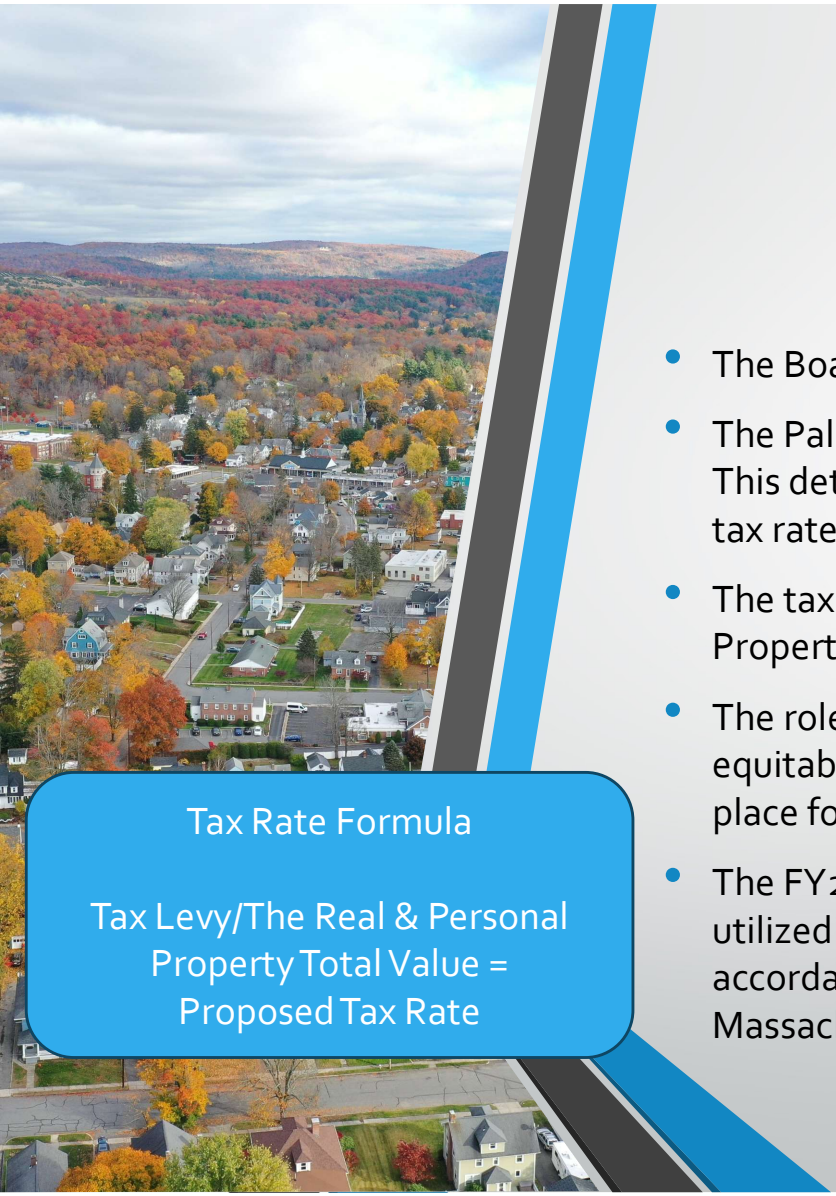
- **COMPLIANCE WITH M.G.L CHAPTER 40 SECTION 56:**

  REQUIRED TO ANNUALLY DETERMINE THE RESIDENTIAL FACTOR AND DELIBERATE ON CERTAIN EXEMPTIONS ALLOWED UNDER THE LAW

- **DEPARTMENT UPDATE**
- **INFORM THE TAXPAYERS**
- **VOTE ON THE OPTIONS PRESENTED**

# COMMONLY USED TERMS

- **Levy** – The amount a community raises through the property tax. The levy can be any amount up to the levy limit, which is reestablished every year in accordance with Proposition 2½ provisions.
- **Levy Limit** – A levy limit is one of two types of levy (tax) restrictions imposed by MGL c. 59 § 21C (Proposition 2½). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion.
- **Excess Levy Capacity** – The difference between the levy limit and the amount of real and personal property taxes actually levied in a given year. Annually, the select board or city council must be informed of excess levy capacity and their acknowledgment must be submitted to DLS when setting the tax rate.
- **Assessment Sale Ratio (ASR)** – Property assessed value divided by sales price. Expresses the relationship between the assessed value of a sold property and its most recent sales price. The ASR is instrumental in BLA's certification of municipal property values completed every five years.
- **New Growth** – The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or revaluations.
- **Minimum Residential Factor (MRF)** – Massachusetts' law allows for a shift of the tax burden from the residential and open space classes of property to the commercial, industrial and personal property classes (CIP). The MRF, established by the Commissioner of Revenue, is used to make certain the tax burden shift complies with the law. If the MRF would be less than .65, the community cannot make the maximum shift and must use a CIP factor less than 1.50 percent



