

Town of Milton

Fiscal Year 2016 Tax Classification Hearing

Prepared for the Board of Selectmen

J. Thomas Hurley, Chair
Kathleen M. Conlon, Member
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Prepared by the Board of Assessors

William E. Bennett, Chairman

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November 17, 2015



William E. Bennett, Chair Brian M. Cronin James A. Henderson

TOWN OF MILTON

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> **Robert Bushway Chief Appraiser**

To:

Board of Selectmen

November 17, 2015

From: Board of Assessors

Re:

Taxation and Classification of Property

According to Use

Chapter 40 Section 56 of the Massachusetts General Laws requires the Board of Selectmen to make policy decisions regarding the property tax burden to be borne by each class of property; Residential, Open Space, Commercial, Industrial and Personal.

The Board of Assessors has completed its state mandated revaluation of all real and personal property for fiscal year 2016. There have been changes based on property sales in calendar 2014 and new growth. The result is that the average single family home has increased in value from \$565,278 to \$604,044 (+7%), condominiums have seen an increase of about 15%. Two families have seen an increase of 10%. The Commercial values have increased 7%. The total taxable value of the town has grown by 7.8%.

The estimated fiscal year 2016 maximum allowable levy of \$71,186,768 is a \$3,052,087 increase over the fiscal year 2015 actual levy (+4.5%).

Enclosed is information that will serve as a guideline for making these decisions.

Respectfully submitted,

Milton Board of Assessors

Fiscal Year 2016 Tax Classification-Options for Tax Rate

CURRENT FY2015 TAX RATES							
	CIP SHIFT	Res Factor	Property Type	TAX RATE	AVG TAX	Avg FY15 SF Assmt	Avg FY15 Comm Assmt
CURRENT	1.57	1 9/.00//	Single Family	13.94	\$7,880	\$565,278	
			Commercial	22.40	\$15,581		\$695,569

FY2016 Average Single Family Value

\$604,044

FY2016 Average Commercial Value

\$742,286

	·· ··		OPTIO	NS FOR FY2016)*		
Option	CIP SHIFT	RES. FACTOR	Property Type	EST TAX RATE	EST AVG TAX	TAX DIFFERENCE	% CHANGE
1	1.57	97.6584	Single Family	\$13.50	\$8,155	\$275	3.5%
			Commercial	\$21.71	\$16,115	\$534	3.4%
2	1.3	98.7676	Single Family	\$13.66	\$8,251	\$371	4.7%
			Commercial	_\$17.97 <u>/</u>	\$13,339	<i>-</i> \$2,242	-14.4%
3	1.4	98:3568	Single Family	\$13.60	\$8,215	\$335	43%
			Commercial ::	\$19.36	\$14,371	=\$1,210	-7.8%
4	1.5	97:946	Single Family	\$13.54	\$8,179%	\$299	3.8%
			Commercial	\$20.74	\$15,395	\$186	-1.2%
5	1.6	97/5352	Single Family	\$13.49	\$8,149	\$2/69	3.4%
			Commercial	\$22.12	\$16,419	\$839	5.4%
6	1.7	97.1244	Single Family	\$13.43	\$8,112	\$232	2.9%
			Commercial	\$23,51	\$17,451	\$1,870	12.0%
7	1.75	96.919	Single Family	\$13.40	\$8,094	\$214	2.7%
			Commercial	\$24.20	\$17,963	\$2,383	15.3%
8	1	100	Single Family	\$13.83	\$8,354	\$474	6.0%
			Commercial	\$13.83	\$10,266	-\$5,315	-34.1%

^{*} All figures are estimate, subject to change upon tax rate approval

Decisions to be made under Classification:

1. RESIDENTIAL FACTOR FOR FY2016

REQUIRED TO CHOOSE

A policy decision is needed to determine the amount of the tax levy which the Residential, Open Space, Commercial, Industrial and Personal Property classes will bear. A Minimum Residential Factor (MRF) may be adopted, thereby reducing the residential tax rate by a specific percentage and increasing the tax rate for Commercial, Industrial and Personal Property to as much as 175% of what they would pay at the 100% valuation.

2. RESIDENTIAL EXEMPTION

OPTIONAL (YES OR NO)

A policy decision is needed concerning the allowance of up to a 20% residential exemption. The maximum exemption which may be applied to each <u>principal residence</u> is 20% of the average assessed value of the residential class. Adopting a residential exemption increases the residential tax rate. The amount of the tax levy paid by the class remains the same, but because of the exempted valuation, it is distributed over less assessed value.

