



Town of Milton

Fiscal Year 2020 Tax Classification Hearing

Prepared for the Select Board

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Prepared by the Board of Assessors

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Robert L. Bushway, Chief Appraiser

November 20, 2019



BOARD OF ASSESSORS
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TOWN OF MILTON

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Robert Bushway
Chief Appraiser

To: Board of Selectmen

November 20, 2019

From: Board of Assessors

Re: Taxation and Classification of Property
According to Use

The Massachusetts Department of Revenue has reviewed and approved the valuation of all real and personal property for fiscal year 2020. The changes to this year's assessed values are based on property sales in calendar year 2018 and new growth. The result is that the average single family home has increased in value from \$713,849 to \$737,878, a 3.4% increase. The total taxable value of the town has grown by 3.8%.

The estimated fiscal year 2020 maximum allowable tax levy of \$85,139,369 represents a 3.4% increase over the fiscal year 2019 tax levy.

With the recommended tax shift, the average single family tax bill will increase an estimated \$272 from last year, or 2.9%.

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

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

Respectfully submitted,

Milton Board of Assessors

Fiscal Year 2020 Tax Classification-Options for Tax Rate

Current Fiscal Year 2019 Tax Rates-Average Values							
	CIP SHIFT	Res Factor	Property Class	Tax Rate	Avg Tax	Avg SF Assmt	Avg Comm Assmt
FY19	1.5	97.92	Residential	\$13.18	\$9,409	\$713,849	
			Commercial	\$20.20	\$18,500		\$915,858

FY2020 Average Single Family Value \$737,878

FY2020 Average Commercial Value \$950,678

Options for Fiscal Year 2020*							
Option	CIP SHIFT	Res. Factor	Property Class	Est. Tax Rate	Est. Avg. Tax	TAX CHANGE FROM FY19	PERCENT CHANGE FROM FY19
1	1.5	0.9789	Residential	\$13.12	\$9,681	\$272	2.9%
			Commercial	\$20.10	\$19,109	\$608	3.3%
2	1.49	0.9793	Residential	\$13.13	\$9,688	\$280	3.0%
			Commercial	\$19.97	\$18,985	\$485	2.6%
3	1.48	0.9831	Residential	\$13.13	\$9,688	\$280	3.0%
			Commercial	\$19.84	\$18,861	\$361	2.0%
4	1.47	0.9802	Residential	\$13.14	\$9,696	\$287	3.1%
			Commercial	\$19.70	\$18,728	\$228	1.2%
5	1 (Single Tax Rate)	1	Residential	\$13.40	\$9,888	\$479	5.1%
			Commercial	\$13.40	\$12,739	-\$5,761	-31.1%

* All figures are estimated, subject to change upon tax rate approval

Decisions to be made under Classification:

- 1. RESIDENTIAL FACTOR** **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 150% 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 principal residence 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.

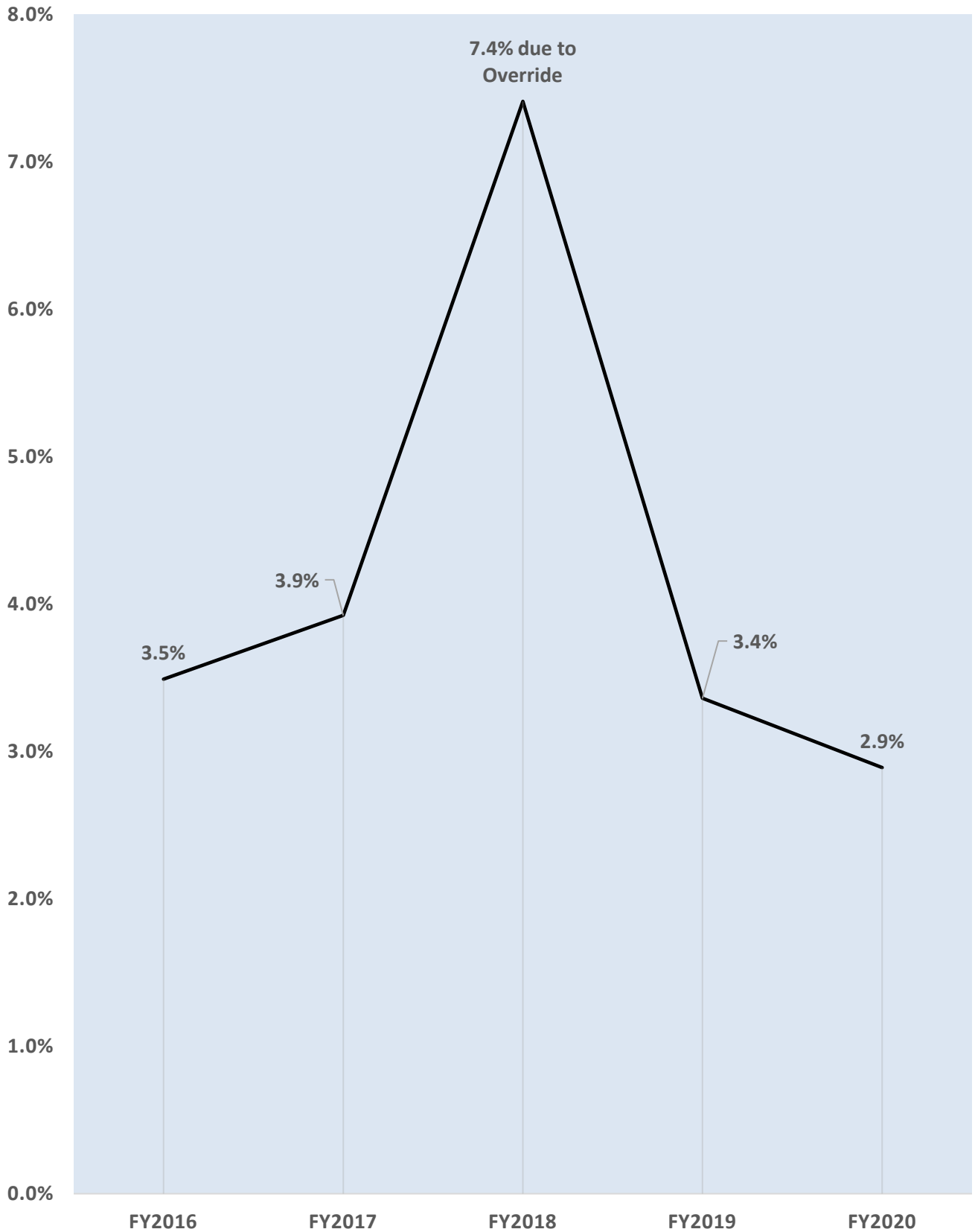
RECOMMENDATIONS FROM THE BOARD OF ASSESSORS