# ROLE OF THE ASSESSOR

**Who Determines the Tax Rate?**

- The Board of Assessors do not set the tax rate.
- The Palmer Town Council decide what services the Town of Palmer provides. This determines how much the town will spend. These decisions impact the tax rate.
- The tax rate is determined each year by the Levy and Real and Personal Property Values.
- The role of the Board of Assessors is to value property for the purpose of equitable taxation based on Fair Market Value by what sales have taken place for the prior calendar year.
- The FY2026 valuations were based on CY2024 sales and CY2023 sales were utilized when classes of properties had limited sales. This was done in accordance with state guidelines and was reviewed and approved by the Massachusetts Department of Revenue.

Tax Rate Formula

Tax Levy/The Real & Personal Property Total Value = Proposed Tax Rate

# DEPARTMENT UPDATES

An Overview of the Day to Day Assessing Operations

| Tasks Completed FY2025 | Count |
|---|---|
| Motor Vehicle Abatements | 419 |
| Personal Property Abatements/Uncollectables | 157 |
| Real Estate Abatements | 40 |
| Personal Exemptions | 231 |
| Certified Abutters Lists | 45 |
| Map Changes/Lot Splits | 20 |
| Address Changes | 196 |
| Deeds Entered | 251 |
| Tax Commitments Processed | 10 |
| Tax Bills / PILOT Bills Issued | 28,037 |
| Inspections Completed | 451 |
| Mailings (excludes tax bills) | 1078 + |
| Board Meetings Held | 11 |
| Appellate Tax Board Hearings | 1 |

# DEPARTMENT UPDATES GOALS

- Comprehensive analysis and review of all cost tables, including residential, land, outbuildings and extra features to ensure they accurately reflect the current market conditions in Palmer
- Thorough review of land neighborhoods and development of an appropriate cost table for any new and existing neighborhoods
- Continue cyclical reinspection program to achieve the initiative to inspect all properties every 9 years to ensure data quality

# Property Inspections Completed

| TYPE OF INSPECTION | COUNT |
|---|---|
| PERSONAL PROPERTY | 65 |
| SALE REVIEW | 52 |
| BUILDING PERMIT | 89 |
| ABATEMENT | 28 |
| CYCLICAL | 217 |
| **TOTAL** | **451** |

# Tax Abatements

| TYPE OF ABATEMENT | COUNT |
|---|---|
| TOTAL APPLICATIONS RECEIVED | 88 |
| REAL ESTATE GRANTED | 36 |
| PERSONAL PROPERTY GRANTED | 4 |
| TOTAL ABATEMENTS GRANTED | 40 |
| ATB CASES | 1 |
| **TOTAL ABATED TAX** | **$43,008.61** |

# EXEMPTIONS GRANTED

| TYPE OF EXEMPTION | COUNT |
|---|---|
| VETERAN 22'S | 128 |
| SENIOR/SURVIVING SPOUSE 17D | 49 |
| SENIORS 41C | 23 |
| BLIND | 11 |
| SENIOR WORK OFF | 9 |
| **TOTAL TAX DOLLARS ABATED** | **$164,492** |
| **STATE REIMBURSEMENT** | **-$105,752** |

