

TAX RATE ANALYSIS
Fiscal Year 2021

Report of the
Concord Board of Assessors

Thomas Matthews, Chair
Susan Livingston
William Herring
Barron Lambert

To

Concord Select Board

For Public Hearing on November 2, 2020

Table of Contents

	<u>Page</u>
Title Page	1
Table of Contents	2
Purpose.....	3
Recommendation	3
Total Assessed Values for Fiscal Year 2021	3
A. Revaluation/Interim Year Adjustment	3
B. Abatements and Adjustments	4
C. New Growth	4
D. Change of Taxable Status.....	5
E. Total Taxable Value	5
Tax Levy.....	5
FY2021 Taxable Assessed Value.....	6
Comparative Detail FY20 and FY21.....	7
Tax Rate	8
A. Residential Factor	8
B. Senior Means Tested exemption	9
C. Open Space Discount	9
D. Residential Exemption	10
E. Small Commercial Exemption	11
Conclusion	12
Addendum 1: State Use Codes.....	14
Addendum 2: Assessment/Classification LA-4 Report FY2021.....	15
Addendum 3: Comparative Tax Rates.....	16
Addendum 4: Senior Mean Tested Exemption Home Rule	18
Addendum 5: What If Scenarios	20
Addendum 6: Single Family Dwelling Value Breakdown	21
Addendum 7: Condominium Value Breakdown	22

Purpose

The purpose of the public classification hearing is for the Select Board to determine the allocation of the local property tax to be borne by the four classes of real property plus personal property for Fiscal Year 2021. In deciding the allocation, the Select Board must adopt a residential factor. The factor is used to determine the percentage of the tax levy to apply to each class of real and personal property. The Board of Assessors applies these percentages to the individual property class (M.G.L. Chapter 40, section 56). The Select Board also can vote to adopt a factor for shifting the taxes among residential properties (residential exemption), among commercial properties (small commercial exemption), and between residential and open space properties (open space discount). It is the responsibility of the Assessors to provide the Select Board with all relevant information, and to discuss the fiscal effect of possible alternatives.

Recommendation

The Board of Assessors recommends the Select Board take the following action in adopting the FY2021 Factors:

1. Vote a "Residential Factor of **“.999960.”**
2. Vote not to grant an Open Space discount.
3. Vote not to adopt a Residential Exemption.
4. Vote not to adopt a Small Commercial Exemption.

These recommendations result in a uniform tax rate of \$14.72 up 3.44% from the FY2020 rate. Total taxable value is down .22%. Net of new growth, the tax value on all other property will drop on average .23%.

The following is the report of the Board of Assessors to the Select Board.

I. Total Assessed Values for Fiscal Year 2021

The Board of Assessors must determine the classification of all real property as of January 1, 2020, for FY2021, in accordance with the definitions set forth in M.G.L. Chapter 59, section 2A (b):

Class One	Residential
Class Two	Open Space
Class Three	Commercial
Class Four	Industrial

In addition, the value for all personal property, Class Five, must be determined. The classification, or use, codes are issued in accordance with the Department of Revenue, Bureau of Local Assessment guidelines. A listing of the State Use Classification Codes is attached in Addendum 1 and the total valuation report (LA-4) for FY2021 is attached in Addendum 2.

In FY2021, the town data and values have been affected by the following items:

A. Revaluation/Re-certification Adjustment

Per the Department of Revenue's guidelines, the assessing cycle requires that all parcels, exempt and taxable, be visited at least once every 10 years, that values be determined at market value every year, and that the Department of Revenue recertify values every five years. The last recertification year was FY2018, which means this year FY 2021 is an interim year.

B. Abatements and Adjustments

In FY2020, Concord taxpayers filed 39 applications for abatement during the regular abatement period. The total number of abatements granted was 22. The dollar amount of abatements granted during the FY2020 abatement hearings totaled \$ \$4,343,280 for both personal property and real estate, which is \$57,595.54 in tax dollars. The majority of abated taxes were attributed to small corrections in property listings and most resulted in permanent adjustments to the property data. There have been four FY2020 appeals filed with the Appellate Tax Board (ATB). The ATB is not hearing cases at this time, but they are scheduled to re-open in January 2021.