Milton has not adopted this previously. This option is typically adopted in rental areas and summer home areas. Previously it has been chosen by 13 out of 351 communities, such as Boston, Cambridge, Tisbury, etc.

3. SMALL COMMERCIAL EXEMPTION

OPTIONAL (YES OR NO)

A policy decision is needed regarding the small commercial exemption.

A small commercial business exemption is an option that can reduce commercial valuation by up to 10%. However, adopting a small commercial exemption increases the commercial and industrial tax rates.

Milton has not adopted this previously. This has been previously adopted by 10 out of 351 communities.

RECOMMENDATION FROM THE BOARD OF ASSESSORS

The Board of Assessors recommends the following regarding the FY16 tax burden to be borne by each class of property:

Vote:

"That the Town of Milton adopt a minimum residential factor of 97.6584, to not adopt a residential exemption and to not adopt a small commercial exemption."

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF REVENUE FISCAL 2016 TAX LEVY LIMITATION FOR

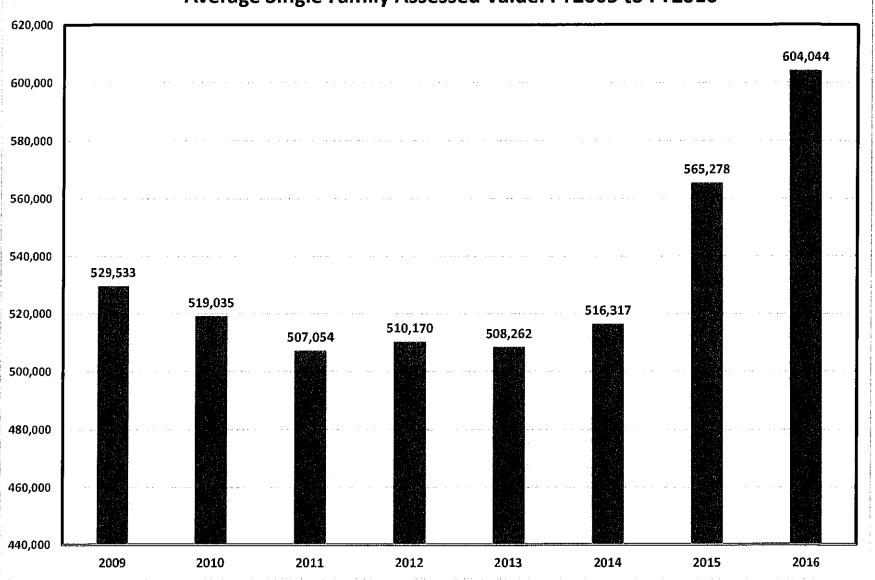
MILTON

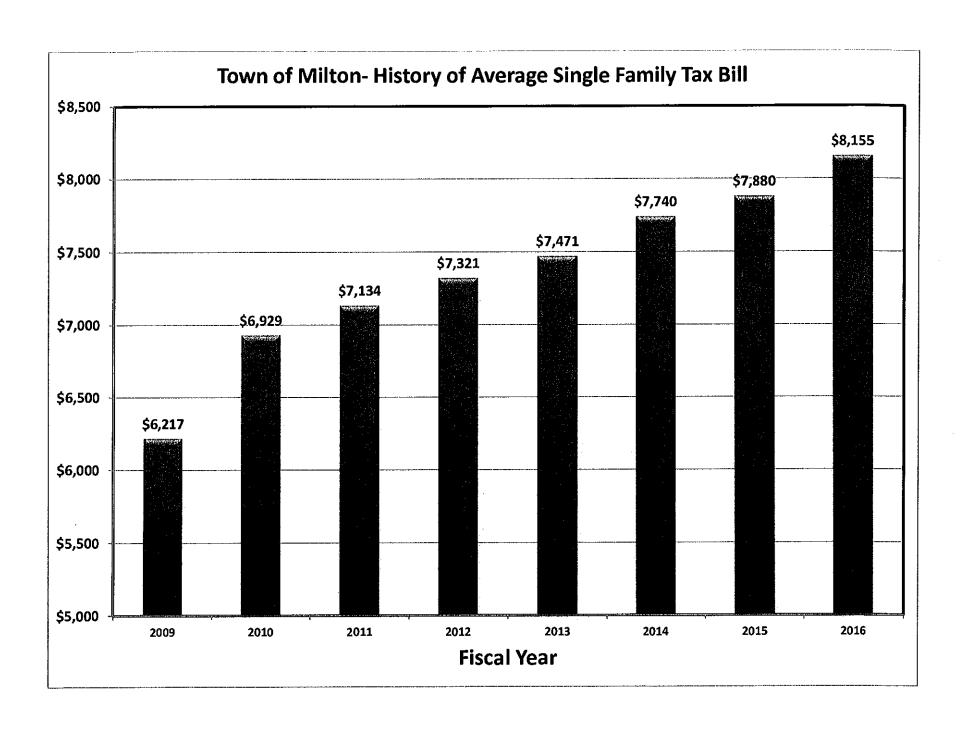
FOR BUDGET PLANNING PURPOSES