TAX BURDEN REMAINING $58,740

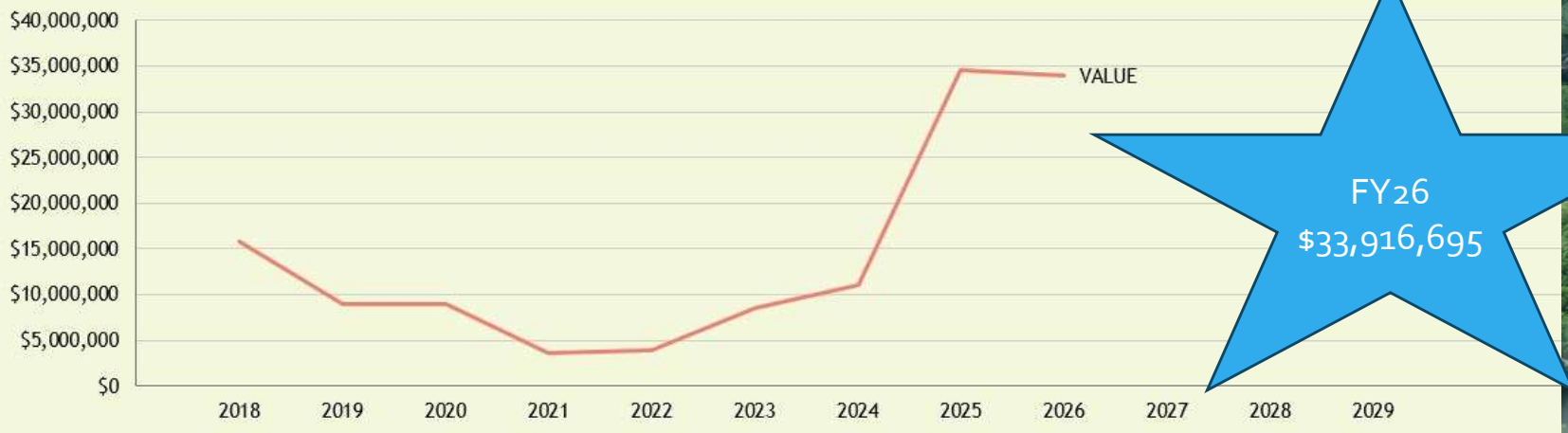
# NEW GROWTH CAPTURED IN VALUE

| TYPE OF NEW GROWTH | VALUE |
|---|---|
| REAL ESTATE AND LAND | $13,062,061 |
| NEW SINGLE FAMILIES (15) | $6,420,120 |
| PERSONAL PROPERTY/IND | $13,552,714 |
| COMMERCIAL | $881,800 |
| **TOTAL NEW GROWTH VALUE** | **$33,916,695** |

# NEW GROWTH CAPTURED IN TAX DOLLARS

| TYPE OF NEW GROWTH | TAX $$'s |
|---|---|
| REAL ESTATE AND LAND | $215,263 |
| NEW SINGLE FAMILIES (15) | $105,804 |
| PERSONAL PROPERTY/IND | $223,347 |
| COMMERCIAL | $14,532 |
| **TOTAL NEW GROWTH TAX DOLLARS** | **$558,946** |

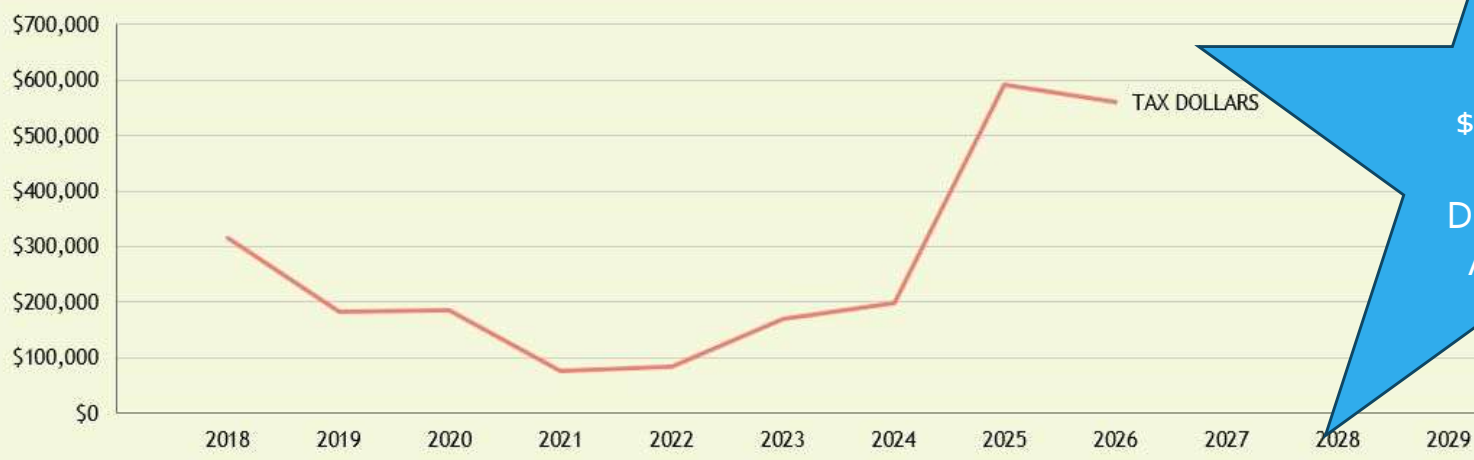
# NEW GROWTH VALUE CAPTURED- 11 YEAR TREND