In order to meet the DOR's cyclical inspection requirement, assessing staff seeks to conduct a complete inspection of a property regardless of the reason for the visit (building permit, sale, data verification, abatement application, or cyclical inspection, etc.). Every year there are many changes entered into the property records as a result of these inspections. Our records show that there were 839 inspections for FY2021, (just over 13.0% of all real estate parcels). The numbers do not reflect multiple visits, often needed in large projects and new construction. The number of inspections are down from last year, because of the Covid-19 restrictions. Of these, 271 were full inspections, inside and out. These numbers do not include field review done from the street, which can include one parcel or many. A field review was performed on all properties as part of the FY 2018 recertification program. A field review usually does not require entering the property and therefore does not meet the DOR's standard in order to qualify as a cyclical inspection. The numbers also do not reflect the multiple visits required for new construction.

C. New Growth

The Annual Town Meeting in April of 2001 voted to accept a 1989 state statute that changes the new growth date from January 1st to June 30th. Thus, the valuation, as a result, of new construction or any other physical changes for FY2021 covers the timeframe from July 1, 2019 to June 30, 2020.

The new growth represents, new houses, additions or changes to a property that result in added value to that property. The growth this year was slightly lower as compared to the prior year, primarily due to a decrease in construction on all types of property. There were also delays associated with the Covid-19 shut down. The growth included 8 new homes, 5 new condominiums, 40 major renovations and additions. Personal Property new growth is largely due to the addition of property on four accounts Comcast, National Grid, Welch Foods and Ansys Inc.

The growth relevant to FY2021 was distributed among the four classes of real estate and personal property as follows:

	<u>Value</u>	<u>Levy Limit Adjustment</u>	<u>% of Total New Growth</u>
Class One, Residential	\$55,895,400	\$795,392	83.04%
Class Two, Open Space	0	\$ 0	0%
Class Three, Commercial	\$ 26,300	\$ 374	.04%
Class Four, Industrial	\$ 0	\$ 0	0%
Personal Property	<u>\$11,388,700</u>	<u>\$162,061</u>	16.92 %
TOTAL	\$67,310,400	\$957,827	100.00%

D. Change of Taxable Status

From time to time, a shift in tax burdens will occur due to a change of taxable status. This year there were 5 parcels that moved from taxable to exempt. The loss in taxable value was \$2,334,300.

<u>Address</u>	<u>Value</u>
930 Main St	\$447,700
1A Seymour St	\$206,600
2B Plainfield Rd	\$830,100
90Y Plainfield Rd	\$659,000
24A Walden St	\$190,900

E. Total Taxable value

The total taxable value for FY2021 is \$6,670,507,650. A comparison of the Assessment Totals between FY2020 and FY2021 appears on pages 6 and 7. The total town valuation from FY20 to FY21 decreased by .22%. The change in value by class varies from this total only slightly. The decrease in the residential class is .22%, while the commercial/ industrial and personal property decreases is .20%. The new growth listed above is included in the totals, so the actual change is \$82,053,875 or -1.23%. Note that this represents the change in the market from Calendar 2018 to 2019 and represents a moderate change.

Overall, the Residential/Open Space (R/O) portion is 91.86% of the total value and the Commercial/Industrial/Personal Property (C/I/P) portion is 8.14%. These percentages are the same as last year and are consistent with the last several years. The breakdowns, ten years earlier in FY2011, were 90.58 and 9.42%.