The Board of Assessors recommends the following regarding the FY20 tax burden to be borne by each class of property:

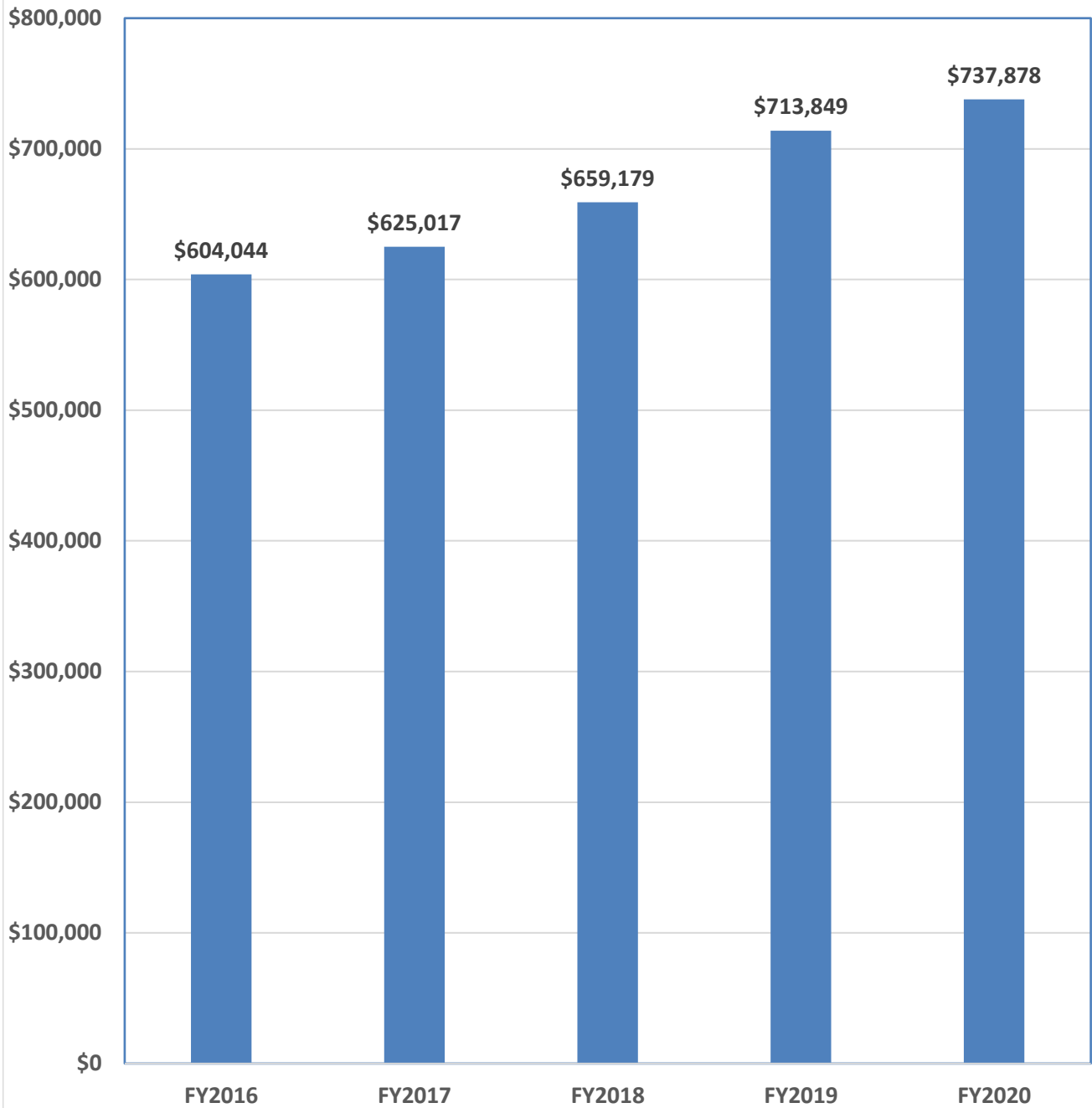
Vote:

“That the Town of Milton adopt a minimum residential factor of .9789, NOT to adopt a residential exemption and NOT to adopt a small commercial exemption.”

Average Single Family Tax % Increase by Year FY2016 - FY2020



Average Single Family Assessed Value FY16 - FY20



FY 2019 Tax Information Towns in Norfolk County

NORFOLK COUNTY	Single Family	Average Single Home	Single Family Assessments	Average Tax Bill	Rank State	Residential Levy	Comm/Ind/PP Levy	Total Levy	Residential Levy %	*CIP Levy %	*CIP Shift	Max Shift Allowed
Milton	7,174	713,849	5,121,153,510	9,409	35	77,418,613	4,929,456	82,348,069	94.01	5.990	1.500	1.750
Bellingham	4,702	315,836	1,485,059,120	4,488	216	26,067,570	14,492,801	40,560,371	64.27	35.730	1.286	1.500
Canton	5,425	540,942	2,934,609,400	6,708	80	47,420,505	30,017,895	77,438,400	61.24	38.760	1.660	1.694
Dedham	6,613	499,901	3,305,847,600	7,074	68	58,766,860	27,835,616	86,602,476	67.86	32.140	1.750	1.750
Dover	1,829	1,213,681	2,219,823,200	15,693	4	33,426,018	970,576	34,396,594	97.18	2.820	1.000	1.500
Foxborough	4,346	454,484	1,975,187,100	6,681	83	36,793,210	13,157,599	49,950,809	73.66	26.340	1.199	1.500
Franklin	7,722	443,498	3,424,692,100	6,502	88	62,627,945	14,685,680	77,313,626	81.01	18.990	1.000	1.500
Medfield	3,524	658,424	2,320,287,900	11,766	15	45,307,425	2,621,438	47,928,863	94.53	5.470	1.000	1.500
Medway	3,678	424,966	1,563,024,500	7,212	66	29,935,803	9,546,161	39,481,964	75.82	24.180	1.000	1.500
Millis	2,211	393,253	869,482,500	7,354	64	20,353,298	2,087,355	22,440,653	90.70	9.300	1.000	1.500
Needham	8,399	920,256	7,729,230,600	11,402	16	109,613,423	32,280,563	141,893,986	77.25	22.750	1.750	1.750
Norfolk	3,102	482,198	1,495,779,250	8,819	40	30,501,396	2,308,142	32,809,539	93.0	7.000	1.000	1.500
Norwood	5,847	452,725	2,647,081,200	4,930	181	41,913,891	33,371,685	75,285,576	55.67	44.330	1.610	1.656
Sharon	5,329	552,559	2,944,585,200	10,725	21	62,678,322	4,887,779	67,566,101	92.77	7.230	1.000	1.500
Stoughton	6,626	367,445	2,434,691,300	5,637	138	49,511,650	21,221,580	70,733,230	70.0	30.000	1.520	1.662
Walpole	6,559	510,962	3,351,399,500	7,433	56	60,268,124	12,079,343	72,347,467	83.30	16.700	1.275	1.500
Wellesley	7,301	1,331,551	9,721,651,000	15,406	5	123,269,302	17,780,997	141,050,299	87.39	12.610	1.000	1.500
Westwood	4,523	771,233	3,488,287,900	11,299	18	56,380,531	20,575,167	76,955,697	73.26	26.740	1.680	1.750
Wrentham	3,513	461,168	1,620,083,158	6,512	87	25,208,928	7,935,308	33,144,236	76.06	23.940	1.220	1.500

Source DLS Databank

Average 5,070 605,733 3,192,208,213 8,687 67 52,498,043 14,357,113 66,855,156 79.42 21 1.29 1.58