FY26
$33,916,695

| YEAR | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|
| VALUE | $15,770,664 | $8,912,298 | $8,959,727 | $3,594,379 | $3,964,792 | $8,507,182 | $11,022,844 | $34,509,531 | $33,916,695 |

# NEW GROWTH TAX DOLLARS CAPTURED- 11 YEAR TREND

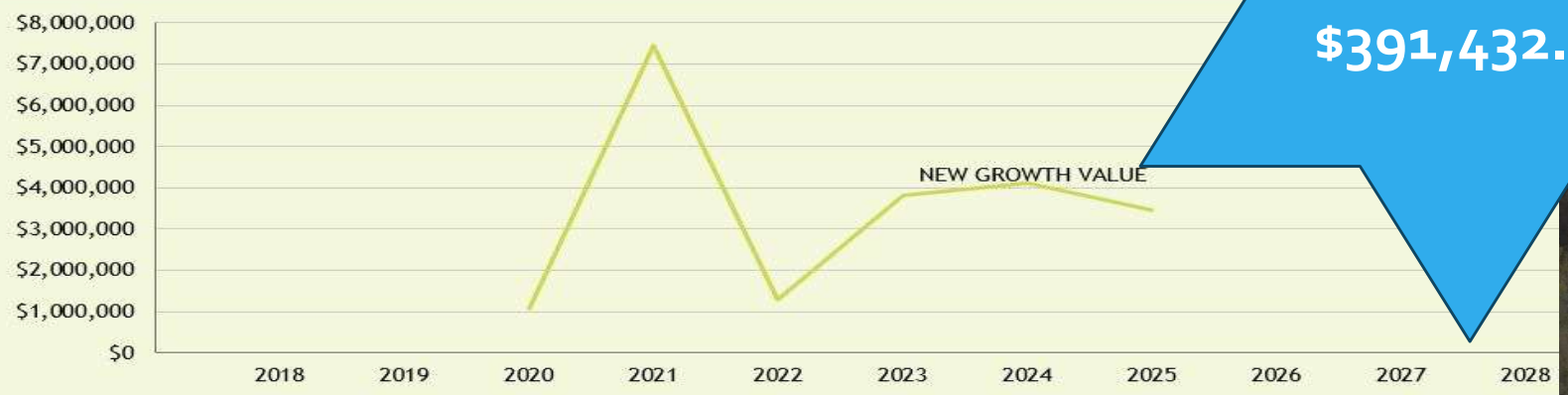



FY26
$558,948
TAX
DOLLARS
ADDED

| YEAR | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|
| TAX DOLLARS | $316,517 | $183,950 | $185,466 | $76,273 | $83,736 | $168,698 | $197,640 | $591,838 | $558,948 |

# NEW CONSTRUCTION

## NEW CONSTRUCTION- 5 YEAR TREND




| YEAR | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|
| NEW GROWTH VALUE | | | $1,066,900 | $7,443,800 | $1,277,800 | $3,803,500 | $4,122,200 | $3,444,300 |

**5 YEAR TAX REVENUE GAIN**

**$391,432.25**

14.59%

INCREASE AVG SF SALE PRICE 2023 TO 2024

## AVERAGE ASSESSED VALUE Vs AVERAGE SALE PRICE - 11 YEAR TREND


2%

INCREASE AVG SF ASSESSMENT 2025 TO 2026

| AVERAGE SF | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ASSESSED VALUE | $177,235 | $182,450 | $183,814 | $191,521 | $215,291 | $248,083 | $265,381 | $296,062 | $300,932 | | | |
| SALE PRICE | $197,340 | $203,719 | $234,543 | $253,361 | $298,668 | $288,525 | $337,796 | $357,140 | | | | |