II. Tax Levy

At the September 2020 Annual Town Meeting, the taxpayers voted appropriations for the fiscal year July 1, 2020 through June 30, 2021. In addition, certain state assessments, deficits and the overlay must be added to determine the total budget amount. Monies to support this local spending are raised by the property tax levy, state aid, local receipts and other sources. The Maximum Permitted Levy is the total amount of money that can be raised through real and personal property taxes and is the largest source of revenue for the town. The Maximum Permitted Levy in FY 2021, including the debt exclusion, is \$102,587,806. The actual levy is \$98,990,334. The difference between the maximum permitted levy and the actual levy is called excess levy capacity. For FY 2021 the Unused Levy Limit is \$3,597,472. The Levy Limit is calculated as follows:

FY2020 Levy Limit	\$92,281,116
Fy 20 New Growth Adjustment (<i>form LA-13a</i>)	\$ 0
2 ½% allowed increase	\$ 2,307,028
New Growth (<i>form LA-13</i>)	<u>\$ 957,827</u>
TOTAL (<i>before debt exclusion and override</i>)	\$95,545,971
DEBT EXCLUSION	\$7,041,835
<i>(Principal and interest due on debt authorized to be repaid from taxation above the levy limit)</i>	
OVERRIDE	<u>0</u>
MAXIMUM PERMITTED LEVY	<u>\$102,587,806</u>
FY2021 PROPERTY TAX LEVY	\$98,128,300
Unused Levy Limit	\$ 4,459,506

Town of Concord
 Fy 2021 Taxable Assessed Value

Assessment Date:		January 1, 2019	January 1, 2020					
Budget Year		7/1/19 - 6/30/20	7/1/20 - 6/30/21				Last Year	10 Years Ago
Class		FY20 Valuation	FY21 Valuation	\$ Change FY20-21	% Change FY20-21	FY21 % Share	FY20 % Share	FY11 % Share
Class 1	Residential	\$6,141,398,117	\$6,127,758,265	(\$13,639,852)	-0.22%	91.86%	91.88%	90.58%
Class 2	Open Space	\$0	\$0	\$0	na	0.00%	0.00%	0%
	R/O Subtotal	\$6,141,398,117	\$6,127,758,265	(\$13,639,852)	-0.22%	91.86%	91.88%	90.58%
Class 3	Commercial	\$468,225,858	\$466,024,405	(\$2,201,453)	-0.47%	6.99%	6.96%	7.73%
Class 4	Industrial	\$26,619,200	\$26,575,200	(\$44,000)	-0.17%	0.40%	0.41%	0.59%
Class 5	Personal Property	\$49,007,950	\$50,149,780	\$1,141,830	2.33%	0.75%	0.76%	1.10%
	C/I/P Subtotal	\$543,853,008	\$542,749,385	(\$1,103,623)	-0.20%	8.14%	8.12%	9.42%
	TOTAL	\$6,685,251,125	\$6,670,507,650	(\$14,743,475)	-0.22%			
Class 9	Exempt	\$915,934,700	\$929,714,500	(\$13,779,800)	1.50%			

