

Fiscal Year 2020 Classification Hearing
December 10, 2019
Hearing Room at 35 Central Street
Stoneham, MA 02180



Presented by

Stoneham Board of Assessors

William J. Jordan *Chairman*

Eric Josephson *Secretary*

Craig J. Celli

Brian C Macdonald **Director of Assessing**

Cheryl Kozlowski **Assistant Admin. Assessor**

The information contained in this handout is intended to provide the Board of Selectmen with the necessary information to conduct a public hearing and information session on the classification options available under Massachusetts General Law. This classification hearing allows the Board to consider several options that allow for the shift of the tax burden both **between and within** the Residential and Commercial/Industrial/Personal Property tax classes.

The 3 options to be presented for consideration are:

1. Selection of a Minimum Residential Factor
2. Granting of a Residential Exemption
3. Granting of a Small Commercial Exemption

Step #1) Calculation of a Single Tax Rate

$(\text{Tax Levy} / \text{Total Value}) * 1000 = \text{Single Tax Rate per } \1000 in Value

LA4 VALUES		FFCV PERCENTS	
Residential	4,056,490,832	Res %	90.4775
Open Space	0	OS %	0.0000
Commercial	339,654,939	Com %	7.5758
Industrial	29,723,400	Ind %	0.6630
Pers Prop	57,554,517	P P %	1.2837
Total	4,483,423,688	Total %	100.0000

$(\$52,521,659 / \$4,483,423,688) * 1000 = \$11.71 \text{ per } \$1000 \text{ in Assessed Value}$

1st- Selection of a Residential Factor

The Board of Selectmen must vote on the selection of a residential factor. The implication of this vote determines whether or not to establish a split tax rate.

Option #1 – Establish a Single Tax Rate – Residential Factor of 1

The option of selecting a residential factor of ‘1’ would adopt a single tax rate for all Residential, Commercial, Industrial and Personal Property classes. **If a factor of ‘1’ were to be adopted, the single tax rate for all classes would be \$11.71** (See previous page)

Option #2 – Establish a Split Tax Rate

Selection of a residential factor other than 1 will shift the tax burden from the residential class to the C.I.P. property classes. The greater the CIP shift selected, the more tax burden is shifted on to the C.I.P property classes. The average single-family property value for Fiscal Year 2020 is **\$565,130**. The average commercial property value for Fiscal Year 2020 is **\$1,099,340**.

The table below summarizes various shift options and their effect on the average annual single family and commercial property within the community.

Factor	CIP SHIFT	RO %	CIP %	RO	CIP	Average	Average
				TAX RATE	TAX RATE	SF Tax Bill	CI Tax Bill
1.000000	1	90.4775%	9.5225%	\$11.71	\$11.71	\$6,618	\$12,873
0.973688	125	88.0969%	11.9031%	\$11.40	\$14.64	\$6,442	\$16,092
0.947377	150	85.7163%	14.2837%	\$11.09	\$17.57	\$6,267	\$19,310
0.936852	160	84.7640%	15.2360%	\$10.97	\$18.74	\$6,199	\$20,597
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0.924222	172	83.6213%	16.3787%	\$10.82	\$20.14	\$6,115	\$22,142
0.923170	173	83.5261%	16.4739%	\$10.81	\$20.26	\$6,109	\$22,271
0.922117	174	83.4309%	16.5691%	\$10.80	\$20.38	\$6,103	\$22,399
0.921065	175	83.3357%	16.6643%	\$10.79	\$20.50	\$6,098	\$22,536

With residential property valuations far outpacing the C.I.P property classes in recent year, maintaining the levy born by the Residential Property class and the C.I.P classes is no longer possible as it was between 2008 to 2018. With that said, Board of Assessors recommends the Select Board adopt the minimum **Residential Factor of 0.921065** with corresponding **CIP Shift of 175** to afford the residential tax payers the maximum amount of real estate tax relief. (See page 10 Table #2 for Stoneham’s historical record pertaining to the selection of a Residential Factor and C.I.P Shift).

2nd- Granting a Residential Exemption

The Board of Selectmen may grant a residential exemption for all residential properties in the town that are **owner occupied**. This exemption can range up to 20% of the average assessed value of all residential properties within the community. The average assessed value calculation is determined by dividing the total value of the Residential Property class by the residential property count. (4,056,490,832 / 7,426 = 546,255)

Granting a residential exemption does not reduce the Residential percentage of the tax levy, as established with the selection of a Residential Factor. By granting this exemption, the tax burden would be shifted from lower valued residential properties to both residential properties valued higher than average (see below) **and** to non-owner occupied residential properties. The implementation of a Residential Exemption of any size would result in an increase to the residential tax rate to compensate for this form of tax relief. In Stoneham, the residential tax rate would rise from \$10.79 * to an estimate of \$13.17. (See Stoneham Residential Exemption Impact Analysis on page 5 for details). (The residential rate of \$10.79 is contingent on the selectmen voting for the recommended factor of **0.921065** with the corresponding **CIP shift of 175**).

The outcome of this exemption would result in an increased tax disparity between higher and lower valued residential properties. Those owner occupied properties below the residential average, \$546,255 would realize a tax savings while those properties valued above the average would realize a real estate tax increase. Furthermore, this increase would also apply to all non-owner occupied residential properties and to vacant land.

The residential exemption has been adopted by few communities within the state of Massachusetts. The table below details the communities that have adopted a residential exemption. The majority of these locations have **either** a high percentage of investor owned residential property such apartments or mixed use property (Boston, Cambridge, Chelsea, Everett, Somerville, Waltham, Watertown) **or** a large number of vacation / second homes (Barnstable, Nantucket, Somerset, Truro, Wellfleet). This exemption is intended to provide tax relief to property owner's domiciled within these communities.

Residential Exemptions	Percent Granted
BARNSTABLE	20%
BOSTON	35%
BROOKLINE	21%
CAMBRIDGE	30%
CHELSEA	31%
EVERETT	25%
MALDEN	30%
NANTUCKET	25%
PROVINCETOWN	25%
SOMERSET	10%
SOMERVILLE	35%
TISBURY	18%
TRURO	20%
WALTHAM	35%
WATERTOWN	24%
WELLFEET	20%

Stoneham Residential Exemption Impact Analysis

	<u>Adjusted Single</u>	<u>Adjusted Single</u>	<u>Percentage</u>	<u>Average Adjusted</u>	<u>Avg Adjusted</u>	<u>Percentage</u>
<u>Percentage</u>	<u>Family Value</u>	<u>Family Tax Bill</u>	<u>Decrease</u>	<u>Condo. Value</u>	<u>Condo Tax Bill</u>	<u>Decrease</u>
0.00%	\$565,130	\$6,092	0.00%	\$328,548	\$3,541.75	0.00%
5.00%	\$537,818	\$6,074	0.30%	\$301,235	\$3,093.65	12.65%
10.00%	\$510,505	\$6,053	0.65%	\$273,923	\$2,599.99	26.59%
15.00%	\$483,192	\$6,029	1.04%	\$246,610	\$2,054.61	41.99%
20.00%	\$455,879	\$6,002	1.47%	\$219,297	\$1,448.94	59.09%

Impact Summary and recommendation

The implementation of a Residential Exemption would greatly reduce the yearly tax burden of any property below the average residential value of **\$546,255***. Single family homes are largest single property class within Stoneham. Due to the large percentage of owner-occupied residential property within Stoneham (91%*), in conjunction with the valuation of the average single family home in Fiscal Year 2020 is greater than the average residential property as calculated by this exemptions methodology, the adoption of this exemption at any percentage is unsound. As detailed in the table above, residential properties that fall below the average residential valuation calculation, condominiums in particular with an average assessed valuation of \$328,548, would benefit from a large tax savings while the average single family property would realize minimal tax relief. **The Board of Assessors does not recommend a Residential Tax Exemption of any percentage.**

*** Percentage of owner-occupied properties have been estimated using the mailing address of the property's real estate tax bill.**

3rd - Granting a Small Commercial Exemption

An exemption of up to 10% of the total property valuation can be granted to commercial properties that meet specific criteria. **Eligible properties must have met the following criteria:**

1. Occupied as of January 1, 2019 by a business or businesses classified only as either sole proprietorships or partnerships(s).
2. Business or businesses must have an average annual employment of no more than 10 employees during the previous calendar year (calendar year 2018). A multi-tenanted building would require every business located on this property to meet these requirements. **A report detailing businesses with an average employment of less than 10 employees for the calendar year 2018 is provided by the Department of Workforce Development. (This list is not a public document and not available for review.)**
3. Total property value, (both land and building) must have a valuation of less than **\$1,000,000**

Similar to the residential exemption, the total tax levy for the CIP tax class, as established by the adoption of a Residential Factor, does not change.

Facts about the Small Commercial Business Exemption:

- 1) **Applies to only commercially classified property (300 Class) not Industrial classified property (400 Class).**
- 2) **Tax burden is shifted within the commercial and industrial property classes only (300 and 400). It does not shift additional weight onto the Personal Property class (500). Therefore, two separate tax rates would be created, 1 for both Commercial / Industrial Property and another for Personal Property.**

	5% Exempted	10% Exempted
Number of Qualifying Parcels	62	62
Valuation Exempted	\$1,140,450	\$2,280,900
Tax Dollars Exempted	\$25,489.06	\$50,978.12
Revised Tax Rate / 1000	\$20.56	\$20.63
Increase in Tax Rate	\$0.06	\$0.13

Number of Qualifying Properties within Stoneham : 62

Total Valuation of Qualifying Properties : \$22,809,800

***The CIP rate of \$20.50 is contingent on the selectmen accepting the recommended residential factor of 0.921065 with the corresponding CIP shift of 175.**

*** The Personal Property Tax Rate would remain at \$20.50 and be unaffected**

Impact Summary and recommendation

The implementation of a Small Business Exemption would not necessarily benefit the many 62 qualifying parcels as many are not owner occupied real estate parcels. **The Board of Assessors does not recommend a Small Business Exemption of any percentage.**

Exhibit Table of Contents

Exhibit 1 on page 8 defines the relevant terms pertinent to the establishment of the tax levy. Use these terms to interpret the Fiscal Year 2020 Levy Limit calculation found on the following page

Page 9 is the demonstrates the method by which the town's levy limit for FY 2020 is calculated. The formula for calculating FY 2020's levy limit is illustrated in this section which begins with Fiscal Year 2019's limit plus 2.5% (a maximum increase as dictated by Proposition 2 ½) plus the current fiscal year's new growth, overrides or debt exclusions. This total is the maximum allowable levy for the current fiscal year.

Table #1 on page 10 provides with total valuation percentages of Residential and C.I.P property classes for Fiscal Year 2019 for both Stoneham and various surrounding communities. It also provides the maximum C.I.P. shift allowable, the shift selected and the effect of the adoption of the shift selected.

Tables #2 on page 10 details the history of Stoneham's C.I.P shifts selected as well as tax levy percentages before and after the selection of a Residential Factor.

Table #3, on page 11, provides the historical valuation and the corresponding annual tax bill for the average property within the 3 largest residential property classes in Stoneham. (Single Family Homes, Condominium, and 2 / 3 Family Homes)

Page 12 contains the Fiscal Year 2020 LA-4 form which details the parcel count and property class valuation for all property classes. This form must be reviewed and approved on an annual basis by the Department of Revenue. Stoneham property values were approved in December of this year.

The column entitled "Property Type" on the LA 4 contains the various classes of properties. The properties in the 100-Class are the various types of residential properties in the community. The 300-class are commercial properties and the 400-class are industrial properties. The 012-043 represent mixed use properties that contain both commercial / residential components and the 500-class are Business Personal Property Accounts. All properties in the 100-class are taxed at the residential tax rate; all others are taxed at the Commercial, Industrial, Personal Property Rate

Page 13 contains a Community Comparison Table which details information pertaining Fiscal Year 2019. The table includes tax rates, Fiscal Year 2018 and 2019 average single family tax bills and both the dollar and percentage increase from 2018 to 2019.

Exhibit 1

IMPORTANT TERMS

TERM	DEFINITION
Levy	The property tax levy is the revenue a community can raise through real and personal property taxes.
Levy Limit	The maximum a community can levy in a given year equal to last year's levy plus 2.5% plus new growth plus override / exclusion if applicable.
Levy Ceiling	Equal to 2.5% of the total full and fair cash value of all taxable real and personal property in the community.
New Growth	Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations but not due to revaluation. It is calculated by multiplying the increased assessed valuation by the prior year's tax rate for the appropriate class of property.
Override	A permanent increase to a community's levy limit.
Override Capacity	The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.
Debt Exclusion	A temporary increase over the levy limit for the payment of a specific debt service item over a specific period of time.
Capital Outlay Expenditure	A temporary exclusion for the purpose of raising funds for capital project costs.
Excess Levy Capacity	The difference between the actual levy and the levy limit.