# FY26 AVERAGE SINGLE FAMILY ASSESSED VALUE

# $300,932

| FY2025 COMMUNITY COMPARISON | | | | | | |
|---|---|---|---|---|---|---|
| COMMUNITY | # SINGLE FAMILY HOMES | AVERAGE SINGLE FAMILY VALUE | AVG SALE PRICE PER MLSPIN-2023 | *ASSESSMENT TO SALE RATIO - ASR | TAX RATE | AVERAGE SINGLE FAMILY TAX BILL |
| WARREN | 1343 | $ 290,055.00 | $ 319,049.00 | $ 0.90 | $ 14.81 | $ 4,296.00 |
| **PALMER** | **3215** | **$ 296,062.00** | **$ 305,028.00** | **$ 0.97** | **$ 16.48** | **$ 4,879.00** |
| WARE | 2613 | $ 307,370.00 | $ 307,635.00 | $ 1.00 | $ 15.06 | $ 4,629.00 |
| SOUTHBRIDGE | 2763 | $ 329,493.00 | $ 347,916.00 | $ 0.95 | $ 14.66 | $ 4,830.00 |
| LUDLOW | 6158 | $ 338,418.00 | $ 347,063.00 | $ 0.98 | $ 17.35 | $ 5,872.00 |
| AGAWAM | 7757 | $ 343,887.00 | $ 374,833.00 | $ 0.92 | $ 14.64 | $ 5,035.00 |
| MONSON | 2705 | $ 347,187.00 | $ 353,684.00 | $ 0.98 | $ 14.87 | $ 5,163.00 |
| BRIMFIELD | 1326 | $ 373,033.00 | $ 401,680.00 | $ 0.93 | $ 14.14 | $ 5,275.00 |
| EAST LONGMEADOW | 5543 | $ 392,910.00 | $ 420,294.00 | $ 0.93 | $ 18.48 | $ 7,261.00 |
| SPENCER | 3170 | $ 393,738.00 | $ 416,165.00 | $ 0.95 | $ 11.74 | $ 4,622.00 |
| GRANBY | 2083 | $ 400,994.00 | $ 401,441.00 | $ 1.00 | $ 15.37 | $ 6,163.00 |
| BELCHERTOWN | 4612 | $ 414,390.00 | $ 446,372.00 | $ 0.93 | $ 14.51 | $ 6,013.00 |
| WILBRAHAM | 4687 | $ 444,840.00 | $ 442,478.00 | $ 1.01 | $ 17.88 | $ 7,730.00 |
| CHARLTON | 4292 | $ 463,697.00 | $ 502,445.00 | $ 0.92 | $ 11.13 | $ 5,161.00 |
| STURBRIDGE | 3105 | $ 482,803.00 | $ 489,489.00 | $ 0.99 | $ 15.93 | $ 7,691.00 |
| | | | | *ASR MUST BE BETWEEN .90 - 1.10 PER DOR | | |
| | | | | ASR OF 1.00 = 100% | | |

## DEPARTMENT OF REVENUE GUIDELINES

FY2025 VALUES

ASR – ASSESSMET – SALES RATION → .90 – 1.10

# VALUATIONS – FY2026

| | SINGLE FAMILY | CONDOMINIUMS | TWO FAMILY |
|---|---|---|---|
| # VALID SALES | 106 | 15 | 19 |
| AVG PROPOSED ASSESSMENT | $300,932 | $194,547 | $322,621 |
| AVERAGE SALE PRICE | $349,753 | $203,577 | $339,720 |
| % CHANGE FROM FY24 | 2.0 % | -0.20 % | 6.4 % |
| MEDIAN ASR | 0.97 | 0.96 | 0.95 |
| | | | |

ASR – ASSESSMET / SALES RATIO


.90 – 1.10

# LEVY AND TAX RATE

## DETERMINING THE LEVY LIMIT

| FY2026 LEVY | |
|---|---|
| TOTAL BUDGET | $52,138,962.63 - |
| TOTAL ESTIMATED RECEIPTS | $26,936,559.63 = |
| **TAX LEVY** | **$25,202,403.00** |

# LEVY AND TAX RATE

## DETERMINING THE LEVY LIMIT

Proposition 2½

The law (M.G.L. Ch. 59, Sect. 21C) 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.