Fiscal 2020				Fiscal 2021			
Category	Assessed Value	Tax Rate	Tax Levy	Category	Assessed Value	Tax Rate (Proposed)	Tax Levy
Residential/Open Space (R/O):				Residential/Open Space (R/O):			
Residential:				Residential:			
Single family	5,083,284,560	\$14.23	72,335,139	Single family	5,071,695,070	\$14.71	74,604,634
Condominiums	481,827,476	\$14.23	6,856,405	Condominiums	489,912,249	\$14.71	7,206,609
Miscellaneous	136,406,000	\$14.23	1,941,057	Miscellaneous	136,806,700	\$14.71	2,012,427
Multi-family	70,908,950	\$14.23	1,009,034	Multi-family	69,936,450	\$14.71	1,028,765
Apartments	206,042,200	\$14.23	2,931,981	Apartments	205,598,100	\$14.71	3,024,348
Vacant Land	39,334,640	\$14.23	559,732	Vacant Land	39,795,400	\$14.71	585,390
Mixed Use Residential	123,594,291	\$14.23	1,758,747	Mixed Use Residential	114,014,296	\$14.71	1,677,150
Total RO:	6,141,398,117		87,392,095	Total RO:	6,127,758,265		90,139,324
Commercial/Industrial (CIP):				Commercial/Industrial (CIP):			
Commercial:				Commercial:			
Retail , Office , Other	420,031,925	\$14.23	5,977,054	Retail , Office , Other	417,978,325	\$14.71	6,148,461
Chapter 61, 61A & 61B	11,856,574	\$14.23	168,719	Chapter 61, 61A & 61B	11,405,326	\$14.71	167,772
Mixed Use Commercial	36,337,359	\$14.23	517,081	Mixed Use Commercial	36,640,754	\$14.71	538,985
subtotal:	468,225,858		6,662,854	subtotal:	466,024,405		6,855,219
Industrial:				Industrial:			
Manuf., Processing, Warehouse	21,289,100	\$14.23	302,944	Manuf., Processing, Warehouse	21,245,100	\$14.71	312,515
Solar	5,330,100	\$14.23	75,847	Solar	5,330,100	\$14.71	78,406
subtotal:	26,619,200		378,791	subtotal:	26,575,200		390,921
Personal property:	48,690,460	\$14.23	692,865	Personal property:	50,149,780	\$14.71	737,703
Total CIP:	543,535,518		7,734,510	Total CIP:	542,749,385		7,983,843
Total Town Value:	6,684,933,635		95,126,606	Total Town Value:	6,670,507,650		98,123,168

III. Tax Rate

The tax rate, in its simplest form, is the tax levy divided by the town's taxable valuation. This is called the *Uniform Tax Rate*. Under this rate each class of property pays a share of the tax levy *equal* to its share of the total town value. The calculation for the Town of Concord for FY 2021 is:

$$\$98,128,300 / \$6,670,507,650 = .01471$$

or

$$\$14.71 \text{ per thousand dollars of assessed valuation}$$

A tax rate history of both the Town of Concord and surrounding and/or comparable cities and towns is shown in Addendum 3. Of the 12 communities listed, 8 have split rates and 4 have a uniform rate. Despite the residential class advantage in a split rate town, the Town of Concord has repeatedly had the lowest or one of the lowest tax rates for both the Residential and the CIP classes. For FY2020 the town ranked the third lowest in the residential class and the lowest CIP rate in this group.

The Select Board has chosen to adopt a *Uniform Tax Rate* for the last 22 years. The Select Board must vote the percentages of the tax levy to be paid by each class of real property and by personal property each year (M.G.L. Chapter 40 section 56). In determining the percentages, the Select Board is actually adopting a residential factor.

A. Residential Factor

The residential factor adopted by a community governs the percentage of the tax levy that is to be paid by the residential property owners. A residential factor of "1" will result in the taxation of all property at the same rate, the *Uniform Tax Rate*. The Uniform Tax Rate with a residential factor of "1" is calculated to be \$14.71. However, the law allows the Commercial/Industrial/Personal Property, C/I/P, tax rate for the Town of Concord to be as high as 50% above the uniform rate; and the Residential/Open Space, R/O, to be as low as 65% of the uniform rate. A lower residential factor would result in the residential class bearing a lower share of the total levy than its share of taxable assessed value.

History of differential tax rates in Concord

In 1982, the town had a uniform rate and the percentage shares were 18% for the C/I/P, and 82% for the R/O. In 1983, the C/I/P class began to decrease in value relative to the R/O class. The Select Board, at that time, decided to shift the tax burden to the C/I/P class in the interest of maintaining a stable percent balance between the R/O and C/I/P classes. The 1983 vote shifted the levy 9/10ths of a percent to the C/I/P class. The Select Board continued to shift the taxes until 1996, with the maximum shift of 22% occurring in FY 1991.