MASSACHUSETTS DEPARTMENT OF REVENUE
 DIVISION OF LOCAL SERVICES
 BUREAU OF ACCOUNTS

Stoneham
 TOWN

Levy Limit
Fiscal Year 2020

FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY 2019 LEVY LIMIT

A. FY 2018 Levy Limit	46,848,986	
A1. ADD Amended FY 2018 Growth	0	
B. ADD (IA + IA1)*2.5%	1,171,225	
C. ADD FY 2019 New Growth	755,634	
C1. ADD FY 2019 New Growth Adjustment	0	
D. ADD FY 2019 Override	0	
E. FY 2019 Subtotal	<u>48,775,845</u>	
F. FY 2019 Levy Ceiling	104,422,369	I. <u>48,775,845</u>
		FY 2019 Levy Limit

II. TO CALCULATE THE FY 2020 LEVY LIMIT

A. FY 2019 Levy Limit from I	48,775,845	
A1. Amended FY 2019 Growth	0	
B. ADD (IIA + IIA1)*2.5%	1,219,396	
C. ADD FY 2020 New Growth	507,950	
C1. ADD FY 2020 New Growth Adjustment	0	
D. ADD FY 2020 Override	0	
E. ADD FY 2020 Subtotal	<u>50,503,191</u>	
F. FY 2020 Levy Ceiling	112,085,592	II. <u>50,503,191</u>
		FY 2020 Levy Limit

III. TO CALCULATE THE FY 2020 MAXIMUM ALLOWABLE LEVY

A. FY 2020 Levy Limit from II.	50,503,191
B. FY 2020 Debt Exclusion(s)	2,025,731
C. FY 2020 Capital Expenditure Exclusion(s)	0
D. FY 2020 Stabilization Fund Override	0
E. FY 2020 Other Adjustment :	0
F. FY 2020 Water/Sewer	0
G. FY 2020 Maximum Allowable Levy	<u>52,528,922</u>

Table #1 - FISCAL YEAR 2019
Community CIP Tax Shift Comparison

Municipality	Fiscal Year	Res	CIP	Maximum	CIP	Res	CIP
		Percentage Unshifted	Percentage Unshifted	CIP Shift	Shift Selected	Percentage with Shift	Percentage Unshifted
Lynnfield	2019	85.94	14.06	1.50	1.24	82.57	17.43
Melrose	2019	95.18	4.82	1.75	1.68	91.90	8.10
North Reading	2019	87.64	12.36	1.50	1.00	87.64	12.36
Reading	2019	92.42	7.58	1.50	1.02	92.26	7.74
Stoneham	2019	90.43	9.57	1.75	1.75	83.25	16.75
Wakefield	2019	87.48	12.52	1.75	1.75	78.09	21.91
Wilmington	2019	77.15	22.85	1.75	1.75	60.01	39.99
Winchester	2019	95.52	4.48	1.50	1.00	95.52	4.48

Table #2
Stoneham's Classification History

Fiscal Year	% of Tax Base	% of Tax Base	Max CIP	CIP	% of Tax Base	% of Tax Base
	Residential (Unshifted)	CIP (Unshifted)	Allowed Shift	Shift Selected	Residential (With Shift)	CIP (With Shift)
2008	89.27%	10.73%	162	161	82.72%	17.28%
2009	88.78%	11.22%	155	155	82.61%	17.39%
2010	88.65%	11.35%	153	153	82.63%	17.37%
2011	88.22%	11.78%	150	150	82.35%	17.65%
2012	88.36%	11.64%	152	150	82.54%	17.46%
2013	88.13%	11.87%	150	150	82.19%	17.81%
2014	88.47%	11.87%	154	152	82.47%	17.53%
2015	88.89%	11.10%	160	158	82.45%	17.55%
2016	88.47%	11.87%	154	152	82.47%	17.53%
2017	89.78%	10.22%	174	172	82.45%	17.55%
2018	90.02%	9.98%	175	175	82.53%	17.47%
2019	90.43%	9.57%	175	175	83.25%	16.75%
2020	90.48%	9.52%	175	175	83.34%	16.66%

*assumes that the Board of Selectman adopt the recommended 175 C.I.P Shift

Table #3

	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Avg. Single Family value	\$565,130	\$537,287	\$498,780	\$460,125	\$435,095
Percentage Adj in Value	5.18%	7.72%	8.40%	5.75%	4.22%
Avg. Single Family Tax Bill	\$6,098	\$6,028	\$5,841	\$5,701	\$5,526
Average Condo. Value	\$328,548	\$292,054	\$261,919	\$237,556	\$229,903
Percentage Adj in Value	12.50%	11.51%	10.26%	3.33%	9.46%
Avg. Condo. Tax Bill	\$3,545	\$3,420	\$3,067	\$2,943	\$2,920
Avg 2 / 3 Family Value	\$610,051	\$557,407	\$511,851	\$441,005	\$416,052
Percentage Adj in Value	9.44%	8.90%	16.06%	6.00%	3.33%
Avg. 2/3 Family Tax Bill	\$6,582	\$6,527	\$5,994	\$5,464	\$5,284

Table above assume the adoption of the recommended Residential Factor of 0.921064

12/02/2019 2:15:25PM	Town of Stoneham ASSESSMENT CLASSIFICATION REPORT: LA4
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LandType	Mixed Chptr	Parcels	Residential Class1	Open Space Class2	Commercial Class3	Industrial Class4	Pers. Property Class5
101:		5,140	2,904,770,300				
102:		1,560	512,535,200				
Misc Res:		17	12,339,800				
104:		439	283,006,300				
105:		54	37,748,800				
111-125:		46	297,292,700				
130-32 & 106:		125	7,618,300				
200-299:		0	0				
300-399:		272	0		321,657,000		
400-449:		19	0			29,723,400	
450-452:		0	0				
CH61 Land:		0	0				
CH61 A:		0	0				
CH61 B:	1	0	0		138,225		
012-043:		45	21,179,432		17,861,714		
501:		233	0				3,994,882
502:		315	0				10,584,985
503:		0	0				
504:		2	0				32,465,410
550-552:		0	0				
505:		4	0				9,085,800
506:		0	0				
508:		4	0				1,423,440
Invalid LUC:		0	0				

TAXABLE CLASS VALUES: 4,056,490,832 0 339,654,939 29,723,400 57,554,517

R/E COUNT:	7,718	REAL ESTATE TAXABLE:	4,425,869,171
EXEMPT COUNT:	251	R/E EXEMPT VALUE:	334,420,854
R/E TOTAL COUNT:	7,969	R/E TOTAL VALUE:	4,760,290,025
P/P COUNT:	558	PERS. PROP. TAXABLE:	57,554,517
TAXABLE COUNT:	8,276	TOTAL R/E & PP TAXABLE VALUE:	4,483,423,688

Questions concerning this report should be directed to the following person:

Name	Title	Day-Time Phone #
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Community Comparison Table

Municipality	Fiscal Year	Res Tx Rt	CIP Tx Rt	FY19 Average	FY18 Average	Percentage	Dollar
				SF Tax Bill	SF Tax Bill	Increase	Increase
Woburn	2019	\$9.50	\$23.72	\$4,520	\$4,322	4.58%	\$198
Peabody	2019	\$11.01	\$23.69	\$4,550	\$4,381	3.86%	\$169
Saugus	2019	\$12.18	\$25.78	\$5,190	\$4,731	9.70%	\$459
Burlington	2019	\$10.48	\$27.22	\$5,267	\$5,071	3.87%	\$196
Billerica	2019	\$13.48	\$31.41	\$5,328	\$5,087	4.74%	\$241
Stoneham	2019	\$11.22	\$21.33	\$6,028	\$5,841	3.20%	\$187
Danvers	2019	\$13.28	\$21.19	\$6,219	\$6,025	3.22%	\$194
Melrose	2019	\$10.81	\$18.81	\$6,273	\$6,096	2.90%	\$177
Tewksbury	2019	\$15.84	\$27.63	\$6,415	\$6,054	5.96%	\$361
Wilmington	2019	\$13.75	\$30.94	\$6,626	\$6,336	4.58%	\$290
Wakefield	2019	\$12.83	\$25.15	\$6,777	\$6,455	4.99%	\$322
Chelmsford	2019	\$16.35	\$22.21	\$7,003	\$7,175	-2.40%	(\$172)
North Andover	2019	\$13.41	\$19.18	\$7,417	\$7,549	-1.75%	(\$132)
Littleton	2019	\$18.24	\$28.27	\$7,940	\$7,594	4.56%	\$346
Middleton	2019	\$13.69	\$13.69	\$8,336	\$8,082	3.14%	\$254
Reading	2019	\$14.23	\$14.48	\$8,461	\$7,764	8.98%	\$697
Westford	2019	\$16.56	\$16.56	\$8,821	\$8,420	4.76%	\$401
Lynnfield	2019	\$13.91	\$17.95	\$8,855	\$8,674	2.09%	\$181
North Reading	2019	\$15.58	\$15.58	\$9,010	\$8,782	2.60%	\$228
Bedford	2019	\$12.96	\$28.42	\$9,442	\$9,265	1.91%	\$177
Andover	2019	\$15.27	\$27.51	\$9,973	\$9,591	3.98%	\$382
Boxford	2019	\$16.42	\$16.42	\$9,994	\$10,092	-0.97%	(\$98)
Winchester	2019	\$12.11	\$11.45	\$13,083	\$12,590	3.92%	\$493
Lexington	2019	\$14.12	\$27.33	\$14,834	\$14,169	4.69%	\$665
				Median	\$ 7,362	3.89%	\$235

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0.921065	175	83.3357%	16.6643%	\$10.79	\$20.50	\$6,098	\$22,536

With residential property valuations far outpacing the C.I.P property classes in recent year, maintaining the levy born by the Residential Property class and the C.I.P classes is no longer possible as it was between 2008 to 2018. With that said, Board of Assessors recommends the Select Board adopt the minimum **Residential Factor of 0.921065** with corresponding **CIP Shift of 175** to afford the residential tax payers the maximum amount of real estate tax relief. (See page 10 Table #2 for Stoneham’s historical record pertaining to the selection of a Residential Factor and C.I.P Shift).

2nd- Granting a Residential Exemption

The Board of Selectmen may grant a residential exemption for all residential properties in the town that are **owner occupied**. This exemption can range up to 20% of the average assessed value of all residential properties within the community. The average assessed value calculation is determined by dividing the total value of the Residential Property class by the residential property count. (4,056,490,832 / 7,426 = 546,255)

Granting a residential exemption does not reduce the Residential percentage of the tax levy, as established with the selection of a Residential Factor. By granting this exemption, the tax burden would be shifted from lower valued residential properties to both residential properties valued higher than average (see below) **and** to non-owner occupied residential properties. The implementation of a Residential Exemption of any size would result in an increase to the residential tax rate to compensate for this form of tax relief. In Stoneham, the residential tax rate would rise from \$10.79 * to an estimate of \$13.17. (See Stoneham Residential Exemption Impact Analysis on page 5 for details). (The residential rate of \$10.79 is contingent on the selectmen voting for the recommended factor of **0.921065** with the corresponding **CIP shift of 175**).

The outcome of this exemption would result in an increased tax disparity between higher and lower valued residential properties. Those owner occupied properties below the residential average, \$546,255 would realize a tax savings while those properties valued above the average would realize a real estate tax increase. Furthermore, this increase would also apply to all non-owner occupied residential properties and to vacant land.

The residential exemption has been adopted by few communities within the state of Massachusetts. The table below details the communities that have adopted a residential exemption. The majority of these locations have **either** a high percentage of investor owned residential property such apartments or mixed use property (Boston, Cambridge, Chelsea, Everett, Somerville, Waltham, Watertown) **or** a large number of vacation / second homes (Barnstable, Nantucket, Somerset, Truro, Wellfleet). This exemption is intended to provide tax relief to property owner's domiciled within these communities.