# LEVY AND TAX RATE

## DETERMINING THE LEVY LIMIT

| II. TO CALCULATE THE FY 2026 LEVY LIMIT | | | |
|---|---|---|---|
| A. FY 2025 Levy Limit from I. | 23,762,719 | | |
| A1. Amended FY 2025 Growth | 0 | | |
| B. ADD (IIA + IIA1)*2.5% | 594,068 | | |
| C. ADD FY 2026 New Growth | 558,946 | | |
| C1. ADD FY 2026 New Growth Adjustment | 0 | | |
| D. ADD FY 2026 Override | 0 | | |
| E. ADD FY 2026 Subtotal | 24,915,733 | | |
| F. FY 2026 Levy Ceiling | 37,807,692 | II. | 24,915,733 |
| | | | FY 2026 Levy Limit |

| III. TO CALCULATE THE FY 2026 MAXIMUM ALLOWABLE LEVY | | |
|---|---|---|
| A. FY 2026 Levy Limit from II. | | 24,915,733 |
| B. FY 2026 Debt Exclusion(s) | | 493,106 |
| C. FY 2026 Capital Expenditure Exclusion(s) | | 0 |
| D. FY 2026 Stabilization Fund Override | | 0 |
| E. FY 2026 Other Adjustment | | 0 |
| F. FY 2026 Water/Sewer | | 0 |
| G. FY 2026 Maximum Allowable Levy | $ | 25,408,839 |

# LEVY AND TAX RATE

## EXCESS CAPACITY

Remaining amount that could have been raised but was not.

FY2026 Levy:
**$25,202,403**

FY2026 Maximum Allowable Levy:
**$25,408,839**

FY2026 Excess Capacity:
**$206,436**

# LEVY AND TAX RATE

## TAX RATE

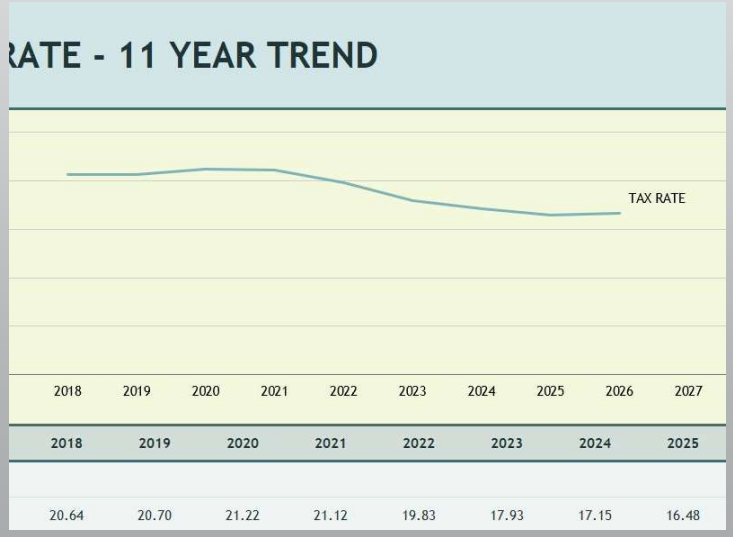
| LEVY | | $25,195,046.16 / |
|---|---|---|
| TOTAL PROPERTY VALUATION | | $1,512,307,693.00 X 1000 = |
| TAX RATE | | $16.66 |

PROJECTED FY2026

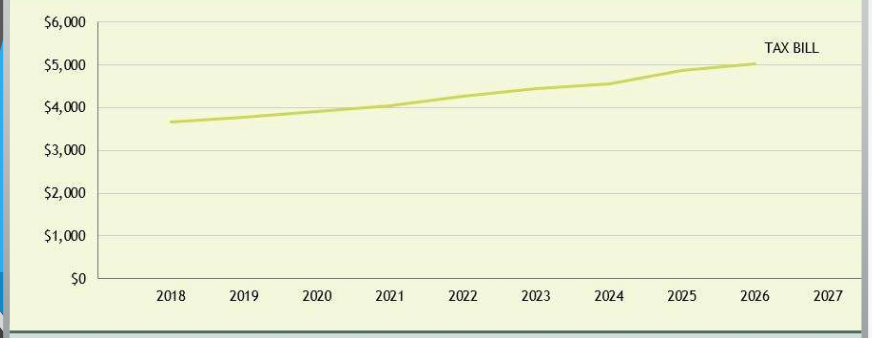
TAX RATE

$16.66

1.1% INCREASE



## AVERAGE TAX BILL- 11 YEAR TREND




| YEAR | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|
| TAX BILL | $3,658 | $3,777 | $3,901 | $4,045 | $4,269 | $4,448 | $4,551 | $4,879 |

