# Town of Acton
# Classification Hearing - FY 2016
# December 7, 2015

**Board of Assessors**

**Carol Leipner-Srebnick, Chairman**
**Susan Miller**
**Gary Yu**

# Selectmen's Decisions

Requiring 4 votes

1. Adopt a "Residential Factor"

Shifting the tax burden (tax rate) between the "R" ( Residential) and the "CIP" (Commercial, Industrial & Personal Property) classes.

# Selectmen's Decisions

Requiring 4 votes

2. Adopt an "Open Space Discount"
3. Adopt a "Residential Exemption"
4. Adopt a "Small Commercial Exemption"

# Adopt a "Residential Factor"
## (Shifting the Tax Burden)

- Determine percentages of tax levy to be paid by each property class.
- Acton may shift 50% additional taxes to the "CIP" class
- Adoption of a Residential factor of 1. (No shift) - all property is taxed at the same rate.
- Adoption of a Residential factor < 1.0 (shift) results in increasing the "CIP" percentage of the tax levy
- Prior Year (FY15) Vote = NO

# Example (1) of Shifting the Tax Burden

**Average Single Family Valuation :** **539,896**

| | No Shift | 5% Shift | 10% Shift | 20% Shift |
|---|---|---|---|---|
| Tax Rate | 19.23 | 19.10 | 18.97 | 18.71 |
| Tax Bill | 10,382 | 10,312 | 10,242 | 10,101 |
| Savings | ~ | -70 | -140 | -281 |

# Year to Year Comparison

## Average SFR Valuation/Tax Bill Comparison

| | FY15 | FY16 | Diff | % Chng |
|---|---|---|---|---|
| Valuation | $531,639 | $539,896 | $ 8,257 | 1.6% |
| Tax Rate | $ 19.05 | $ 19.23 | $ 0.18 | 0.9% |
| Tax Bill | $10,128 | $10,382 | $ 254 | 2.5% |

# Example (2) of Shifting the Tax Burden

Average Commercial Valuation $ 842,748

| | No Shift | 5% Shift | 10% Shift | 20% Shift |
|---|---|---|---|---|
| Tax Rate | 19.23 | 20.18 | 21.16 | 23.07 |
| Tax Bill | 16,206 | 17,007 | 17,833 | 19,442 |
| Added Tax | ~ | 801 | 1,627 | 3,236 |

# Year to Year Comparison

**Average Commercial/Industrial Valuation: $861,123**

| | FY15 | FY16 | Diff | % Chng |
|---|---|---|---|---|
| Valuation | 855,579 | 861,123 | $ 5,544 | 0.6% |
| Tax Rate | $ 19.05 | $ 19.23 | $ 0.18 | 0.9% |
| Tax Bill | $ 16,299 | $ 16,559 | $ 261 | 1.6% |

# Adopt an "Residential Factor"

- A factor of less than 1.0 shifts the Tax burden to the CIP classes

- Acton's Residential Factor for FY15 was 1.0 resulting in a uniform tax rate

# Adopt an "Open Space" discount

- Acton has no parcels classified as Open Space.
- Prior Year (FY15) Vote = NO

# Adopt a "Residential Exemption"

- Reduces the taxable value of a taxpayer's principal residence with certain exclusions.
- May be up to 20% of the average assessed value of all residential parcels. Exemption is recovered by increasing the tax levy on the balance of the residential parcels.
- Prior Year (FY15) Vote = NO

# Adopt a "Small Commercial Exemption"

- Reduces the taxable value of eligible businesses by up to 10% .
- "Eligible businesses" are determined by the Department of Employment and Training.
- Commercial and Industrial classes given a separate rate of tax from Personal Property.
- Residential and Open Space discounts not affected.
- Exemption is recovered by increasing the tax levy upon the balance of commercial and industrial parcels.
- Prior Year (FY15) Vote = NO

In Summary

# Selectmen's Decisions

Requiring 4 votes

1. Adopt a "Residential Factor"
2. Adopt an "Open Space Discount"
3. Adopt a "Residential Exemption"
4. Adopt a "Small Commercial Exemption"