Residential Exemptions	Percent Granted
BARNSTABLE	20%
BOSTON	35%
BROOKLINE	21%
CAMBRIDGE	30%
CHELSEA	31%
EVERETT	25%
MALDEN	30%
NANTUCKET	25%
PROVINCETOWN	25%
SOMERSET	10%
SOMERVILLE	35%
TISBURY	18%
TRURO	20%
WALTHAM	35%
WATERTOWN	24%
WELLFEET	20%

Stoneham Residential Exemption Impact Analysis

	<u>Adjusted Single</u>	<u>Adjusted Single</u>	<u>Percentage</u>	<u>Average Adjusted</u>	<u>Avg Adjusted</u>	<u>Percentage</u>
<u>Percentage</u>	<u>Family Value</u>	<u>Family Tax Bill</u>	<u>Decrease</u>	<u>Condo. Value</u>	<u>Condo Tax Bill</u>	<u>Decrease</u>
0.00%	\$565,130	\$6,092	0.00%	\$328,548	\$3,541.75	0.00%
5.00%	\$537,818	\$6,074	0.30%	\$301,235	\$3,093.65	12.65%
10.00%	\$510,505	\$6,053	0.65%	\$273,923	\$2,599.99	26.59%
15.00%	\$483,192	\$6,029	1.04%	\$246,610	\$2,054.61	41.99%
20.00%	\$455,879	\$6,002	1.47%	\$219,297	\$1,448.94	59.09%

Impact Summary and recommendation

The implementation of a Residential Exemption would greatly reduce the yearly tax burden of any property below the average residential value of **\$546,255***. Single family homes are largest single property class within Stoneham. Due to the large percentage of owner-occupied residential property within Stoneham (91%*), in conjunction with the valuation of the average single family home in Fiscal Year 2020 is greater than the average residential property as calculated by this exemptions methodology, the adoption of this exemption at any percentage is unsound. As detailed in the table above, residential properties that fall below the average residential valuation calculation, condominiums in particular with an average assessed valuation of \$328,548, would benefit from a large tax savings while the average single family property would realize minimal tax relief. **The Board of Assessors does not recommend a Residential Tax Exemption of any percentage.**

*** Percentage of owner-occupied properties have been estimated using the mailing address of the property's real estate tax bill.**

3rd - Granting a Small Commercial Exemption

An exemption of up to 10% of the total property valuation can be granted to commercial properties that meet specific criteria. **Eligible properties must have met the following criteria:**

1. Occupied as of January 1, 2019 by a business or businesses classified only as either sole proprietorships or partnerships(s).
2. Business or businesses must have an average annual employment of no more than 10 employees during the previous calendar year (calendar year 2018). A multi-tenanted building would require every business located on this property to meet these requirements. **A report detailing businesses with an average employment of less than 10 employees for the calendar year 2018 is provided by the Department of Workforce Development. (This list is not a public document and not available for review.)**
3. Total property value, (both land and building) must have a valuation of less than **\$1,000,000**

Similar to the residential exemption, the total tax levy for the CIP tax class, as established by the adoption of a Residential Factor, does not change.

Facts about the Small Commercial Business Exemption:

- 1) **Applies to only commercially classified property (300 Class) not Industrial classified property (400 Class).**
- 2) **Tax burden is shifted within the commercial and industrial property classes only (300 and 400). It does not shift additional weight onto the Personal Property class (500). Therefore, two separate tax rates would be created, 1 for both Commercial / Industrial Property and another for Personal Property.**

	5% Exempted	10% Exempted
Number of Qualifying Parcels	62	62
Valuation Exempted	\$1,140,450	\$2,280,900
Tax Dollars Exempted	\$25,489.06	\$50,978.12
Revised Tax Rate / 1000	\$20.56	\$20.63
Increase in Tax Rate	\$0.06	\$0.13

Number of Qualifying Properties within Stoneham : 62

Total Valuation of Qualifying Properties : \$22,809,800

***The CIP rate of \$20.50 is contingent on the selectmen accepting the recommended residential factor of 0.921065 with the corresponding CIP shift of 175.**

*** The Personal Property Tax Rate would remain at \$20.50 and be unaffected**

Impact Summary and recommendation

The implementation of a Small Business Exemption would not necessarily benefit the many 62 qualifying parcels as many are not owner occupied real estate parcels. **The Board of Assessors does not recommend a Small Business Exemption of any percentage.**

Exhibit Table of Contents

Exhibit 1 on page 8 defines the relevant terms pertinent to the establishment of the tax levy. Use these terms to interpret the Fiscal Year 2020 Levy Limit calculation found on the following page

Page 9 is the demonstrates the method by which the town's levy limit for FY 2020 is calculated. The formula for calculating FY 2020's levy limit is illustrated in this section which begins with Fiscal Year 2019's limit plus 2.5% (a maximum increase as dictated by Proposition 2 ½) plus the current fiscal year's new growth, overrides or debt exclusions. This total is the maximum allowable levy for the current fiscal year.

Table #1 on page 10 provides with total valuation percentages of Residential and C.I.P property classes for Fiscal Year 2019 for both Stoneham and various surrounding communities. It also provides the maximum C.I.P. shift allowable, the shift selected and the effect of the adoption of the shift selected.

Tables #2 on page 10 details the history of Stoneham's C.I.P shifts selected as well as tax levy percentages before and after the selection of a Residential Factor.

Table #3, on page 11, provides the historical valuation and the corresponding annual tax bill for the average property within the 3 largest residential property classes in Stoneham. (Single Family Homes, Condominium, and 2 / 3 Family Homes)

Page 12 contains the Fiscal Year 2020 LA-4 form which details the parcel count and property class valuation for all property classes. This form must be reviewed and approved on an annual basis by the Department of Revenue. Stoneham property values were approved in December of this year.

The column entitled "Property Type" on the LA 4 contains the various classes of properties. The properties in the 100-Class are the various types of residential properties in the community. The 300-class are commercial properties and the 400-class are industrial properties. The 012-043 represent mixed use properties that contain both commercial / residential components and the 500-class are Business Personal Property Accounts. All properties in the 100-class are taxed at the residential tax rate; all others are taxed at the Commercial, Industrial, Personal Property Rate

Page 13 contains a Community Comparison Table which details information pertaining Fiscal Year 2019. The table includes tax rates, Fiscal Year 2018 and 2019 average single family tax bills and both the dollar and percentage increase from 2018 to 2019.

Exhibit 1

IMPORTANT TERMS

TERM	DEFINITION
Levy	The property tax levy is the revenue a community can raise through real and personal property taxes.
Levy Limit	The maximum a community can levy in a given year equal to last year's levy plus 2.5% plus new growth plus override / exclusion if applicable.
Levy Ceiling	Equal to 2.5% of the total full and fair cash value of all taxable real and personal property in the community.
New Growth	Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations but not due to revaluation. It is calculated by multiplying the increased assessed valuation by the prior year's tax rate for the appropriate class of property.
Override	A permanent increase to a community's levy limit.
Override Capacity	The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.
Debt Exclusion	A temporary increase over the levy limit for the payment of a specific debt service item over a specific period of time.
Capital Outlay Expenditure	A temporary exclusion for the purpose of raising funds for capital project costs.
Excess Levy Capacity	The difference between the actual levy and the levy limit.

MASSACHUSETTS DEPARTMENT OF REVENUE
 DIVISION OF LOCAL SERVICES
 BUREAU OF ACCOUNTS

Stoneham
 TOWN

Levy Limit
Fiscal Year 2020

FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY 2019 LEVY LIMIT

A. FY 2018 Levy Limit	46,848,986	
A1. ADD Amended FY 2018 Growth	0	
B. ADD (IA + IA1)*2.5%	1,171,225	
C. ADD FY 2019 New Growth	755,634	
C1. ADD FY 2019 New Growth Adjustment	0	
D. ADD FY 2019 Override	0	
E. FY 2019 Subtotal	<u>48,775,845</u>	
F. FY 2019 Levy Ceiling	104,422,369	I. <u>48,775,845</u>
		FY 2019 Levy Limit

II. TO CALCULATE THE FY 2020 LEVY LIMIT

A. FY 2019 Levy Limit from I	48,775,845	
A1. Amended FY 2019 Growth	0	
B. ADD (IIA + IIA1)*2.5%	1,219,396	
C. ADD FY 2020 New Growth	507,950	
C1. ADD FY 2020 New Growth Adjustment	0	
D. ADD FY 2020 Override	0	
E. ADD FY 2020 Subtotal	<u>50,503,191</u>	
F. FY 2020 Levy Ceiling	112,085,592	II. <u>50,503,191</u>
		FY 2020 Levy Limit

III. TO CALCULATE THE FY 2020 MAXIMUM ALLOWABLE LEVY

A. FY 2020 Levy Limit from II.	50,503,191
B. FY 2020 Debt Exclusion(s)	2,025,731
C. FY 2020 Capital Expenditure Exclusion(s)	0
D. FY 2020 Stabilization Fund Override	0
E. FY 2020 Other Adjustment :	0
F. FY 2020 Water/Sewer	0
G. FY 2020 Maximum Allowable Levy	<u>52,528,922</u>

Table #1 - FISCAL YEAR 2019
Community CIP Tax Shift Comparison

	Fiscal	Res	CIP	Maximum	CIP	Res	CIP
	Year	Percentage	Percentage	CIP Shift	Shift	Percentage	Percentage
Municipality	Year	Unshifted	Unshifted	CIP Shift	Selected	with Shift	Unshifted
Lynnfield	2019	85.94	14.06	1.50	1.24	82.57	17.43
Melrose	2019	95.18	4.82	1.75	1.68	91.90	8.10
North Reading	2019	87.64	12.36	1.50	1.00	87.64	12.36
Reading	2019	92.42	7.58	1.50	1.02	92.26	7.74
Stoneham	2019	90.43	9.57	1.75	1.75	83.25	16.75
Wakefield	2019	87.48	12.52	1.75	1.75	78.09	21.91
Wilmington	2019	77.15	22.85	1.75	1.75	60.01	39.99
Winchester	2019	95.52	4.48	1.50	1.00	95.52	4.48

Table #2
Stoneham's Classification History

Fiscal Year	% of Tax Base	% of Tax Base	Max CIP	CIP	% of Tax Base	% of Tax Base
	Residential (Unshifted)	CIP (Unshifted)	Allowed Shift	Shift Selected	Residential (With Shift)	CIP (With Shift)
2008	89.27%	10.73%	162	161	82.72%	17.28%
2009	88.78%	11.22%	155	155	82.61%	17.39%
2010	88.65%	11.35%	153	153	82.63%	17.37%
2011	88.22%	11.78%	150	150	82.35%	17.65%
2012	88.36%	11.64%	152	150	82.54%	17.46%
2013	88.13%	11.87%	150	150	82.19%	17.81%
2014	88.47%	11.87%	154	152	82.47%	17.53%
2015	88.89%	11.10%	160	158	82.45%	17.55%
2016	88.47%	11.87%	154	152	82.47%	17.53%
2017	89.78%	10.22%	174	172	82.45%	17.55%
2018	90.02%	9.98%	175	175	82.53%	17.47%
2019	90.43%	9.57%	175	175	83.25%	16.75%
2020	90.48%	9.52%	175	175	83.34%	16.66%

*assumes that the Board of Selectman adopt the recommended 175 C.I.P Shift

Table #3

	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Avg. Single Family value	\$565,130	\$537,287	\$498,780	\$460,125	\$435,095
Percentage Adj in Value	5.18%	7.72%	8.40%	5.75%	4.22%
Avg. Single Family Tax Bill	\$6,098	\$6,028	\$5,841	\$5,701	\$5,526
Average Condo. Value	\$328,548	\$292,054	\$261,919	\$237,556	\$229,903
Percentage Adj in Value	12.50%	11.51%	10.26%	3.33%	9.46%
Avg. Condo. Tax Bill	\$3,545	\$3,420	\$3,067	\$2,943	\$2,920
Avg 2 / 3 Family Value	\$610,051	\$557,407	\$511,851	\$441,005	\$416,052
Percentage Adj in Value	9.44%	8.90%	16.06%	6.00%	3.33%
Avg. 2/3 Family Tax Bill	\$6,582	\$6,527	\$5,994	\$5,464	\$5,284

Table above assume the adoption of the recommended Residential Factor of 0.921064

12/02/2019 2:15:25PM	Town of Stoneham ASSESSMENT CLASSIFICATION REPORT: LA4
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LandType	Mixed Chptr	Parcels	Residential Class1	Open Space Class2	Commercial Class3	Industrial Class4	Pers. Property Class5
101:		5,140	2,904,770,300				
102:		1,560	512,535,200				
Misc Res:		17	12,339,800				
104:		439	283,006,300				
105:		54	37,748,800				
111-125:		46	297,292,700				
130-32 & 106:		125	7,618,300				
200-299:		0	0				
300-399:		272	0		321,657,000		
400-449:		19	0			29,723,400	
450-452:		0	0				
CH61 Land:		0	0				
CH61 A:		0	0				
CH61 B:	1	0	0		138,225		
012-043:		45	21,179,432		17,861,714		
501:		233	0				3,994,882
502:		315	0				10,584,985
503:		0	0				
504:		2	0				32,465,410
550-552:		0	0				
505:		4	0				9,085,800
506:		0	0				
508:		4	0				1,423,440
Invalid LUC:		0	0				