However, through the mid-1990's, the total value of the town became increasingly residential. With this residential growth, it was perceived that an increasingly severe shift of the tax levy share to CIP would be required in order to produce only a relatively small benefit to the residential class. Therefore, the Select Board decided to gradually reduce the tax shift, and in FY1997 eliminated this tax shift entirely. In each of the ensuing years, the Board of Assessors has recommended and the Select Board has voted to adopt a uniform tax rate for the residential and CIP classes.

Allowable tax shift for FY21

As previously stated, a residential factor of 1 will result in the taxation of all property at the same rate. However, state law permits the town to adopt a residential factor of less than 1, which would have the effect of increasing the commercial, industrial, and personal property tax rates and decreasing the residential tax rate. The chart in Addendum 4 shows the range of allowable residential factor options available to the Select Board.

B. Senior Means Tested Exemption

In 2015, the Select Board created the Tax Fairness Committee, which eventually proposed a tax exemption for seniors, as a Home Rule Petition to the Commonwealth of Massachusetts Legislature in 2016 that passed as Chapter 374 of the Acts of 2016. A copy can be found in the addenda. The article was ratified at the 2017 Town meeting article 48 and was put to a Town wide election. The Exemption became effective on July 8, 2017 and was put into use for Fiscal 2019.

The Exemption is based on the Commonwealths Circuit Breaker Income tax program for Income, but uses Concord's median single-family house value, from the previous fiscal year, instead of the value set by the DOR. This expands the exemption to help seniors for FY 2021 in homes up to a value of \$925,200. The exemption is funded by a tax shift on the residential class of property only.

The program for Fy 2021 will provide an exemption to 34 taxpayers and has a total reduction of \$123,432. This results in an increase to the residential rate of \$.01 or a full rate of \$14.72/ thousand. Given Concord's history of maintaining a single rate a slight shift in the Commercial/Industrial/Personal Property would be needed. This shift would provide all classes of property to have a single rate of \$14.72/thousand.

To maintain a single rate the Select Board would have to vote a Minimum Residential Factor of **.999960** This would result in a shift to the Commercial/Industrial/Personal Property class of .045%.

Recommendation of the Board of Assessors

The Board of Assessors supports a uniform tax rate for all classes, achieved by the adoption of a residential factor of **“.999960.”**

C. Open Space Discount

Open Space is defined in M.G.L. Chapter 59, section 2A as:

...land which is not otherwise classified and which is not taxable under the provisions of chapters sixty-one, sixty-one A or sixty-one B, or taxable under a permanent conservation restriction, and which land is not held for the production of income but is maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public. [Recently the law was changed to allow inclusion of chapter land.]

State law allows properties classified as Open Space to be taxed at a rate discounted up to 25% from the uniform tax rate. The tax dollars lost by the discount are shifted to the residential class of properties, which includes developable vacant land. The local Board of Assessors must develop the criteria that must be met in order to classify a parcel as Open Space that meets the “significant contribution” for the benefit and enjoyment of the public criteria. Previously Concord has interpreted “significant” as a size consideration, in addition to other factors including view, watershed, trail way, or green belt.

Only one community in Massachusetts grants an open space discount: Bedford. Boards of Assessors use this classification sparingly since most land fits into other classifications, and the open space classification, on its own, makes no difference in the assessment of a property. Assessors have also observed that as the years have passed, many of the land parcels afforded a tax discount were developed anyway, regardless of the tax incentive employed to encourage protection of open land and/or be a deterrent to development.

Presently, there are no parcels classified by the Board of Assessors as Class 2 – Open Space.

During the past several years, the Assessors have examined the valuation methodologies for land, including undeveloped land, and considered what might be an appropriate policy that Concord could adopt for open space. In particular, vacant land as well as undeveloped lots on a developed parcel were reviewed in detail. Current assessing practices in Concord do not use an aggressive approach to the valuation of undeveloped parcels by assuming that they could be developed to the maximum potential. Valuing a parcel as excess land results in a more favorable property tax for the owner, rather than assessing it as buildable and then applying an open space discount. The Board of Assessors does not believe there is any advantage to classifying properties as Class 2 – Open Space. *Further, the tax discount under the Chapter land program is far greater than afforded by the open space discount.*

Recommendation of the Board of Assessors

The Board of Assessors recommends that the Select Board not adopt an open space discount since there are no parcels classified as Class 2.