# Town of Acton
# Classification Hearing - FY 2016
# December 7, 2015

Thank you

Board of Assessors

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# Assessed Value by Class

## ( $ MIL )

| CLASS | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | % Change 15 - 16 |
|---|---|---|---|---|---|---|---|
| Residential | 3,174.7 | 3185.2 | 3,208.1 | 3,248.0 | 3,448.5 | 3,556.4 | 3.13% |
| Open Space | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00% |
| Commercial | 309.2 | 299.2 | 312.9 | 305.9 | 303.7 | 316.2 | 4.12% |
| Industrial | 91.0 | 91.8 | 94.2 | 92.8 | 91.4 | 91.4 | 0.00% |
| Personal Property | 65.9 | 65.3 | 63.9 | 69.9 | 62.2 | 70.1 | 12.70% |
| TOTALS | 3,640.8 | 3,641.5 | 3,679.1 | 3,716.6 | 3,905.8 | 4,034.1 | 3.28% |

("Mixed Use" valuations have been included in the appropriate classes)

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# Percentage of Total Valuation

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|
| **R & O** (Residential & Open Space) | 86.7% | 87.1% | 87.2% | 87.5% | 87.2% | 87.4% | 88.3% | 88.2% |
| **C I P** (Commercial, Industrial, Personal Property) | 13.3% | 12.9% | 12.8% | 12.5% | 12.8% | 12.6% | 11.7% | 11.8% |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# Number of Parcels

| CLASS | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | % Change 15- 16 |
|---|---|---|---|---|---|---|---|
| Residential | 7,853 | 7881 | 7,919 | 7,957 | 8,031 | 8,107 | 0.95% |
| Mixed Use | 46 | 46 | 45 | 43 | 43 | 36 | -16.28% |
| Commercial | 364 | 362 | 364 | 364 | 363 | 361 | -0.55% |
| Industrial | 108 | 108 | 105 | 103 | 103 | 102 | -0.97% |
| Personal Property | 330 | 322 | 311 | 367 | 348 | 530 | 52.30% |
| Exempt | 439 | 439 | 445 | 450 | 455 | 461 | 1.32% |
| TOTALS | 9,140 | 9158 | 9,189 | 9,284 | 9,343 | 9,597 | 2.72% |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# Average Parcel Value by Class

| CLASS | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | % Change 15 - 16 |
|---|---|---|---|---|---|---|---|
| Residential | 402,707 | 402,621 | 403,508 | 406,622 | 427,755 | 441,454 | 3.20% |
| Mixed Use | 510,587 | 507,387 | 513,971 | 520,860 | 566,793 | 595,119 | 5.00% |
| Commercial | 819,014 | 796,136 | 831,661 | 813,516 | 806,523 | 842,748 | 4.49% |
| Industrial | 840,418 | 848,584 | 894,885 | 899,477 | 885,044 | 896,001 | 1.24% |
| Personal Property | 199,830 | 202,847 | 205,544 | 189,670 | 178,614 | 201,527 | 12.83% |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# Average Values in Residential Class by Segment

| SEGMENT | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | % Change 15 - 16 |
|---|---|---|---|---|---|---|---|---|
| Single Family | 512,103 | 500,492 | 499,163 | 505,237 | 505,494 | 531,639 | 539,896 | 1.55% |
| Condominium | 258,238 | 244,887 | 250,035 | 241,058 | 249,515 | 264,566 | 279,662 | 5.71% |
| 2 Family | 430,140 | 427,936 | 417,553 | 386,939 | 397,953 | 414,988 | 418,526 | 0.85% |
| 3 Family | 512,950 | 480,627 | 463,440 | 421,673 | 434,947 | 446,793 | 457,107 | 2.31% |
| Apartments | 1,868,278 | 1,860,202 | 1,845,757 | 1,893,740 | 1,954,494 | 2,210,553 | 2,248,258 | 1.71% |
| Vacant Land | 53,743 | 47,459 | 46,377 | 44,413 | 41,456 | 45,337 | 41,376 | -8.74% |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