TAXABLE CLASS VALUES: 4,056,490,832 0 339,654,939 29,723,400 57,554,517

R/E COUNT:	7,718	REAL ESTATE TAXABLE:	4,425,869,171
EXEMPT COUNT:	251	R/E EXEMPT VALUE:	334,420,854
R/E TOTAL COUNT:	7,969	R/E TOTAL VALUE:	4,760,290,025
P/P COUNT:	558	PERS. PROP. TAXABLE:	57,554,517
TAXABLE COUNT:	8,276	TOTAL R/E & PP TAXABLE VALUE:	4,483,423,688

Questions concerning this report should be directed to the following person:

Name	Title	Day-Time Phone #
------	-------	------------------

Community Comparison Table

Municipality	Fiscal Year	Res Tx Rt	CIP Tx Rt	FY19 Average	FY18 Average	Percentage	Dollar
				SF Tax Bill	SF Tax Bill	Increase	Increase
Woburn	2019	\$9.50	\$23.72	\$4,520	\$4,322	4.58%	\$198
Peabody	2019	\$11.01	\$23.69	\$4,550	\$4,381	3.86%	\$169
Saugus	2019	\$12.18	\$25.78	\$5,190	\$4,731	9.70%	\$459
Burlington	2019	\$10.48	\$27.22	\$5,267	\$5,071	3.87%	\$196
Billerica	2019	\$13.48	\$31.41	\$5,328	\$5,087	4.74%	\$241
Stoneham	2019	\$11.22	\$21.33	\$6,028	\$5,841	3.20%	\$187
Danvers	2019	\$13.28	\$21.19	\$6,219	\$6,025	3.22%	\$194
Melrose	2019	\$10.81	\$18.81	\$6,273	\$6,096	2.90%	\$177
Tewksbury	2019	\$15.84	\$27.63	\$6,415	\$6,054	5.96%	\$361
Wilmington	2019	\$13.75	\$30.94	\$6,626	\$6,336	4.58%	\$290
Wakefield	2019	\$12.83	\$25.15	\$6,777	\$6,455	4.99%	\$322
Chelmsford	2019	\$16.35	\$22.21	\$7,003	\$7,175	-2.40%	(\$172)
North Andover	2019	\$13.41	\$19.18	\$7,417	\$7,549	-1.75%	(\$132)
Littleton	2019	\$18.24	\$28.27	\$7,940	\$7,594	4.56%	\$346
Middleton	2019	\$13.69	\$13.69	\$8,336	\$8,082	3.14%	\$254
Reading	2019	\$14.23	\$14.48	\$8,461	\$7,764	8.98%	\$697
Westford	2019	\$16.56	\$16.56	\$8,821	\$8,420	4.76%	\$401
Lynnfield	2019	\$13.91	\$17.95	\$8,855	\$8,674	2.09%	\$181
North Reading	2019	\$15.58	\$15.58	\$9,010	\$8,782	2.60%	\$228
Bedford	2019	\$12.96	\$28.42	\$9,442	\$9,265	1.91%	\$177
Andover	2019	\$15.27	\$27.51	\$9,973	\$9,591	3.98%	\$382
Boxford	2019	\$16.42	\$16.42	\$9,994	\$10,092	-0.97%	(\$98)
Winchester	2019	\$12.11	\$11.45	\$13,083	\$12,590	3.92%	\$493
Lexington	2019	\$14.12	\$27.33	\$14,834	\$14,169	4.69%	\$665
				Median	\$ 7,362	3.89%	\$235

Fiscal Year 2020 Classification Hearing
December 10, 2019
Hearing Room at 35 Central Street
Stoneham, MA 02180



Presented by

Stoneham Board of Assessors

William J. Jordan *Chairman*

Eric Josephson *Secretary*

Craig J. Celli

Brian C Macdonald **Director of Assessing**

Cheryl Kozlowski **Assistant Admin. Assessor**

The information contained in this handout is intended to provide the Board of Selectmen with the necessary information to conduct a public hearing and information session on the classification options available under Massachusetts General Law. This classification hearing allows the Board to consider several options that allow for the shift of the tax burden both **between and within** the Residential and Commercial/Industrial/Personal Property tax classes.

The 3 options to be presented for consideration are:

1. Selection of a Minimum Residential Factor
2. Granting of a Residential Exemption
3. Granting of a Small Commercial Exemption

Step #1) Calculation of a Single Tax Rate

$(\text{Tax Levy} / \text{Total Value}) * 1000 = \text{Single Tax Rate per } \1000 in Value

LA4 VALUES		FFCV PERCENTS	
Residential	4,056,490,832	Res %	90.4775
Open Space	0	OS %	0.0000
Commercial	339,654,939	Com %	7.5758
Industrial	29,723,400	Ind %	0.6630
Pers Prop	57,554,517	P P %	1.2837
Total	4,483,423,688	Total %	100.0000

$(\$52,521,659 / \$4,483,423,688) * 1000 = \$11.71 \text{ per } \$1000 \text{ in Assessed Value}$

1st- Selection of a Residential Factor

The Board of Selectmen must vote on the selection of a residential factor. The implication of this vote determines whether or not to establish a split tax rate.

Option #1 – Establish a Single Tax Rate – Residential Factor of 1

The option of selecting a residential factor of ‘1’ would adopt a single tax rate for all Residential, Commercial, Industrial and Personal Property classes. **If a factor of ‘1’ were to be adopted, the single tax rate for all classes would be \$11.71** (See previous page)

Option #2 – Establish a Split Tax Rate

Selection of a residential factor other than 1 will shift the tax burden from the residential class to the C.I.P. property classes. The greater the CIP shift selected, the more tax burden is shifted on to the C.I.P property classes. The average single-family property value for Fiscal Year 2020 is **\$565,130**. The average commercial property value for Fiscal Year 2020 is **\$1,099,340**.

The table below summarizes various shift options and their effect on the average annual single family and commercial property within the community.

Factor	CIP SHIFT	RO %	CIP %	RO	CIP	Average	Average
				TAX RATE	TAX RATE	SF Tax Bill	CI Tax Bill
1.000000	1	90.4775%	9.5225%	\$11.71	\$11.71	\$6,618	\$12,873
0.973688	125	88.0969%	11.9031%	\$11.40	\$14.64	\$6,442	\$16,092
0.947377	150	85.7163%	14.2837%	\$11.09	\$17.57	\$6,267	\$19,310
0.936852	160	84.7640%	15.2360%	\$10.97	\$18.74	\$6,199	\$20,597
0.926327	170	83.8118%	16.1882%	\$10.84	\$19.91	\$6,126	\$21,885
0.925275	171	83.7166%	16.2834%	\$10.83	\$20.02	\$6,120	\$22,013
0.924222	172	83.6213%	16.3787%	\$10.82	\$20.14	\$6,115	\$22,142
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TRURO	20%
WALTHAM	35%
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WELLFEET	20%

Stoneham Residential Exemption Impact Analysis

<u>Adjusted Single</u>		<u>Adjusted Single</u>		<u>Percentage</u>	<u>Average Adjusted</u>	<u>Avg Adjusted</u>	<u>Percentage</u>
<u>Percentage</u>	<u>Family Value</u>	<u>Family Tax Bill</u>	<u>Decrease</u>		<u>Condo. Value</u>	<u>Condo Tax Bill</u>	<u>Decrease</u>
0.00%	\$565,130	\$6,092	0.00%		\$328,548	\$3,541.75	0.00%
5.00%	\$537,818	\$6,074	0.30%		\$301,235	\$3,093.65	12.65%
10.00%	\$510,505	\$6,053	0.65%		\$273,923	\$2,599.99	26.59%
15.00%	\$483,192	\$6,029	1.04%		\$246,610	\$2,054.61	41.99%
20.00%	\$455,879	\$6,002	1.47%		\$219,297	\$1,448.94	59.09%

Impact Summary and recommendation

The implementation of a Residential Exemption would greatly reduce the yearly tax burden of any property below the average residential value of **\$546,255***. Single family homes are largest single property class within Stoneham. Due to the large percentage of owner-occupied residential property within Stoneham (91%*), in conjunction with the valuation of the average single family home in Fiscal Year 2020 is greater than the average residential property as calculated by this exemptions methodology, the adoption of this exemption at any percentage is unsound. As detailed in the table above, residential properties that fall below the average residential valuation calculation, condominiums in particular with an average assessed valuation of \$328,548, would benefit from a large tax savings while the average single family property would realize minimal tax relief. **The Board of Assessors does not recommend a Residential Tax Exemption of any percentage.**

*** Percentage of owner-occupied properties have been estimated using the mailing address of the property's real estate tax bill.**

3rd - Granting a Small Commercial Exemption

An exemption of up to 10% of the total property valuation can be granted to commercial properties that meet specific criteria. **Eligible properties must have met the following criteria:**

1. Occupied as of January 1, 2019 by a business or businesses classified only as either sole proprietorships or partnerships(s).
2. Business or businesses must have an average annual employment of no more than 10 employees during the previous calendar year (calendar year 2018). A multi-tenanted building would require every business located on this property to meet these requirements. **A report detailing businesses with an average employment of less than 10 employees for the calendar year 2018 is provided by the Department of Workforce Development. (This list is not a public document and not available for review.)**
3. Total property value, (both land and building) must have a valuation of less than **\$1,000,000**

Similar to the residential exemption, the total tax levy for the CIP tax class, as established by the adoption of a Residential Factor, does not change.

Facts about the Small Commercial Business Exemption:

- 1) **Applies to only commercially classified property (300 Class) not Industrial classified property (400 Class).**
- 2) **Tax burden is shifted within the commercial and industrial property classes only (300 and 400). It does not shift additional weight onto the Personal Property class (500). Therefore, two separate tax rates would be created, 1 for both Commercial / Industrial Property and another for Personal Property.**

	5% Exempted	10% Exempted
Number of Qualifying Parcels	62	62
Valuation Exempted	\$1,140,450	\$2,280,900
Tax Dollars Exempted	\$25,489.06	\$50,978.12
Revised Tax Rate / 1000	\$20.56	\$20.63
Increase in Tax Rate	\$0.06	\$0.13

Number of Qualifying Properties within Stoneham : 62

Total Valuation of Qualifying Properties : \$22,809,800

***The CIP rate of \$20.50 is contingent on the selectmen accepting the recommended residential factor of 0.921065 with the corresponding CIP shift of 175.**

*** The Personal Property Tax Rate would remain at \$20.50 and be unaffected**

Impact Summary and recommendation

The implementation of a Small Business Exemption would not necessarily benefit the many 62 qualifying parcels as many are not owner occupied real estate parcels. **The Board of Assessors does not recommend a Small Business Exemption of any percentage.**

Exhibit Table of Contents

Exhibit 1 on page 8 defines the relevant terms pertinent to the establishment of the tax levy. Use these terms to interpret the Fiscal Year 2020 Levy Limit calculation found on the following page

Page 9 is the demonstrates the method by which the town's levy limit for FY 2020 is calculated. The formula for calculating FY 2020's levy limit is illustrated in this section which begins with Fiscal Year 2019's limit plus 2.5% (a maximum increase as dictated by Proposition 2 ½) plus the current fiscal year's new growth, overrides or debt exclusions. This total is the maximum allowable levy for the current fiscal year.

Table #1 on page 10 provides with total valuation percentages of Residential and C.I.P property classes for Fiscal Year 2019 for both Stoneham and various surrounding communities. It also provides the maximum C.I.P. shift allowable, the shift selected and the effect of the adoption of the shift selected.

Tables #2 on page 10 details the history of Stoneham's C.I.P shifts selected as well as tax levy percentages before and after the selection of a Residential Factor.

Table #3, on page 11, provides the historical valuation and the corresponding annual tax bill for the average property within the 3 largest residential property classes in Stoneham. (Single Family Homes, Condominium, and 2 / 3 Family Homes)

Page 12 contains the Fiscal Year 2020 LA-4 form which details the parcel count and property class valuation for all property classes. This form must be reviewed and approved on an annual basis by the Department of Revenue. Stoneham property values were approved in December of this year.

The column entitled "Property Type" on the LA 4 contains the various classes of properties. The properties in the 100-Class are the various types of residential properties in the community. The 300-class are commercial properties and the 400-class are industrial properties. The 012-043 represent mixed use properties that contain both commercial / residential components and the 500-class are Business Personal Property Accounts. All properties in the 100-class are taxed at the residential tax rate; all others are taxed at the Commercial, Industrial, Personal Property Rate

Page 13 contains a Community Comparison Table which details information pertaining Fiscal Year 2019. The table includes tax rates, Fiscal Year 2018 and 2019 average single family tax bills and both the dollar and percentage increase from 2018 to 2019.