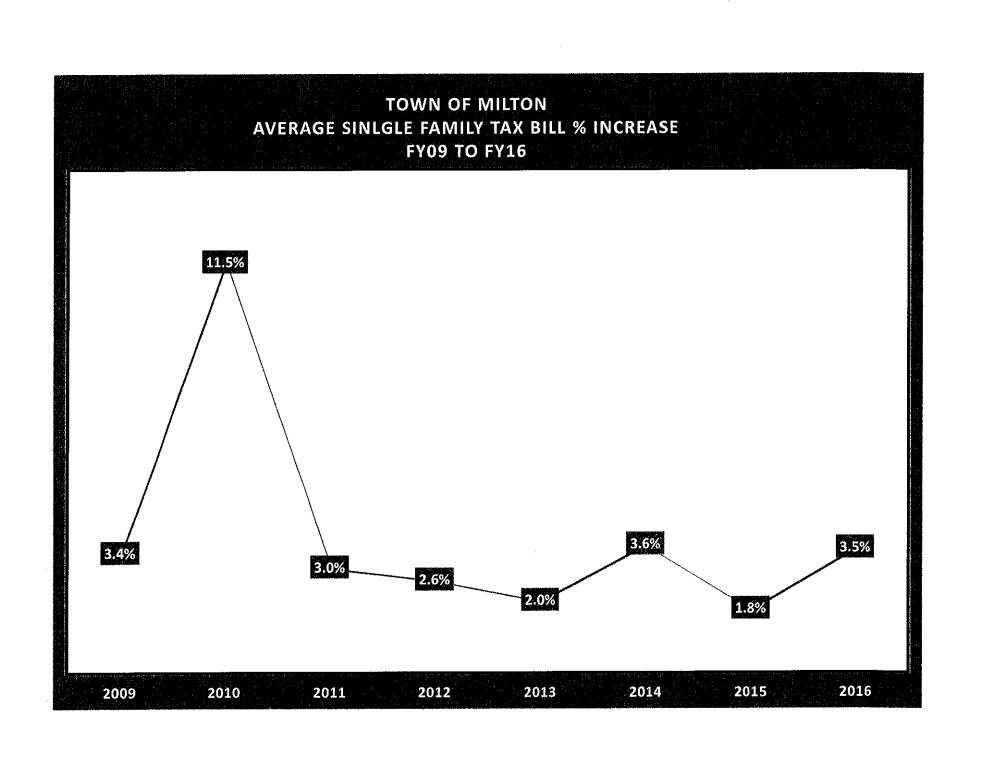
I. TO CALCULATE THE FY 2015 LEVY LIMIT					
A. FY 2014 Levy Limit	64,265,958				
A1. ADD Amended FY 2014 Growth	0				
B. ADD (IA + IA1) * 2.5%	1,606,649				
C. ADD FY 2015 New Growth	377,324				
C1. ADD FY 2015 New Growth Adjustment	0				
D. ADD FY 2015 Override	0				
E. FY 2015 Subtotal	66,249,931	I. \$66,249,931			
F. FY 2015 Levy Ceiling	119,367,419	FY 2015 Levy Limit			
II. TO CALCULATE THE FY 2016 LEVY LIMIT					
A. FY 2015 Levy Limit from I.	66,249,931				
A1. ADD Amended FY 2015 Growth					
B. ADD (IIA + IIA1) * 2.5%	1,656,248				
C. ADD FY 2016 New Growth	736,489				
C1. ADD FY 2016 New Growth Adjustment	0				
D. ADD FY 2016 Override	0				
E. FY 2016 Subtotal	68,642,668	II. \$68,642,668			
F. FY 2016 Levy Ceiling	128,714,104	FY 2016 Levy Limit			
III. TO CALCULATE THE FY 2016 MAXIMUM ALLOWABLE LEVY					
A. FY 2016 Levy Limit from II.	68,642,668				
B. FY 2016 Debt Exclusion(s)	2,544,100				
C. FY 2016 Capital Expenditure Exclusion(s)	0				
D. FY 2016 Stabilization Fund Override	0				
E. FY 2016 Other Adjustment	0				
F. FY 2016 Water / Sewer	0				
G. FY 2016 Maximum Allowable Levy	\$71,186,768				

NOTE: The information is preliminary and is subject to change.

