

Background to Conway's decision to maintain a single tax rate for all classes of property in town.

Prior to the mailing of the actual tax billings, the Selectboard holds a public hearing to determine the percentage of the Town's property tax levy to be borne by each major property class — based on a recommendation from the Board of Assessors. This responsibility and procedure are described in Chapter 40, Section 56 of the Massachusetts General Laws.

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. Conway will be raising **\$5,999,954** in property tax revenues. The tax levy is estimated to increase **\$58,560 (1.0%)** over last year's levy of **\$5,941,394**

Levy Ceiling: The levy ceiling is 2.5 percent of the full value of the Town. Based on Conway's aggregate valuation of **\$420,094,455** the town cannot levy taxes in excess of **\$10,502,361**

New Growth Revenue: Property taxes derived from newly taxable properties like new construction, additions, subdivisions, and personal property. The assessors have tabulated new growth revenues of **\$16,213**.

Levy Limit: How much the town can legally raise from local property taxes each year. This 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 tax-cap law, Proposition 2½. For Fiscal Year 2026 the levy limit is **\$7,025,125**

Excess Levy Capacity: Excess levy capacity is the difference between the levy and the levy limit.

The Fiscal Year 2026 Levy Limit and Amount to be Raised

The following is a calculation of Conway's levy limit for the coming fiscal year 2026, which begins July 1, 2026.

Fiscal year 2025 levy limit	\$6,837,983
Levy increase allowed under Prop. 2 ½	\$170,929
New growth revenue	\$16,213
Excluded Debt to Pay Bonds	\$81,951
FY2026 maximum allowable levy	\$7,107,076
Levy Ceiling	\$10,502,361
Levy to be raised (Estimated)	\$5,999,954
Excess levy capacity (Estimated)	\$1,107,122

Valuations by Class without Tax Shift

Major Property Class	Valuation	Percent	Res vs CIP%
Residential	359,389,205	85.5496%	85,5496%
Commercial	8,464,008	2.0147%	
Industrial	11,566,417	2.7532%	14,%
Personal Property	40,674,825	9.6823%	
TOTAL	420,094,455	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 Conway's relatively small commercial, industrial, and personal property tax base, it takes a CIP tax rate increase of 10% to yield an approximate 0.2% residential tax rate reduction.

Tax Rate Options Average Taxes

CIP Shift Factor	CIP Rate	Res Rate	Single-family Average Tax	Commercial Average Tax
1.0000	14.28	14.28	\$6,335	\$6,672
1.1000	15.71	14.04	\$6,228	\$7,324
1.2000	17.14	13.80	\$6,122	\$8,008
1.3000	18.57	13.56	\$6,015	\$8,676
1.4000	20.00	13.32	\$5,909	\$9,344
1.5000	21.42	13.08	\$5,802	\$10,007

The average single family home for FY 2026 is assessed for \$443,600 and will pay \$6,335 in FY 2025 the average value was \$416,100 and tax of \$6,308

Tax Rates

The estimated single tax rate for fiscal year 2026 is \$14.28 per thousand of valuation.

Property Class	FY2025	FY2026
Residential	\$15.16	\$14.28
Comm, Ind PP	\$15.16	\$14.28

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

Tax Rates History

FY 2025	FY 2024	FY 2023	FY 2022
\$15.16	\$15.72	\$16.02	\$18.84

Board of Assessors Recommendation

The Board of Assessors recommends that the Select Board adopt a single tax rate to be applied to all classes of property in Conway. Recommendation accepted by Selectboard Oct. 20, 2025.