Exhibit 1

IMPORTANT TERMS

TERM	DEFINITION
Levy	The property tax levy is the revenue a community can raise through real and personal property taxes.
Levy Limit	The maximum a community can levy in a given year equal to last year's levy plus 2.5% plus new growth plus override / exclusion if applicable.
Levy Ceiling	Equal to 2.5% of the total full and fair cash value of all taxable real and personal property in the community.
New Growth	Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations but not due to revaluation. It is calculated by multiplying the increased assessed valuation by the prior year's tax rate for the appropriate class of property.
Override	A permanent increase to a community's levy limit.
Override Capacity	The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.
Debt Exclusion	A temporary increase over the levy limit for the payment of a specific debt service item over a specific period of time.
Capital Outlay Expenditure	A temporary exclusion for the purpose of raising funds for capital project costs.
Excess Levy Capacity	The difference between the actual levy and the levy limit.

MASSACHUSETTS DEPARTMENT OF REVENUE
 DIVISION OF LOCAL SERVICES
 BUREAU OF ACCOUNTS

Stoneham
 TOWN

Levy Limit
Fiscal Year 2020

FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY 2019 LEVY LIMIT

A. FY 2018 Levy Limit	46,848,986	
A1. ADD Amended FY 2018 Growth	0	
B. ADD (IA + IA1)*2.5%	1,171,225	
C. ADD FY 2019 New Growth	755,634	
C1. ADD FY 2019 New Growth Adjustment	0	
D. ADD FY 2019 Override	0	
E. FY 2019 Subtotal	<u>48,775,845</u>	
F. FY 2019 Levy Ceiling	104,422,369	I. <u>48,775,845</u>
		FY 2019 Levy Limit

II. TO CALCULATE THE FY 2020 LEVY LIMIT

A. FY 2019 Levy Limit from I	48,775,845	
A1. Amended FY 2019 Growth	0	
B. ADD (IIA + IIA1)*2.5%	1,219,396	
C. ADD FY 2020 New Growth	507,950	
C1. ADD FY 2020 New Growth Adjustment	0	
D. ADD FY 2020 Override	0	
E. ADD FY 2020 Subtotal	<u>50,503,191</u>	
F. FY 2020 Levy Ceiling	112,085,592	II. <u>50,503,191</u>
		FY 2020 Levy Limit

III. TO CALCULATE THE FY 2020 MAXIMUM ALLOWABLE LEVY

A. FY 2020 Levy Limit from II.	50,503,191
B. FY 2020 Debt Exclusion(s)	2,025,731
C. FY 2020 Capital Expenditure Exclusion(s)	0
D. FY 2020 Stabilization Fund Override	0
E. FY 2020 Other Adjustment :	0
F. FY 2020 Water/Sewer	0
G. FY 2020 Maximum Allowable Levy	<u>52,528,922</u>

Table #1 - FISCAL YEAR 2019
Community CIP Tax Shift Comparison

Municipality	Fiscal Year	Res	CIP	Maximum	CIP	Res	CIP
		Percentage Unshifted	Percentage Unshifted	CIP Shift	Shift Selected	Percentage with Shift	Percentage Unshifted
Lynnfield	2019	85.94	14.06	1.50	1.24	82.57	17.43
Melrose	2019	95.18	4.82	1.75	1.68	91.90	8.10
North Reading	2019	87.64	12.36	1.50	1.00	87.64	12.36
Reading	2019	92.42	7.58	1.50	1.02	92.26	7.74
Stoneham	2019	90.43	9.57	1.75	1.75	83.25	16.75
Wakefield	2019	87.48	12.52	1.75	1.75	78.09	21.91
Wilmington	2019	77.15	22.85	1.75	1.75	60.01	39.99
Winchester	2019	95.52	4.48	1.50	1.00	95.52	4.48

Table #2
Stoneham's Classification History

Fiscal Year	% of Tax Base	% of Tax Base	Max CIP	CIP	% of Tax Base	% of Tax Base
	Residential (Unshifted)	CIP (Unshifted)	Allowed Shift	Shift Selected	Residential (With Shift)	CIP (With Shift)
2008	89.27%	10.73%	162	161	82.72%	17.28%
2009	88.78%	11.22%	155	155	82.61%	17.39%
2010	88.65%	11.35%	153	153	82.63%	17.37%
2011	88.22%	11.78%	150	150	82.35%	17.65%
2012	88.36%	11.64%	152	150	82.54%	17.46%
2013	88.13%	11.87%	150	150	82.19%	17.81%
2014	88.47%	11.87%	154	152	82.47%	17.53%
2015	88.89%	11.10%	160	158	82.45%	17.55%
2016	88.47%	11.87%	154	152	82.47%	17.53%
2017	89.78%	10.22%	174	172	82.45%	17.55%
2018	90.02%	9.98%	175	175	82.53%	17.47%
2019	90.43%	9.57%	175	175	83.25%	16.75%
2020	90.48%	9.52%	175	175	83.34%	16.66%

*assumes that the Board of Selectman adopt the recommended 175 C.I.P Shift

Table #3

	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Avg. Single Family value	\$565,130	\$537,287	\$498,780	\$460,125	\$435,095
Percentage Adj in Value	5.18%	7.72%	8.40%	5.75%	4.22%
Avg. Single Family Tax Bill	\$6,098	\$6,028	\$5,841	\$5,701	\$5,526
Average Condo. Value	\$328,548	\$292,054	\$261,919	\$237,556	\$229,903
Percentage Adj in Value	12.50%	11.51%	10.26%	3.33%	9.46%
Avg. Condo. Tax Bill	\$3,545	\$3,420	\$3,067	\$2,943	\$2,920
Avg 2 / 3 Family Value	\$610,051	\$557,407	\$511,851	\$441,005	\$416,052
Percentage Adj in Value	9.44%	8.90%	16.06%	6.00%	3.33%
Avg. 2/3 Family Tax Bill	\$6,582	\$6,527	\$5,994	\$5,464	\$5,284

Table above assume the adoption of the recommended Residential Factor of 0.921064

12/02/2019 2:15:25PM	Town of Stoneham ASSESSMENT CLASSIFICATION REPORT: LA4
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LandType	Mixed Chptr	Parcels	Residential	Open Space	Commercial	Industrial	Pers. Property
			Class1	Class2	Class3	Class4	Class5
101:		5,140	2,904,770,300				
102:		1,560	512,535,200				
Misc Res:		17	12,339,800				
104:		439	263,006,300				
105:		54	37,748,800				
111-125:		46	297,292,700				
130-32 & 106:		125	7,618,300				
200-299:		0	0				
300-399:		272	0		321,657,000		
400-449:		19	0			29,723,400	
450-452:		0	0				
CH61 Land:		0	0				
CH61 A:		0	0				
CH61 B:	1	0	0		136,225		
012-043:		45	21,179,432		17,861,714		
501:		233	0				3,994,882
502:		315	0				10,584,985
503:		0	0				
504:		2	0				32,465,410
550-552:		0	0				
505:		4	0				9,085,800
506:		0	0				
508:		4	0				1,423,440
Invalid LUC:		0	0				

TAXABLE CLASS VALUES: 4,056,490,832 0 339,654,939 29,723,400 57,554,517

R/E COUNT:	7,718	REAL ESTATE TAXABLE:	4,425,869,171
EXEMPT COUNT:	251	R/E EXEMPT VALUE:	334,420,854
R/E TOTAL COUNT:	7,969	R/E TOTAL VALUE:	4,760,290,025
P/P COUNT:	558	PERS. PROP. TAXABLE:	57,554,517
TAXABLE COUNT:	8,276	TOTAL R/E & PP TAXABLE VALUE:	4,483,423,688

Questions concerning this report should be directed to the following person:

Name	Title	Day-Time Phone #
------	-------	------------------

Community Comparison Table

Municipality	Fiscal Year	Res Tx Rt	CIP Tx Rt	FY19 Average	FY18 Average	Percentage	Dollar
				SF Tax Bill	SF Tax Bill	Increase	Increase
Woburn	2019	\$9.50	\$23.72	\$4,520	\$4,322	4.58%	\$198
Peabody	2019	\$11.01	\$23.69	\$4,550	\$4,381	3.86%	\$169
Saugus	2019	\$12.18	\$25.78	\$5,190	\$4,731	9.70%	\$459
Burlington	2019	\$10.48	\$27.22	\$5,267	\$5,071	3.87%	\$196
Billerica	2019	\$13.48	\$31.41	\$5,328	\$5,087	4.74%	\$241
Stoneham	2019	\$11.22	\$21.33	\$6,028	\$5,841	3.20%	\$187
Danvers	2019	\$13.28	\$21.19	\$6,219	\$6,025	3.22%	\$194
Melrose	2019	\$10.81	\$18.81	\$6,273	\$6,096	2.90%	\$177
Tewksbury	2019	\$15.84	\$27.63	\$6,415	\$6,054	5.96%	\$361
Wilmington	2019	\$13.75	\$30.94	\$6,626	\$6,336	4.58%	\$290
Wakefield	2019	\$12.83	\$25.15	\$6,777	\$6,455	4.99%	\$322
Chelmsford	2019	\$16.35	\$22.21	\$7,003	\$7,175	-2.40%	(\$172)
North Andover	2019	\$13.41	\$19.18	\$7,417	\$7,549	-1.75%	(\$132)
Littleton	2019	\$18.24	\$28.27	\$7,940	\$7,594	4.56%	\$346
Middleton	2019	\$13.69	\$13.69	\$8,336	\$8,082	3.14%	\$254
Reading	2019	\$14.23	\$14.48	\$8,461	\$7,764	8.98%	\$697
Westford	2019	\$16.56	\$16.56	\$8,821	\$8,420	4.76%	\$401
Lynnfield	2019	\$13.91	\$17.95	\$8,855	\$8,674	2.09%	\$181
North Reading	2019	\$15.58	\$15.58	\$9,010	\$8,782	2.60%	\$228
Bedford	2019	\$12.96	\$28.42	\$9,442	\$9,265	1.91%	\$177
Andover	2019	\$15.27	\$27.51	\$9,973	\$9,591	3.98%	\$382
Boxford	2019	\$16.42	\$16.42	\$9,994	\$10,092	-0.97%	(\$98)
Winchester	2019	\$12.11	\$11.45	\$13,083	\$12,590	3.92%	\$493
Lexington	2019	\$14.12	\$27.33	\$14,834	\$14,169	4.69%	\$665
				Median	\$ 7,362	3.89%	\$235

Fiscal Year 2020 Classification Hearing
December 10, 2019
Hearing Room at 35 Central Street
Stoneham, MA 02180



Presented by

Stoneham Board of Assessors

William J. Jordan *Chairman*

Eric Josephson *Secretary*

Craig J. Celli

Brian C Macdonald **Director of Assessing**

Cheryl Kozlowski **Assistant Admin. Assessor**

The information contained in this handout is intended to provide the Board of Selectmen with the necessary information to conduct a public hearing and information session on the classification options available under Massachusetts General Law. This classification hearing allows the Board to consider several options that allow for the shift of the tax burden both **between and within** the Residential and Commercial/Industrial/Personal Property tax classes.

The 3 options to be presented for consideration are:

- 1. Selection of a Minimum Residential Factor
- 2. Granting of a Residential Exemption
- 3. Granting of a Small Commercial Exemption

Step #1) Calculation of a Single Tax Rate

(Tax Levy / Total Value) * 1000 = Single Tax Rate per \$1000 in Value

LA4 VALUES		FFCV PERCENTS	
Residential	4,056,490,832	Res %	90.4775
Open Space	0	OS %	0.0000
Commercial	339,654,939	Com %	7.5758
Industrial	29,723,400	Ind %	0.6630
Pers Prop	57,554,517	P P %	1.2837
Total	4,483,423,688	Total %	100.0000

(\$52,521,659/ \$4,483,423,688) * 1000 = \$11.71 per \$1000 in Assessed Value

1st- Selection of a Residential Factor

The Board of Selectmen must vote on the selection of a residential factor. The implication of this vote determines whether or not to establish a split tax rate.

Option #1 – Establish a Single Tax Rate – Residential Factor of 1

The option of selecting a residential factor of ‘1’ would adopt a single tax rate for all Residential, Commercial, Industrial and Personal Property classes. **If a factor of ‘1’ were to be adopted, the single tax rate for all classes would be \$11.71** (See previous page)

Option #2 – Establish a Split Tax Rate

Selection of a residential factor other than 1 will shift the tax burden from the residential class to the C.I.P. property classes. The greater the CIP shift selected, the more tax burden is shifted on to the C.I.P property classes. The average single-family property value for Fiscal Year 2020 is **\$565,130**. The average commercial property value for Fiscal Year 2020 is **\$1,099,340**.

The table below summarizes various shift options and their effect on the average annual single family and commercial property within the community.