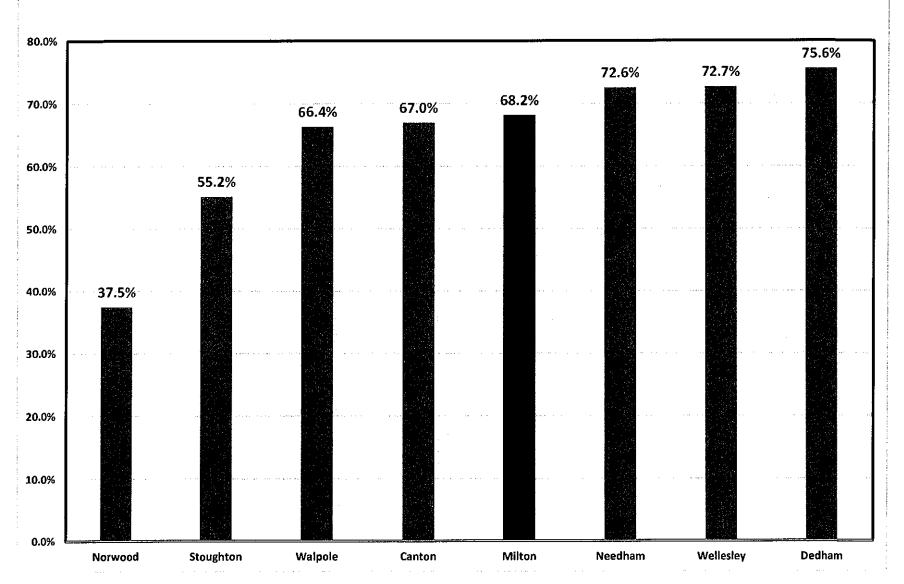
Town of Milton Average Single Family Assessed Value: FY2009 to FY2016



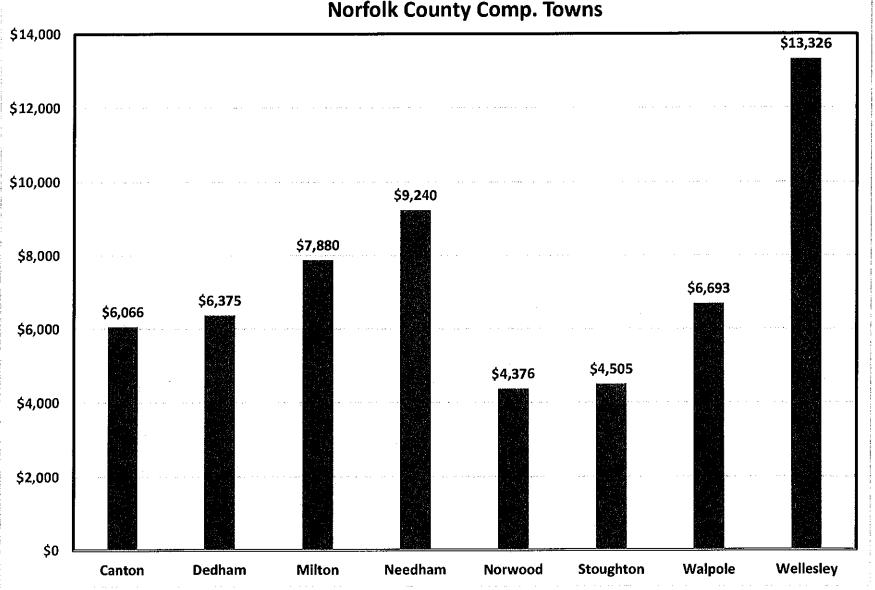




Tax Levy % of Budget Norfolk County Comp. Towns



FY15 Average Single Family Tax Norfolk County Comp. Towns



FY15 Average Single Family Valuation Norfolk County Comp. Towns