D. Residential Exemption

This mechanism provides for the redistribution of the tax levy among residential property owners, solely within the Residential Class (Class 1). “Exemption” is a misnomer since it is actually a tax shift among residential properties. It involves the following steps:

- Subtracting a standard dollar amount (a percentage of the average Class 1 value) from every qualifying owner-occupied residential parcel;
- Recalculating the Class 1 tax rate based on the new total of the Class 1 taxable value. The Class 1 tax levy must remain unchanged before and after this calculation.

This has the net result of shifting taxes from Class 1 parcels that are below the average value to parcels within the Class that are above the average. It also, however, results in substantially higher taxes on apartment and multi-family parcels that are not owner occupied, on vacant land parcels in the Class, and on any other residential property which is not owner occupied (including, in many instances, properties that are owned by a trust).

The selected percentage to calculate the standard qualifying assessed value reduction can be from 0 to 35%, but selecting a certain percent does not mean that everyone gets that exact percent tax reduction. This is because the tax rate for the Class must be raised. The impact of the exemption – who pays more and who pays less – is not conditioned upon the income status of the occupant. The manner in which the residential exemption works implies the presumption that all occupants of higher-valued properties also have higher incomes.

The average value of Class 1 is \$1,025,223 while the average single-family home value is \$1,101,824. The exemption, however, would be calculated on the \$1,025,223 value. A 35% shift would be \$358,828 exemption in value. The Class 1, residential tax rate associated with 35% exemption would produce a class 1 tax rate of \$20.84 up, \$6.12 from the rate without the exemption. The break-even point where the rate increase and the exemption amount cross would be on a residential parcel (land and buildings) valued at \$1,222,250.

In FY2021, there are 5,977 Class 1 parcels. Based on a “guesstimate” of eligibility, we estimate there are 5,014 potentially eligible properties. To determine the precise number of principal residences would require extensive review of the census, voting, utility records, car registrations and income tax returns. To implement this exemption, the taxpayers would file an application and include the above-mentioned documents. Their principal residence, indicated by using the above listed documents, would determine their eligibility. Based on the assumed eligible number of parcels, at least 963 residential parcels would not qualify for the exemption and experience an increase in their taxes. If the property did not qualify, the reduction of \$358,828 would not apply and in addition, they would be taxed at the new rate of \$20.84. A \$400,000 house that did not qualify for the exemption would have an annual tax bill shift or increase of \$2,448.

In addition, residential properties (those over the break-even point) would experience an increase. The following are examples of the increase:

Value	No Shift Tax	Shift Value	Shift Tax	Difference
\$1,101,824	\$16,351.07	\$742,996	\$15,608.48	-\$742.59
\$1,222,250	\$18,138.19	\$863,422	\$18,138.33	\$0.14
\$1,514,942	\$22,481.75	\$1,156,114	\$24,287.07	\$1,805.32

This option is based on the assumption that a lower value property indicates an occupant with lower income and vice versa. In recent years, the Board of Assessors has examined this provision in detail and has continued to recommend against its adoption. The FY2021 data does not indicate any change that would result in a different conclusion.

Only fourteen cities and towns in the Commonwealth use the residential exemption. Two communities joined in FY2006, Everett and Barnstable. Otherwise, this list has not changed in many years. In larger metropolitan communities, the large apartment population essentially funds the exemption (Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Marlborough, Somerville, Waltham, Watertown); in resort communities, the second home population funds the exemption (Barnstable, Truro, Nantucket, Tisbury); and in one community, the power plant funds over half of the total levy (Somerset). Thirteen of the fourteen communities also use the CIP tax shift essentially to the fullest degree they can, which means the commercial, industrial, and personal property classes are also called upon to reduce the Class 1 tax bill. (See “A. Residential Factor” above.)