Factor	CIP SHIFT	RO %	CIP %	RO	CIP	Average	Average
				TAX RATE	TAX RATE	SF Tax Bill	CI Tax Bill
1.000000	1	90.4775%	9.5225%	\$11.71	\$11.71	\$6,618	\$12,873
0.973688	125	88.0969%	11.9031%	\$11.40	\$14.64	\$6,442	\$16,092
0.947377	150	85.7163%	14.2837%	\$11.09	\$17.57	\$6,267	\$19,310
0.936852	160	84.7640%	15.2360%	\$10.97	\$18.74	\$6,199	\$20,597
0.926327	170	83.8118%	16.1882%	\$10.84	\$19.91	\$6,126	\$21,885
0.925275	171	83.7166%	16.2834%	\$10.83	\$20.02	\$6,120	\$22,013
0.924222	172	83.6213%	16.3787%	\$10.82	\$20.14	\$6,115	\$22,142
0.923170	173	83.5261%	16.4739%	\$10.81	\$20.26	\$6,109	\$22,271
0.922117	174	83.4309%	16.5691%	\$10.80	\$20.38	\$6,103	\$22,399
0.921065	175	83.3357%	16.6643%	\$10.79	\$20.50	\$6,098	\$22,536

With residential property valuations far outpacing the C.I.P property classes in recent year, maintaining the levy born by the Residential Property class and the C.I.P classes is no longer possible as it was between 2008 to 2018. With that said, Board of Assessors recommends the Select Board adopt the minimum **Residential Factor of 0.921065** with corresponding **CIP Shift of 175** to afford the residential tax payers the maximum amount of real estate tax relief. (See page 10 Table #2 for Stoneham’s historical record pertaining to the selection of a Residential Factor and C.I.P Shift).

2nd- Granting a Residential Exemption

The Board of Selectmen may grant a residential exemption for all residential properties in the town that are **owner occupied**. This exemption can range up to 20% of the average assessed value of all residential properties within the community. The average assessed value calculation is determined by dividing the total value of the Residential Property class by the residential property count. (4,056,490,832 / 7,426 = 546,255)

Granting a residential exemption does not reduce the Residential percentage of the tax levy, as established with the selection of a Residential Factor. By granting this exemption, the tax burden would be shifted from lower valued residential properties to both residential properties valued higher than average (see below) **and** to non-owner occupied residential properties. The implementation of a Residential Exemption of any size would result in an increase to the residential tax rate to compensate for this form of tax relief. In Stoneham, the residential tax rate would rise from \$10.79 * to an estimate of \$13.17. (See Stoneham Residential Exemption Impact Analysis on page 5 for details). (The residential rate of \$10.79 is contingent on the selectmen voting for the recommended factor of **0.921065** with the corresponding **CIP shift of 175**).

The outcome of this exemption would result in an increased tax disparity between higher and lower valued residential properties. Those owner occupied properties below the residential average, \$546,255 would realize a tax savings while those properties valued above the average would realize a real estate tax increase. Furthermore, this increase would also apply to all non-owner occupied residential properties and to vacant land.

The residential exemption has been adopted by few communities within the state of Massachusetts. The table below details the communities that have adopted a residential exemption. The majority of these locations have **either** a high percentage of investor owned residential property such apartments or mixed use property (Boston, Cambridge, Chelsea, Everett, Somerville, Waltham, Watertown) **or** a large number of vacation / second homes (Barnstable, Nantucket, Somerset, Truro, Wellfleet). This exemption is intended to provide tax relief to property owner's domiciled within these communities.

Residential Exemptions	Percent Granted
BARNSTABLE	20%
BOSTON	35%
BROOKLINE	21%
CAMBRIDGE	30%
CHELSEA	31%
EVERETT	25%
MALDEN	30%
NANTUCKET	25%
PROVINCETOWN	25%
SOMERSET	10%
SOMERVILLE	35%
TISBURY	18%
TRURO	20%
WALTHAM	35%
WATERTOWN	24%
WELLFEET	20%

Stoneham Residential Exemption Impact Analysis

	<u>Adjusted Single</u>	<u>Adjusted Single</u>	<u>Percentage</u>	<u>Average Adjusted</u>	<u>Avg Adjusted</u>	<u>Percentage</u>
<u>Percentage</u>	<u>Family Value</u>	<u>Family Tax Bill</u>	<u>Decrease</u>	<u>Condo. Value</u>	<u>Condo Tax Bill</u>	<u>Decrease</u>
0.00%	\$565,130	\$6,092	0.00%	\$328,548	\$3,541.75	0.00%
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The implementation of a Residential Exemption would greatly reduce the yearly tax burden of any property below the average residential value of **\$546,255***. Single family homes are largest single property class within Stoneham. Due to the large percentage of owner-occupied residential property within Stoneham (91%*), in conjunction with the valuation of the average single family home in Fiscal Year 2020 is greater than the average residential property as calculated by this exemptions methodology, the adoption of this exemption at any percentage is unsound. As detailed in the table above, residential properties that fall below the average residential valuation calculation, condominiums in particular with an average assessed valuation of \$328,548, would benefit from a large tax savings while the average single family property would realize minimal tax relief. **The Board of Assessors does not recommend a Residential Tax Exemption of any percentage.**

*** Percentage of owner-occupied properties have been estimated using the mailing address of the property's real estate tax bill.**

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An exemption of up to 10% of the total property valuation can be granted to commercial properties that meet specific criteria. **Eligible properties must have met the following criteria:**

1. Occupied as of January 1, 2019 by a business or businesses classified only as either sole proprietorships or partnerships(s).
2. Business or businesses must have an average annual employment of no more than 10 employees during the previous calendar year (calendar year 2018). A multi-tenanted building would require every business located on this property to meet these requirements. **A report detailing businesses with an average employment of less than 10 employees for the calendar year 2018 is provided by the Department of Workforce Development. (This list is not a public document and not available for review.)**
3. Total property value, (both land and building) must have a valuation of less than **\$1,000,000**

Similar to the residential exemption, the total tax levy for the CIP tax class, as established by the adoption of a Residential Factor, does not change.

Facts about the Small Commercial Business Exemption:

- 1) **Applies to only commercially classified property (300 Class) not Industrial classified property (400 Class).**
- 2) **Tax burden is shifted within the commercial and industrial property classes only (300 and 400). It does not shift additional weight onto the Personal Property class (500). Therefore, two separate tax rates would be created, 1 for both Commercial / Industrial Property and another for Personal Property.**

	5% Exempted	10% Exempted
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Valuation Exempted	\$1,140,450	\$2,280,900
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Revised Tax Rate / 1000	\$20.56	\$20.63
Increase in Tax Rate	\$0.06	\$0.13

Number of Qualifying Properties within Stoneham : 62

Total Valuation of Qualifying Properties : \$22,809,800

***The CIP rate of \$20.50 is contingent on the selectmen accepting the recommended residential factor of 0.921065 with the corresponding CIP shift of 175.**

*** The Personal Property Tax Rate would remain at \$20.50 and be unaffected**

Impact Summary and recommendation

The implementation of a Small Business Exemption would not necessarily benefit the many 62 qualifying parcels as many are not owner occupied real estate parcels. **The Board of Assessors does not recommend a Small Business Exemption of any percentage.**

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Exhibit 1 on page 8 defines the relevant terms pertinent to the establishment of the tax levy. Use these terms to interpret the Fiscal Year 2020 Levy Limit calculation found on the following page

Page 9 is the demonstrates the method by which the town's levy limit for FY 2020 is calculated. The formula for calculating FY 2020's levy limit is illustrated in this section which begins with Fiscal Year 2019's limit plus 2.5% (a maximum increase as dictated by Proposition 2 ½) plus the current fiscal year's new growth, overrides or debt exclusions. This total is the maximum allowable levy for the current fiscal year.

Table #1 on page 10 provides with total valuation percentages of Residential and C.I.P property classes for Fiscal Year 2019 for both Stoneham and various surrounding communities. It also provides the maximum C.I.P. shift allowable, the shift selected and the effect of the adoption of the shift selected.

Tables #2 on page 10 details the history of Stoneham's C.I.P shifts selected as well as tax levy percentages before and after the selection of a Residential Factor.

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Page 12 contains the Fiscal Year 2020 LA-4 form which details the parcel count and property class valuation for all property classes. This form must be reviewed and approved on an annual basis by the Department of Revenue. Stoneham property values were approved in December of this year.

The column entitled "Property Type" on the LA 4 contains the various classes of properties. The properties in the 100-Class are the various types of residential properties in the community. The 300-class are commercial properties and the 400-class are industrial properties. The 012-043 represent mixed use properties that contain both commercial / residential components and the 500-class are Business Personal Property Accounts. All properties in the 100-class are taxed at the residential tax rate; all others are taxed at the Commercial, Industrial, Personal Property Rate

Page 13 contains a Community Comparison Table which details information pertaining Fiscal Year 2019. The table includes tax rates, Fiscal Year 2018 and 2019 average single family tax bills and both the dollar and percentage increase from 2018 to 2019.

Exhibit 1

IMPORTANT TERMS

TERM	DEFINITION
Levy	The property tax levy is the revenue a community can raise through real and personal property taxes.
Levy Limit	The maximum a community can levy in a given year equal to last year's levy plus 2.5% plus new growth plus override / exclusion if applicable.
Levy Ceiling	Equal to 2.5% of the total full and fair cash value of all taxable real and personal property in the community.
New Growth	Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations but not due to revaluation. It is calculated by multiplying the increased assessed valuation by the prior year's tax rate for the appropriate class of property.
Override	A permanent increase to a community's levy limit.
Override Capacity	The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.
Debt Exclusion	A temporary increase over the levy limit for the payment of a specific debt service item over a specific period of time.
Capital Outlay Expenditure	A temporary exclusion for the purpose of raising funds for capital project costs.
Excess Levy Capacity	The difference between the actual levy and the levy limit.

MASSACHUSETTS DEPARTMENT OF REVENUE
 DIVISION OF LOCAL SERVICES
 BUREAU OF ACCOUNTS

Stoneham
 TOWN

Levy Limit
Fiscal Year 2020

FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY 2019 LEVY LIMIT

A. FY 2018 Levy Limit	46,848,986	
A1. ADD Amended FY 2018 Growth	0	
B. ADD (IA + IA1)*2.5%	1,171,225	
C. ADD FY 2019 New Growth	755,634	
C1. ADD FY 2019 New Growth Adjustment	0	
D. ADD FY 2019 Override	0	
E. FY 2019 Subtotal	<u>48,775,845</u>	
F. FY 2019 Levy Ceiling	104,422,369	I. <u>48,775,845</u>
		FY 2019 Levy Limit

II. TO CALCULATE THE FY 2020 LEVY LIMIT

A. FY 2019 Levy Limit from I	48,775,845	
A1. Amended FY 2019 Growth	0	
B. ADD (IIA + IIA1)*2.5%	1,219,396	
C. ADD FY 2020 New Growth	507,950	
C1. ADD FY 2020 New Growth Adjustment	0	
D. ADD FY 2020 Override	0	
E. ADD FY 2020 Subtotal	<u>50,503,191</u>	
F. FY 2020 Levy Ceiling	112,085,592	II. <u>50,503,191</u>
		FY 2020 Levy Limit

III. TO CALCULATE THE FY 2020 MAXIMUM ALLOWABLE LEVY

A. FY 2020 Levy Limit from II.	50,503,191
B. FY 2020 Debt Exclusion(s)	2,025,731
C. FY 2020 Capital Expenditure Exclusion(s)	0
D. FY 2020 Stabilization Fund Override	0
E. FY 2020 Other Adjustment :	0
F. FY 2020 Water/Sewer	0
G. FY 2020 Maximum Allowable Levy	<u>52,528,922</u>

Table #1 - FISCAL YEAR 2019
Community CIP Tax Shift Comparison

Municipality	Fiscal Year	Res	CIP	Maximum	CIP	Res	CIP
		Percentage Unshifted	Percentage Unshifted	CIP Shift	Shift Selected	Percentage with Shift	Percentage Unshifted
Lynnfield	2019	85.94	14.06	1.50	1.24	82.57	17.43
Melrose	2019	95.18	4.82	1.75	1.68	91.90	8.10
North Reading	2019	87.64	12.36	1.50	1.00	87.64	12.36
Reading	2019	92.42	7.58	1.50	1.02	92.26	7.74
Stoneham	2019	90.43	9.57	1.75	1.75	83.25	16.75
Wakefield	2019	87.48	12.52	1.75	1.75	78.09	21.91
Wilmington	2019	77.15	22.85	1.75	1.75	60.01	39.99
Winchester	2019	95.52	4.48	1.50	1.00	95.52	4.48