# FY26 AVERAGE SINGLE FAMILY TAX BILL

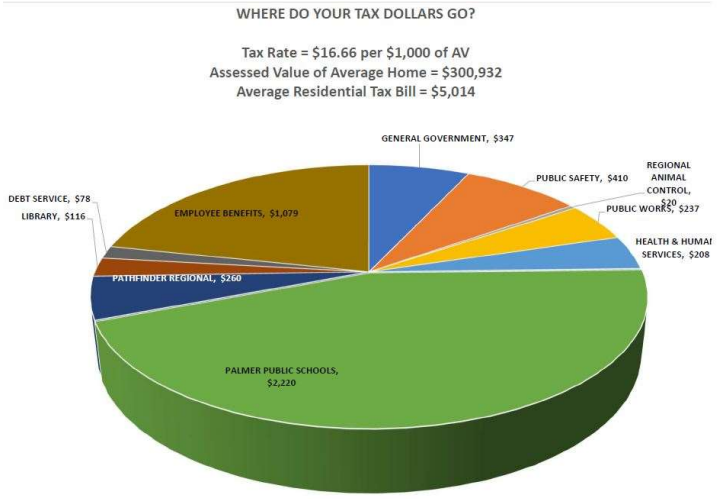
# $5,014

AN INCREASE OF 2.7%

AVG SINGLE FAMILY ASSESSED VALUE $300,932

| | | |
|---|---|---|
| **TAX RATE per $1,000 of Assessed Value =** | **$** | **16.66** |
| **ASSESSED VALUE (AVERAGE HOME) =** | **$** | **300,932** |
| **AVERAGE RESIDENTIAL TAX BILL =** | **$** | **5,014** |

| GENERAL FUND | FY 2026 Budget | % Revenue | Homeowner Pays |
|---|---|---|---|
| GENERAL GOVERNMENT | $ 2,938,615 | 6.92% | $ 347 |
| PUBLIC SAFETY | 3,473,260 | 8.18% | $ 410 |
| REGIONAL ANIMAL CONTROL | 166,623 | 0.39% | $ 20 |
| PUBLIC WORKS | 2,003,501 | 4.72% | $ 237 |
| HEALTH & HUMAN SERVICES | 1,762,607 | 4.15% | $ 208 |
| PALMER PUBLIC SCHOOLS | 18,794,092 | 44.28% | $ 2,220 |
| PATHFINDER REGIONAL | 2,204,898 | 5.19% | $ 260 |
| LIBRARY | 978,469 | 2.31% | $ 116 |
| DEBT SERVICE | 656,572 | 1.55% | $ 78 |
| EMPLOYEE BENEFITS | 9,133,642 | 21.52% | $ 1,079 |
| OTHER | 333,900 | 0.79% | $ 39 |
| | $ 42,446,179 | 100% | $ 5,014 |