## FY 2016 TAX LEVY LIMITATION

| | | |
|---|---|---|
| FY 2015 Levy Limit | $ | 72,521,489 |
| + 2 - 1/2 % Increase | $ | 1,813,037 |
| FY 2016 New Growth | $ | 1,407,246 |
| + FY 2016 Over-ride | $ | 0 |
| FY 2016 LEVY LIMIT SUB-TOTAL | $ | 75,741,772 |
| + FY 2016 Debt Exclusions | $ | 2,835,327 |
| FY 2016 MAXIMUM LEVY | $ | 78,577,099 |
| FY 2016 VALUE | $ | 4,034,183,348 |
| 2 - 1/2 % of VALUE (equals ceiling) | $ | 100,854,584 |

# Town of Acton
## FY '16 Classification Hearing
## December 7, 2015

| | | |
|---|---|---|
| Total Residential Value | 3,556,433,998 | 88.2% # |
| Total Commercial Value | 316,225,705 | 7.8% |
| Total Industrial Value | 91,392,100 | 2.3% |
| Total Pers. Prop. Value | 70,131,545 | 1.7% |
| | 4,034,183,348 | 100.0% # |

**FY '16 Levy Amount**

77,577,345

| | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| Residential Percentage of Levy | 88.1575% | 87.5654% # | 86.9733% | 86.3811% | 85.7890% |
| Commercial Percentage of Levy | 7.8387% | 8.2306% | 8.6226% | 9.0145% | 9.4064% |
| Industrail Percentage of Levy | 2.2654% | 2.3787% | 2.4919% | 2.6052% | 2.7185% |
| Pers. Prop. Percentage of Levy | 1.7384% | 1.8253% | 1.9122% | 1.9992% | 2.0861% |
| | 100.0000% | 100.0000% | 100.0000% | 100.0000% | 100.0000% |

| Residential Factor | 100.00% | 99.33% | 98.66% | 97.99% | 97.31% |
|---|---|---|---|---|---|

| | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| Residential $ Share of Levy | 68,390,247 | 67,930,911 | 67,471,577 | 67,012,164 | 66,552,829 |
| Commercial $ Share of Levy | 6,081,055 | 6,385,081 | 6,689,184 | 6,993,210 | 7,297,235 |
| Industrial $ Share of Levy | 1,757,437 | 1,845,332 | 1,933,150 | 2,021,045 | 2,108,940 |
| Pers. Prop. $ Share of Levy | 1,348,605 | 1,416,019 | 1,483,434 | 1,550,926 | 1,618,341 |
| | 77,577,344 | 77,577,343 | 77,577,345 | 77,577,345 | 77,577,345 |

| | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| Residential Tax Rate | 19.23 | 19.10 | 18.97 | 18.84 | 18.71 |
| Commercial Tax Rate | 19.23 | 20.18 | 21.15 | 22.11 | 23.07 |
| Industrial Tax Rate | 19.22 | 20.18 | 21.15 | 22.11 | 23.07 |
| Pers. Prop. Tax Rate | 19.22 | 20.18 | 21.15 | 22.11 | 23.07 |

| Dollar change in Tax Rate from 15 to proposed 16 Rates ... | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| Residential ( $19.05 last year) | $ 0.18 | $ 0.05 | $ (0.08) | $ (0.21) | $ (0.34) |
| C I P ( $19.05 last year) | $ 0.18 | $ 1.13 | $ 2.10 | $ 3.06 | $ 4.02 |