Table #2
Stoneham's Classification History

Fiscal Year	% of Tax Base	% of Tax Base	Max CIP	CIP	% of Tax Base	% of Tax Base
	Residential (Unshifted)	CIP (Unshifted)	Allowed Shift	Shift Selected	Residential (With Shift)	CIP (With Shift)
2008	89.27%	10.73%	162	161	82.72%	17.28%
2009	88.78%	11.22%	155	155	82.61%	17.39%
2010	88.65%	11.35%	153	153	82.63%	17.37%
2011	88.22%	11.78%	150	150	82.35%	17.65%
2012	88.36%	11.64%	152	150	82.54%	17.46%
2013	88.13%	11.87%	150	150	82.19%	17.81%
2014	88.47%	11.87%	154	152	82.47%	17.53%
2015	88.89%	11.10%	160	158	82.45%	17.55%
2016	88.47%	11.87%	154	152	82.47%	17.53%
2017	89.78%	10.22%	174	172	82.45%	17.55%
2018	90.02%	9.98%	175	175	82.53%	17.47%
2019	90.43%	9.57%	175	175	83.25%	16.75%
2020	90.48%	9.52%	175	175	83.34%	16.66%

*assumes that the Board of Selectman adopt the recommended 175 C.I.P Shift

Table #3

	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Avg. Single Family value	\$565,130	\$537,287	\$498,780	\$460,125	\$435,095
Percentage Adj in Value	5.18%	7.72%	8.40%	5.75%	4.22%
Avg. Single Family Tax Bill	\$6,098	\$6,028	\$5,841	\$5,701	\$5,526
Average Condo. Value	\$328,548	\$292,054	\$261,919	\$237,556	\$229,903
Percentage Adj in Value	12.50%	11.51%	10.26%	3.33%	9.46%
Avg. Condo. Tax Bill	\$3,545	\$3,420	\$3,067	\$2,943	\$2,920
Avg 2 / 3 Family Value	\$610,051	\$557,407	\$511,851	\$441,005	\$416,052
Percentage Adj in Value	9.44%	8.90%	16.06%	6.00%	3.33%
Avg. 2/3 Family Tax Bill	\$6,582	\$6,527	\$5,994	\$5,464	\$5,284

Table above assume the adoption of the recommended Residential Factor of 0.921064

12/02/2019 2:15:25PM	Town of Stoneham ASSESSMENT CLASSIFICATION REPORT: LA4
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LandType	Mixed Chptr	Parcels	Residential Class1	Open Space Class2	Commercial Class3	Industrial Class4	Pers. Property Class5
101:		5,140	2,904,770,300				
102:		1,560	512,535,200				
Misc Res:		17	12,339,800				
104:		439	283,006,300				
105:		54	37,748,800				
111-125:		46	297,292,700				
130-32 & 106:		125	7,618,300				
200-299:		0	0				
300-399:		272	0		321,657,000		
400-449:		19	0			29,723,400	
450-452:		0	0				
CH61 Land:		0	0				
CH61 A:		0	0				
CH61 B:	1	0	0		138,225		
012-043:		45	21,179,432		17,861,714		
501:		233	0				3,994,882
502:		315	0				10,584,985
503:		0	0				
504:		2	0				32,465,410
550-552:		0	0				
505:		4	0				9,085,800
506:		0	0				
508:		4	0				1,423,440
Invalid LUC:		0	0				

TAXABLE CLASS VALUES: 4,056,490,832 0 339,654,939 29,723,400 57,554,517

R/E COUNT:	7,718	REAL ESTATE TAXABLE:	4,425,869,171
EXEMPT COUNT:	251	R/E EXEMPT VALUE:	334,420,854
R/E TOTAL COUNT:	7,969	R/E TOTAL VALUE:	4,760,290,025
P/P COUNT:	558	PERS. PROP. TAXABLE:	57,554,517
TAXABLE COUNT:	8,276	TOTAL R/E & PP TAXABLE VALUE:	4,483,423,688

Questions concerning this report should be directed to the following person:

Name	Title	Day-Time Phone #
------	-------	------------------

Community Comparison Table

Municipality	Fiscal Year	Res Tx Rt	CIP Tx Rt	FY19 Average	FY18 Average	Percentage	Dollar
				SF Tax Bill	SF Tax Bill	Increase	Increase
Woburn	2019	\$9.50	\$23.72	\$4,520	\$4,322	4.58%	\$198
Peabody	2019	\$11.01	\$23.69	\$4,550	\$4,381	3.86%	\$169
Saugus	2019	\$12.18	\$25.78	\$5,190	\$4,731	9.70%	\$459
Burlington	2019	\$10.48	\$27.22	\$5,267	\$5,071	3.87%	\$196
Billerica	2019	\$13.48	\$31.41	\$5,328	\$5,087	4.74%	\$241
Stoneham	2019	\$11.22	\$21.33	\$6,028	\$5,841	3.20%	\$187
Danvers	2019	\$13.28	\$21.19	\$6,219	\$6,025	3.22%	\$194
Melrose	2019	\$10.81	\$18.81	\$6,273	\$6,096	2.90%	\$177
Tewksbury	2019	\$15.84	\$27.63	\$6,415	\$6,054	5.96%	\$361
Wilmington	2019	\$13.75	\$30.94	\$6,626	\$6,336	4.58%	\$290
Wakefield	2019	\$12.83	\$25.15	\$6,777	\$6,455	4.99%	\$322
Chelmsford	2019	\$16.35	\$22.21	\$7,003	\$7,175	-2.40%	(\$172)
North Andover	2019	\$13.41	\$19.18	\$7,417	\$7,549	-1.75%	(\$132)
Littleton	2019	\$18.24	\$28.27	\$7,940	\$7,594	4.56%	\$346
Middleton	2019	\$13.69	\$13.69	\$8,336	\$8,082	3.14%	\$254
Reading	2019	\$14.23	\$14.48	\$8,461	\$7,764	8.98%	\$697
Westford	2019	\$16.56	\$16.56	\$8,821	\$8,420	4.76%	\$401
Lynnfield	2019	\$13.91	\$17.95	\$8,855	\$8,674	2.09%	\$181
North Reading	2019	\$15.58	\$15.58	\$9,010	\$8,782	2.60%	\$228
Bedford	2019	\$12.96	\$28.42	\$9,442	\$9,265	1.91%	\$177
Andover	2019	\$15.27	\$27.51	\$9,973	\$9,591	3.98%	\$382
Boxford	2019	\$16.42	\$16.42	\$9,994	\$10,092	-0.97%	(\$98)
Winchester	2019	\$12.11	\$11.45	\$13,083	\$12,590	3.92%	\$493
Lexington	2019	\$14.12	\$27.33	\$14,834	\$14,169	4.69%	\$665
				Median	\$ 7,362	3.89%	\$235

Fiscal Year 2020 Classification Hearing
December 10, 2019
Hearing Room at 35 Central Street
Stoneham, MA 02180



Presented by

Stoneham Board of Assessors

William J. Jordan *Chairman*

Eric Josephson *Secretary*

Craig J. Celli

Brian C Macdonald **Director of Assessing**

Cheryl Kozlowski **Assistant Admin. Assessor**

The information contained in this handout is intended to provide the Board of Selectmen with the necessary information to conduct a public hearing and information session on the classification options available under Massachusetts General Law. This classification hearing allows the Board to consider several options that allow for the shift of the tax burden both **between and within** the Residential and Commercial/Industrial/Personal Property tax classes.

The 3 options to be presented for consideration are:

1. Selection of a Minimum Residential Factor
2. Granting of a Residential Exemption
3. Granting of a Small Commercial Exemption

Step #1) Calculation of a Single Tax Rate

$(\text{Tax Levy} / \text{Total Value}) * 1000 = \text{Single Tax Rate per } \1000 in Value

LA4 VALUES		FFCV PERCENTS	
Residential	4,056,490,832	Res %	90.4775
Open Space	0	OS %	0.0000
Commercial	339,654,939	Com %	7.5758
Industrial	29,723,400	Ind %	0.6630
Pers Prop	57,554,517	P P %	1.2837
Total	4,483,423,688	Total %	100.0000

$(\$52,521,659 / \$4,483,423,688) * 1000 = \$11.71 \text{ per } \$1000 \text{ in Assessed Value}$

1st- Selection of a Residential Factor

The Board of Selectmen must vote on the selection of a residential factor. The implication of this vote determines whether or not to establish a split tax rate.

Option #1 – Establish a Single Tax Rate – Residential Factor of 1

The option of selecting a residential factor of ‘1’ would adopt a single tax rate for all Residential, Commercial, Industrial and Personal Property classes. **If a factor of ‘1’ were to be adopted, the single tax rate for all classes would be \$11.71** (See previous page)

Option #2 – Establish a Split Tax Rate

Selection of a residential factor other than 1 will shift the tax burden from the residential class to the C.I.P. property classes. The greater the CIP shift selected, the more tax burden is shifted on to the C.I.P property classes. The average single-family property value for Fiscal Year 2020 is **\$565,130**. The average commercial property value for Fiscal Year 2020 is **\$1,099,340**.

The table below summarizes various shift options and their effect on the average annual single family and commercial property within the community.

Factor	CIP SHIFT	RO %	CIP %	RO	CIP	Average	Average
				TAX RATE	TAX RATE	SF Tax Bill	CI Tax Bill
1.000000	1	90.4775%	9.5225%	\$11.71	\$11.71	\$6,618	\$12,873
0.973688	125	88.0969%	11.9031%	\$11.40	\$14.64	\$6,442	\$16,092
0.947377	150	85.7163%	14.2837%	\$11.09	\$17.57	\$6,267	\$19,310
0.936852	160	84.7640%	15.2360%	\$10.97	\$18.74	\$6,199	\$20,597
0.926327	170	83.8118%	16.1882%	\$10.84	\$19.91	\$6,126	\$21,885
0.925275	171	83.7166%	16.2834%	\$10.83	\$20.02	\$6,120	\$22,013
0.924222	172	83.6213%	16.3787%	\$10.82	\$20.14	\$6,115	\$22,142
0.923170	173	83.5261%	16.4739%	\$10.81	\$20.26	\$6,109	\$22,271
0.922117	174	83.4309%	16.5691%	\$10.80	\$20.38	\$6,103	\$22,399
0.921065	175	83.3357%	16.6643%	\$10.79	\$20.50	\$6,098	\$22,536

With residential property valuations far outpacing the C.I.P property classes in recent year, maintaining the levy born by the Residential Property class and the C.I.P classes is no longer possible as it was between 2008 to 2018. With that said, Board of Assessors recommends the Select Board adopt the minimum **Residential Factor of 0.921065** with corresponding **CIP Shift of 175** to afford the residential tax payers the maximum amount of real estate tax relief. (See page 10 Table #2 for Stoneham’s historical record pertaining to the selection of a Residential Factor and C.I.P Shift).

2nd- Granting a Residential Exemption

The Board of Selectmen may grant a residential exemption for all residential properties in the town that are **owner occupied**. This exemption can range up to 20% of the average assessed value of all residential properties within the community. The average assessed value calculation is determined by dividing the total value of the Residential Property class by the residential property count. (4,056,490,832 / 7,426 = 546,255)

Granting a residential exemption does not reduce the Residential percentage of the tax levy, as established with the selection of a Residential Factor. By granting this exemption, the tax burden would be shifted from lower valued residential properties to both residential properties valued higher than average (see below) **and** to non-owner occupied residential properties. The implementation of a Residential Exemption of any size would result in an increase to the residential tax rate to compensate for this form of tax relief. In Stoneham, the residential tax rate would rise from \$10.79 * to an estimate of \$13.17. (See Stoneham Residential Exemption Impact Analysis on page 5 for details). (The residential rate of \$10.79 is contingent on the selectmen voting for the recommended factor of **0.921065** with the corresponding **CIP shift of 175**).

The outcome of this exemption would result in an increased tax disparity between higher and lower valued residential properties. Those owner occupied properties below the residential average, \$546,255 would realize a tax savings while those properties valued above the average would realize a real estate tax increase. Furthermore, this increase would also apply to all non-owner occupied residential properties and to vacant land.

The residential exemption has been adopted by few communities within the state of Massachusetts. The table below details the communities that have adopted a residential exemption. The majority of these locations have **either** a high percentage of investor owned residential property such apartments or mixed use property (Boston, Cambridge, Chelsea, Everett, Somerville, Waltham, Watertown) **or** a large number of vacation / second homes (Barnstable, Nantucket, Somerset, Truro, Wellfleet). This exemption is intended to provide tax relief to property owner's domiciled within these communities.