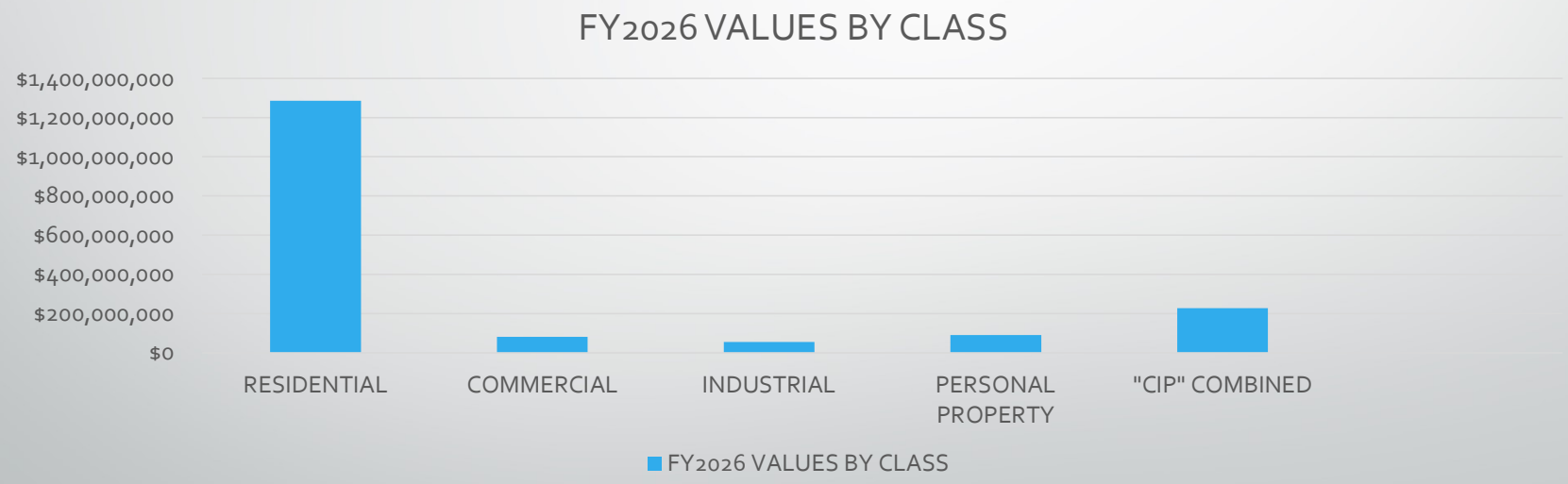
# How Will the Levy Be Shared?

- Single Tax Rate: Everyone is taxed at the same tax rate
- Split Tax Rate: Shifts more of the tax burden to the Commercial, Industrial and Personal Property (CIP) classes
- Residential Exemption: Shifts the tax burden within the Residential class
- Small Commercial Exemption: Shifts the burden within the CIP class

# Palmer Values by Property Class

What portion of the levy is paid by the Residential class versus the **C**ommercial, **I**ndustrial and **P**ersonal Property classes (**CIP**)?

As you can see the majority of Palmers tax revenue is carried by the Residential class AT 85 % with CIP classes carrying only 15% of the levy



# Single tax rate vs Split tax rate

**Single Tax Rate:** Everyone is taxed at the same tax rate. This option keeps Palmer competitive for new business relocation. It maintains the Commercial, Industrial and Personal Property (CIP) values and provides stability for existing businesses in Palmer.

**Split Tax Rate:** Shifts more of the tax burden to the Commercial, Industrial and Personal Property (CIP) classes, relieving the residential tax burden. This option could cause businesses to seek other areas to conduct operations. It could also hinder the prospect of attracting new businesses to Palmer.

# Impacts of the Single vs Split Tax Rate

- Since only 15% of Palmers tax revenue comes out of the CIP class, the impacts of any shift would be detrimental to the CIP class with only a small benefit to the Residential class.

| CIP FACTOR | RESIDENTIAL FACTOR | TAX RATE RESIDENTIAL | TAX RATE CIP |
|---|---|---|---|
| No split | 1.000 | $16.66 | $16.66 |
| 1.118 | .9682 | $16.15 | $19.66 |
| 1.295 | .9478 | $15.79 | $21.57 |
| 1.50 | .9116 | $15.19 | $24.99 |

# Residential Exemption and Small Commercial Exemption

The Residential Exemption shifts more of the levy burden onto nonowner-occupied residential properties. This exemption is used successfully in large cities and resort communities with many seasonal residents.

The Small Commercial Exemption is granted on properties that are occupied by a small business that is valued less than $1,000,000 and has fewer that 10 employees. Despite its name, this exemption is not given to the business owner, unless they also own the property. This option shifts the levy burden within the CIP class.

# Recommendation of the Board of Assessors FY2026

The Board of Assessors recommend the Town Council vote to adopt a Single Tax Rate or factor of 1.00 for FY2026.

The Board of Assessors recommend the Town Council vote no on adopting a Residential Exemption for FY2026.

The Board of Assessors recommend the Town Council vote no on adopting a Small Commercial Exemption for FY2026.


# THANK YOU!

**Board of Assessors:**
Michael J. Burns, Chair
Lawrence M Jasak, Clerk
Brenda Binczewski, Member

**Staff:**
Rachael L. Carney, Principal Assessor, MAA
Jill Chalifoux, Assistant Assessor
Stuart Carter, Data Collector