Note: The above information was calculated on a single rate without the Senior Exemption Shift.

Recommendation of the Board of Assessors

The Board of Assessors does not support adoption of a residential exemption because its impact would be to raise taxes on a substantial number of residential parcels without regard to the fiscal circumstances of the occupants, while lowering taxes on a substantial number of residential parcels whose financial circumstances may not indicate a need for a discounted property tax. (See a report to the Concord Board of Assessors by Lynn Masson and Tony Logalbo on 10/13/05 and *The Residential Exemption* prepared by Jay E. Closser on 11/25/98) all available at:

http://www.concordma.gov/Pages/ConcordMA_Assessor/FY20INFO

Further, the Board notes the adverse consequences that would result for apartment buildings and multi-family units, which comprise a significant proportion of Concord’s affordable housing stock.

E. Small Commercial Exemption

Under M.G.L. Chapter 59, section 5I, the Select Board may decide annually to exempt up to ten percent of the average value of Class Three(Commercial) The properties have to be occupied by businesses with an average annual employment of no more than ten people. The building value must have a valuation of less than \$1,000,000 and the property must be occupied by the eligible businesses as of the January 1 assessment date. The property need not be owned by the eligible business that has been approved as a small business by the DOR. If multiple commercial occupants occupy the building, all occupants must be eligible. The small commercial exemption is a reduction in the taxable valuation of the property applied by the assessors before setting the tax rate. Like the Residential Exemption discussed above, the consequence of the Commercial Exemption is to set a new Commercial Tax Rate higher than the Uniform Tax Rate of \$14.84. If adopted, it has the effect of reducing property taxes on certain commercial properties occupied by small businesses and shifting those taxes onto other commercial properties, many of which are likely also occupied by small businesses as either owners or leaseholders.

In FY 2021, the Town of Concord has 336 Class Three commercial properties with a total value of \$417,978,325 (excluding mixed use). There are approximately 76 improved parcels over \$1,000,000 and 1 vacant developable parcel. The majority of the remaining parcels are commercial condominiums that may or may not qualify. However, the business needs to apply to the DOR to be qualified as a small business. If this exemption were to be considered it would require several years notification, so that the businesses that could qualify would have time to be approved by the DOR. There are a limited number of communities that provide the small commercial exemption including: Auburn, Avon, Bellingham, Braintree, Dartmouth, New Ashford, Seekonk, Somerset, Westford and Wrentham.

The intent of the law is to give a tax reduction to small businesses at the expense of the larger commercial parcels. The question of fairness arises since the legislation is based upon the assumption that the owners of larger buildings are financially healthier than the owners of smaller buildings.

Recommendation of the Board of Assessors

The Board of Assessors does not support adoption of the small commercial exemption (See *The Small Commercial Exemption* by Jay E. Closser, dated November 25, 1998). Also available at:

http://www.concordma.gov/Pages/ConcordMA_Assessor/FY18INFO

CONCLUSION

In conclusion, the Board of Assessors is unanimous in its recommendation to retain the Uniform Tax Rate of \$14.86/\$1,000 of valuation for FY21. This is achieved by a slight shift to the C/I/P or a Minimum Residential factor of .999960.

The Board of Assessors does not recommend adoption of the Open Space Discount, the Residential Exemption or the Small Business Exemption.