Residential Exemptions	Percent Granted
BARNSTABLE	20%
BOSTON	35%
BROOKLINE	21%
CAMBRIDGE	30%
CHELSEA	31%
EVERETT	25%
MALDEN	30%
NANTUCKET	25%
PROVINCETOWN	25%
SOMERSET	10%
SOMERVILLE	35%
TISBURY	18%
TRURO	20%
WALTHAM	35%
WATERTOWN	24%
WELLFEET	20%

Stoneham Residential Exemption Impact Analysis

	<u>Adjusted Single</u>	<u>Adjusted Single</u>	<u>Percentage</u>	<u>Average Adjusted</u>	<u>Avg Adjusted</u>	<u>Percentage</u>
<u>Percentage</u>	<u>Family Value</u>	<u>Family Tax Bill</u>	<u>Decrease</u>	<u>Condo. Value</u>	<u>Condo Tax Bill</u>	<u>Decrease</u>
0.00%	\$565,130	\$6,092	0.00%	\$328,548	\$3,541.75	0.00%
5.00%	\$537,818	\$6,074	0.30%	\$301,235	\$3,093.65	12.65%
10.00%	\$510,505	\$6,053	0.65%	\$273,923	\$2,599.99	26.59%
15.00%	\$483,192	\$6,029	1.04%	\$246,610	\$2,054.61	41.99%
20.00%	\$455,879	\$6,002	1.47%	\$219,297	\$1,448.94	59.09%

Impact Summary and recommendation

The implementation of a Residential Exemption would greatly reduce the yearly tax burden of any property below the average residential value of **\$546,255***. Single family homes are largest single property class within Stoneham. Due to the large percentage of owner-occupied residential property within Stoneham (91%*), in conjunction with the valuation of the average single family home in Fiscal Year 2020 is greater than the average residential property as calculated by this exemptions methodology, the adoption of this exemption at any percentage is unsound. As detailed in the table above, residential properties that fall below the average residential valuation calculation, condominiums in particular with an average assessed valuation of \$328,548, would benefit from a large tax savings while the average single family property would realize minimal tax relief. **The Board of Assessors does not recommend a Residential Tax Exemption of any percentage.**

*** Percentage of owner-occupied properties have been estimated using the mailing address of the property's real estate tax bill.**

3rd - Granting a Small Commercial Exemption

An exemption of up to 10% of the total property valuation can be granted to commercial properties that meet specific criteria. **Eligible properties must have met the following criteria:**

1. Occupied as of January 1, 2019 by a business or businesses classified only as either sole proprietorships or partnerships(s).
2. Business or businesses must have an average annual employment of no more than 10 employees during the previous calendar year (calendar year 2018). A multi-tenanted building would require every business located on this property to meet these requirements. **A report detailing businesses with an average employment of less than 10 employees for the calendar year 2018 is provided by the Department of Workforce Development. (This list is not a public document and not available for review.)**
3. Total property value, (both land and building) must have a valuation of less than **\$1,000,000**

Similar to the residential exemption, the total tax levy for the CIP tax class, as established by the adoption of a Residential Factor, does not change.

Facts about the Small Commercial Business Exemption:

- 1) **Applies to only commercially classified property (300 Class) not Industrial classified property (400 Class).**
- 2) **Tax burden is shifted within the commercial and industrial property classes only (300 and 400). It does not shift additional weight onto the Personal Property class (500). Therefore, two separate tax rates would be created, 1 for both Commercial / Industrial Property and another for Personal Property.**

	5% Exempted	10% Exempted
Number of Qualifying Parcels	62	62
Valuation Exempted	\$1,140,450	\$2,280,900
Tax Dollars Exempted	\$25,489.06	\$50,978.12
Revised Tax Rate / 1000	\$20.56	\$20.63
Increase in Tax Rate	\$0.06	\$0.13

Number of Qualifying Properties within Stoneham : 62

Total Valuation of Qualifying Properties : \$22,809,800

***The CIP rate of \$20.50 is contingent on the selectmen accepting the recommended residential factor of 0.921065 with the corresponding CIP shift of 175.**

*** The Personal Property Tax Rate would remain at \$20.50 and be unaffected**

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MASSACHUSETTS DEPARTMENT OF REVENUE
 DIVISION OF LOCAL SERVICES
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Stoneham
 TOWN

Levy Limit
Fiscal Year 2020

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C1. ADD FY 2019 New Growth Adjustment	0	
D. ADD FY 2019 Override	0	
E. FY 2019 Subtotal	<u>48,775,845</u>	
F. FY 2019 Levy Ceiling	104,422,369	I. <u>48,775,845</u>
		FY 2019 Levy Limit

II. TO CALCULATE THE FY 2020 LEVY LIMIT

A. FY 2019 Levy Limit from I	48,775,845	
A1. Amended FY 2019 Growth	0	
B. ADD (IIA + IIA1)*2.5%	1,219,396	
C. ADD FY 2020 New Growth	507,950	
C1. ADD FY 2020 New Growth Adjustment	0	
D. ADD FY 2020 Override	0	
E. ADD FY 2020 Subtotal	<u>50,503,191</u>	
F. FY 2020 Levy Ceiling	112,085,592	II. <u>50,503,191</u>
		FY 2020 Levy Limit

III. TO CALCULATE THE FY 2020 MAXIMUM ALLOWABLE LEVY

A. FY 2020 Levy Limit from II.	50,503,191
B. FY 2020 Debt Exclusion(s)	2,025,731
C. FY 2020 Capital Expenditure Exclusion(s)	0
D. FY 2020 Stabilization Fund Override	0
E. FY 2020 Other Adjustment :	0
F. FY 2020 Water/Sewer	0
G. FY 2020 Maximum Allowable Levy	<u>52,528,922</u>

Table #1 - FISCAL YEAR 2019
Community CIP Tax Shift Comparison

	Fiscal	Res	CIP	Maximum	CIP	Res	CIP
Municipality	Year	Percentage	Percentage	CIP Shift	Shift	Percentage	Percentage
		Unshifted	Unshifted	CIP Shift	Selected	with Shift	Unshifted
Lynnfield	2019	85.94	14.06	1.50	1.24	82.57	17.43
Melrose	2019	95.18	4.82	1.75	1.68	91.90	8.10
North Reading	2019	87.64	12.36	1.50	1.00	87.64	12.36
Reading	2019	92.42	7.58	1.50	1.02	92.26	7.74
Stoneham	2019	90.43	9.57	1.75	1.75	83.25	16.75
Wakefield	2019	87.48	12.52	1.75	1.75	78.09	21.91
Wilmington	2019	77.15	22.85	1.75	1.75	60.01	39.99
Winchester	2019	95.52	4.48	1.50	1.00	95.52	4.48

Table #2
Stoneham's Classification History

Fiscal Year	% of Tax Base	% of Tax Base	Max CIP	CIP	% of Tax Base	% of Tax Base
	Residential (Unshifted)	CIP (Unshifted)	Allowed Shift	Shift Selected	Residential (With Shift)	CIP (With Shift)
2008	89.27%	10.73%	162	161	82.72%	17.28%
2009	88.78%	11.22%	155	155	82.61%	17.39%
2010	88.65%	11.35%	153	153	82.63%	17.37%
2011	88.22%	11.78%	150	150	82.35%	17.65%
2012	88.36%	11.64%	152	150	82.54%	17.46%
2013	88.13%	11.87%	150	150	82.19%	17.81%
2014	88.47%	11.87%	154	152	82.47%	17.53%
2015	88.89%	11.10%	160	158	82.45%	17.55%
2016	88.47%	11.87%	154	152	82.47%	17.53%
2017	89.78%	10.22%	174	172	82.45%	17.55%
2018	90.02%	9.98%	175	175	82.53%	17.47%
2019	90.43%	9.57%	175	175	83.25%	16.75%
2020	90.48%	9.52%	175	175	83.34%	16.66%

*assumes that the Board of Selectman adopt the recommended 175 C.I.P Shift

Table #3

	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Avg. Single Family value	\$565,130	\$537,287	\$498,780	\$460,125	\$435,095
Percentage Adj in Value	5.18%	7.72%	8.40%	5.75%	4.22%
Avg. Single Family Tax Bill	\$6,098	\$6,028	\$5,841	\$5,701	\$5,526
Average Condo. Value	\$328,548	\$292,054	\$261,919	\$237,556	\$229,903
Percentage Adj in Value	12.50%	11.51%	10.26%	3.33%	9.46%
Avg. Condo. Tax Bill	\$3,545	\$3,420	\$3,067	\$2,943	\$2,920
Avg 2 / 3 Family Value	\$610,051	\$557,407	\$511,851	\$441,005	\$416,052
Percentage Adj in Value	9.44%	8.90%	16.06%	6.00%	3.33%
Avg. 2/3 Family Tax Bill	\$6,582	\$6,527	\$5,994	\$5,464	\$5,284

Table above assume the adoption of the recommended Residential Factor of 0.921064

12/02/2019 2:15:25PM	Town of Stoneham ASSESSMENT CLASSIFICATION REPORT: LA4
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LandType	Mixed Chptr	Parcels	Residential Class1	Open Space Class2	Commercial Class3	Industrial Class4	Pers. Property Class5
101:		5,140	2,904,770,300				
102:		1,560	512,535,200				
Misc Res:		17	12,339,800				
104:		439	283,006,300				
105:		54	37,748,800				
111-125:		46	297,292,700				
130-32 & 106:		125	7,618,300				
200-299:		0	0				
300-399:		272	0		321,657,000		
400-449:		19	0			29,723,400	
450-452:		0	0				
CH61 Land:		0	0				
CH61 A:		0	0				
CH61 B:	1	0	0		138,225		
012-043:		45	21,179,432		17,861,714		
501:		233	0				3,994,882
502:		315	0				10,584,985
503:		0	0				
504:		2	0				32,465,410
550-552:		0	0				
505:		4	0				9,085,800
506:		0	0				
508:		4	0				1,423,440
Invalid LUC:		0	0				

TAXABLE CLASS VALUES: 4,056,490,832 0 339,654,939 29,723,400 57,554,517

R/E COUNT:	7,718	REAL ESTATE TAXABLE:	4,425,869,171
EXEMPT COUNT:	251	R/E EXEMPT VALUE:	334,420,854
R/E TOTAL COUNT:	7,969	R/E TOTAL VALUE:	4,760,290,025
P/P COUNT:	558	PERS. PROP. TAXABLE:	57,554,517
TAXABLE COUNT:	8,276	TOTAL R/E & PP TAXABLE VALUE:	4,483,423,688

Questions concerning this report should be directed to the following person:

Name	Title	Day-Time Phone #
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Community Comparison Table

Municipality	Fiscal Year	Res Tx Rt	CIP Tx Rt	FY19 Average	FY18 Average	Percentage	Dollar
				SF Tax Bill	SF Tax Bill	Increase	Increase
Woburn	2019	\$9.50	\$23.72	\$4,520	\$4,322	4.58%	\$198
Peabody	2019	\$11.01	\$23.69	\$4,550	\$4,381	3.86%	\$169
Saugus	2019	\$12.18	\$25.78	\$5,190	\$4,731	9.70%	\$459
Burlington	2019	\$10.48	\$27.22	\$5,267	\$5,071	3.87%	\$196
Billerica	2019	\$13.48	\$31.41	\$5,328	\$5,087	4.74%	\$241
Stoneham	2019	\$11.22	\$21.33	\$6,028	\$5,841	3.20%	\$187
Danvers	2019	\$13.28	\$21.19	\$6,219	\$6,025	3.22%	\$194
Melrose	2019	\$10.81	\$18.81	\$6,273	\$6,096	2.90%	\$177
Tewksbury	2019	\$15.84	\$27.63	\$6,415	\$6,054	5.96%	\$361
Wilmington	2019	\$13.75	\$30.94	\$6,626	\$6,336	4.58%	\$290
Wakefield	2019	\$12.83	\$25.15	\$6,777	\$6,455	4.99%	\$322
Chelmsford	2019	\$16.35	\$22.21	\$7,003	\$7,175	-2.40%	(\$172)
North Andover	2019	\$13.41	\$19.18	\$7,417	\$7,549	-1.75%	(\$132)
Littleton	2019	\$18.24	\$28.27	\$7,940	\$7,594	4.56%	\$346
Middleton	2019	\$13.69	\$13.69	\$8,336	\$8,082	3.14%	\$254
Reading	2019	\$14.23	\$14.48	\$8,461	\$7,764	8.98%	\$697
Westford	2019	\$16.56	\$16.56	\$8,821	\$8,420	4.76%	\$401
Lynnfield	2019	\$13.91	\$17.95	\$8,855	\$8,674	2.09%	\$181
North Reading	2019	\$15.58	\$15.58	\$9,010	\$8,782	2.60%	\$228
Bedford	2019	\$12.96	\$28.42	\$9,442	\$9,265	1.91%	\$177
Andover	2019	\$15.27	\$27.51	\$9,973	\$9,591	3.98%	\$382
Boxford	2019	\$16.42	\$16.42	\$9,994	\$10,092	-0.97%	(\$98)
Winchester	2019	\$12.11	\$11.45	\$13,083	\$12,590	3.92%	\$493
Lexington	2019	\$14.12	\$27.33	\$14,834	\$14,169	4.69%	\$665
				Median	\$ 7,362	3.89%	\$235