# Town of Acton
## FY '16 Classification Hearing
## December 7, 2015

| | Fiscal Year 2015 | | | Fiscal Year 2016 | |
|---|---|---|---|---|---|
| FY '15 vs. FY '16 | Average Value | Avg. Tax Bill | Tax Rate was | Average Value | Value change |
| Average Single Family Home | 531,639 | 10,127.72 | 19.45 | 539,896 | 1.55% |
| Average Residential Condominium | 264,566 | 5,039.98 | 19.45 | 279,662 | 5.71% |
| "Average Residential" | 427,755 | 8,148.73 | 19.45 | 441,454 | 3.20% |
| "Average Commercial / Industrial" | 855,579 | 16,298.78 | 19.45 | 861,123 | 0.65% |
| Average Commercial | 806,523 | 15,364.26 | 19.45 | 842,748 | 4.49% |
| Average Industrial | 885,044 | 16,860.09 | 19.45 | 896,001 | 1.24% |

| Percentage change in Tax Rate from 15 to proposed 16 Rates ... | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| Residential ( $19.05 last year) | 0.94% | 0.26% | -0.42% | -1.10% | -1.78% |
| C I P ( $19.05 last year) | 0.94% | 5.93% | 11.02% | 16.06% | 21.10% |

| Proposed FY 16 Tax Bill (Using updated average values for FY 15) | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| Average Single Family Home | 10,382.20 | 10,312.01 | 10,241.82 | 10,171.64 | 10,101.45 |
| Average Residential Condominium | 5,377.89 | 5,341.54 | 5,305.18 | 5,268.82 | 5,232.47 |
| "Average Residential" | 8,489.16 | 8,431.77 | 8,374.38 | 8,317.00 | 8,259.61 |
| "Average Commercial / Industrial" | 16,559.40 | 17,377.46 | 18,212.75 | 19,039.43 | 19,866.11 |
| Average Commercial | 16,206.04 | 17,006.65 | 17,824.11 | 18,633.15 | 19,442.19 |
| Average Industrial | 17,230.10 | 18,081.30 | 18,950.42 | 19,810.58 | 20,670.74 |

| Average Dollar change to Tax Bill (Using updated avg. values for 15) | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| Average Single Family Home | 254.48 | 184.29 | 114.10 | 43.92 | -26.27 |
| Average Residential Condominium | 337.91 | 301.56 | 265.20 | 228.84 | 192.49 |
| "Average Residential" | 340.43 | 283.04 | 225.65 | 168.27 | 110.88 |
| "Average Commercial / Industrial" | 260.62 | 1,078.68 | 1,913.97 | 2,740.65 | 3,567.33 |
| Average Commercial | 841.78 | 1,642.39 | 2,459.85 | 3,268.89 | 4,077.93 |
| Average Industrial | 370.01 | 1,221.21 | 2,090.33 | 2,950.49 | 3,810.65 |

| Average % change to Tax Bill (Using updated avg. values for 15) | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| Average Single Family Home | 2.51% | 1.82% | 1.13% | 0.43% | -0.26% |
| Average Residential Condominium | 6.70% | 5.98% | 5.26% | 4.54% | 3.82% |
| "Average Residential" | 4.18% | 3.47% | 2.77% | 2.06% | 1.36% |
| "Average Commercial / Industrial" | 1.60% | 6.62% | 11.74% | 16.82% | 21.89% |
| Average Commercial | 5.48% | 10.69% | 16.01% | 21.28% | 26.54% |
| Average Industrial | 2.19% | 7.24% | 12.40% | 17.50% | 22.60% |

# Town of Acton
# FY '16 Classification Hearing
# December 7, 2015

CONSTANT VALUE ANALYSIS

| FY 2016 Tax Bills based on ... | | 2016 Tax Bill |
|---|---|---|
| Single Family Home valued at | 500,000 | 9,615.00 |
| Residential Condo valued at | 250,000 | 4,807.50 |
| Typical Commercial valued at | 750,000 | 14,422.50 |
| Typical Industrial valued at | 1,000,000 | 19,230.00 |

| FY 2016 Tax Bills (Dollars) | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| $500,000 Single Family | 9,615.00 | 9,550.00 | 9,485.00 | 9,420.00 | 9,355.00 |
| $250,000 Residential Condo | 4,807.50 | 4,775.00 | 4,742.50 | 4,710.00 | 4,677.50 |
| $750,000 Commercial Property | 14,422.50 | 15,135.00 | 15,862.50 | 16,582.50 | 17,302.50 |
| $1,000,000 Industrial Property | 19,230.00 | 20,180.00 | 21,150.00 | 22,110.00 | 23,070.00 |

| Change in Tax Bills, FY15 - FY16 ( $ ) | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| $500,000 Single Family | 0.00 | -65.00 | -130.00 | -195.00 | -260.00 |
| $250,000 Residential Condo | 0.00 | -32.50 | -65.00 | -97.50 | -130.00 |
| $750,000 Commercial Property | 0.00 | 712.50 | 1,440.00 | 2,160.00 | 2,880.00 |
| $1,000,000 Industrial Property | 0.00 | 950.00 | 1,920.00 | 2,880.00 | 3,840.00 |

| Change in Tax Bills, FY15 - FY16 ( % ) | NO SHIFT | 5% Shift | 10% Shift | 15% Shift | 20% Shift |
|---|---|---|---|---|---|
| $500,000 Single Family | 0.00% | -0.68% | -1.35% | -2.03% | -2.70% |
| $250,000 Residential Condo | 0.00% | -0.68% | -1.35% | -2.03% | -2.70% |
| $750,000 Commercial Property | 0.00% | 4.94% | 9.98% | 14.98% | 19.97% |
| $1,000,000 Industrial Property | 0.00% | 4.94% | 9.98% | 14.98% | 19.97% |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# FY 2016 TAX LEVY LIMITATION

**Average Single Family Valuation : $ 539,896**

| | No Shift | 5% Shift | 10% Shift | 20% Shift |
|---|---|---|---|---|
| Tax Rate | 19.23 | 19.10 | 18.97 | 18.71 |
| Tax Bill | 10,382 | 10,312 | 10,242 | 10,101 |
| $ change in Tax Bill | ~ | -70 | -140 | -281 |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# FY 2016 TAX LEVY LIMITATION

## Average Residential Condo Valuation : $ 279,662

| | No Shift | 5% Shift | 10% Shift | 20% Shift |
|---|---|---|---|---|
| Tax Rate | 19.23 | 19.10 | 18.97 | 18.71 |
| Tax Bill | 5,378 | 5,342 | 5,305 | 5,232 |
| $ Change in Tax Bill | ~ | -36 | -73 | -145 |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# FY 2016 TAX LEVY LIMITATION

**Average Residential Valuation : $ 441,454**

| | No Shift | 5% Shift | 10% Shift | 20% Shift |
|---|---|---|---|---|
| Tax Rate | 19.23 | 19.10 | 18.97 | 18.71 |
| Tax Bill | 8,489 | 8,432 | 8,374 | 8,260 |
| $ Change in Tax Bill | ~ | -57 | -115 | -230 |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# FY 2016 TAX LEVY LIMITATION

**Average Commercial Valuation : $ 842,748**

| | No Shift | 5% Shift | 10% Shift | 20% Shift |
|---|---|---|---|---|
| Tax Rate | 19.23 | 20.18 | 21.15 | 23.07 |
| Tax Bill | 16,206 | 17,007 | 17,824 | 19,442 |
| $ Change in Tax Bill | ~ | 801 | 1,618 | 3,236 |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# FY 2016 TAX LEVY LIMITATION

## Average Commercial/Industrial Valuation: $861,123

| | No Shift | 5% Shift | 10% Shift | 20% Shift |
|---|---|---|---|---|
| Tax Rate | 19.23 | 20.18 | 21.15 | 23.07 |
| Tax Bill | 16,559 | 17,377 | 18,213 | 19,866 |
| $ Change in Tax Bill | ~ | 818 | 1,653 | 3,307 |

Town of Acton
FY '16 Classification Hearing
December 7, 2015

# FY 2016 TAX LEVY LIMITATION

**Average Industrial Valuation : $ 896,001**

| | No Shift | 5% Shift | 10% Shift | 20% Shift |
|---|---|---|---|---|
| Tax Rate | 19.23 | 20.18 | 21.15 | 23.07 |
| Tax Bill | 17,230 | 18,081 | 18,950 | 20,671 |
| $ Change in Tax Bill | ~ | 851 | 1,720 | 3,441 |