ADDENDA

ADDENDUM #1

State Use Code

Residences

101	Single Family
102	Condominium
103	Mobile Home
104	Two-Family
105	Three-Family
106	Accessory Land with Improvement
109	Multiple Houses on One Parcel

Apartments

111	Four to Eight Units
112	More Than Eight Units

Non-Transient Group Quarters

125	Other Congregate Housing
126	

Vacant Land in a Residential Zone or Accessory to Residential Parcel

130	Developable Land
131	Potentially Developable Land
132	Undevelopable Land

Other

140	Child Care Facility
-----	---------------------

Open Space

201-202	Open Land in Residential Area
210-211	Open Land in Rural Area
220-221	Open Land in Commercial Area

Commercial

300-393	Transient Group Quarters, Warehouse and Distribution Facilities, Retail, Office Buildings, Public Service and Recreational
---------	----------------------------------------------------------------------------------------------------------------------------

Industrial

400-452	Manufacturing, Utilities, Mining
---------	----------------------------------

Personal Property

501-552	
---------	--

Forest Land (CH 61), Agricultural/Horticultural (CH 61A),

Recreational CH 61B)

601	Forest Land
710-722	Agriculture/Horticulture Land
801-814	Recreational Land

Exempt

900-939	Government-owned, Educational, Charitable, Religious
---------	------------------------------------------------------

ADENNDUM # 2

ASSESSMENT/CLASSIFICATION REPORT as of January 1, 2020

Fiscal Year 2021

Property Type	Parcel Count	Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	Class5 Pers Prop
101	4,603	5,071,695,070				
102	874	489,912,249				
MISC 103,109	64	136,806,700				
104	99	68,904,850				
105	1	1,031,600				
111-125	27	205,598,100				
130-32,106	282	39,795,400				
200-231	0		0			
300-393	336			417,978,325		
400-442	27				21,245,100	
450-452	2				5,330,100	
CH 61 LAND	3	13	0	55,585		
CH 61A LAND	23	30	0	1,086,691		
CH 61B LAND	18	12	0	10,263,050		
012-043	27	114,014,296	0	36,640,754	0	
501	100					6,236,800
502	136					18,737,490
503	0					0
504	2					13,300,140
505	2					7,139,300
506	1					2,834,900
508	4					1,901,150
550-552	0					0
TOTALS	6,686	6,127,758,265	0	466,024,405	26,575,200	50,149,780
Real and Personal Property Total Value						6,670,507,650
Exempt Parcel Count & Value					644	929,714,500

Addenda # 3								
Community Tax Rates		FY 14	FY 15	FY16	FY17	FY18	FY19	FY20
Concord								
Residential		\$14.45	\$14.29	\$13.92	\$14.07	\$14.29	\$14.19	\$14.23
CIP		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Average Single Family Bill		\$12,249	\$12,890	\$13,490	\$13,895	\$14,494	\$15,115	\$15,115
Acton								
Residential		\$19.45	\$19.05	\$19.23	\$19.06	\$19.38	\$19.37	\$19.24
CIP		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Average Single Family Bill		\$9,832	\$10,128	\$10,382	\$10,696	\$10,974	\$11,318	\$11,790
Andover								
Residential		\$15.18	\$14.97	\$14.82	\$15.18	\$15.64	\$15.27	
CIP		\$25.25	\$24.77	\$25.99	\$26.46	\$27.61	\$27.51	
(uniform rate)		(\$17.18)	(\$16.90)	(\$16.93)	\$17.35	\$17.88	\$17.47	
Average Single Family Bill		\$8,343	\$8,648	\$8,945	\$9,170	\$9,591	\$9,973	
Bedford								
Residential		\$15.71	\$14.62	\$15.28	\$14.81	\$13.74	\$12.96	\$13.18
Open Space		\$11.78	\$10.94	\$11.47				
CIP		\$34.04	\$32.12	\$33.50	\$32.04	\$30.38	\$28.42	\$28.95
(uniform rate)		(\$19.45)	(\$18.36)	(\$19.15)	\$18.31	\$17.36	\$16.24	\$16.54
Average Single Family Bill		\$8,481	\$8,607	\$9,103	\$9,508	\$9,265	\$9,442	\$9,769
Carlisle								
Residential		\$18.64	\$19.00	\$17.20	\$17.62	\$18.17	\$18.29	\$18.36
CIP		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Average Single Family Bill		\$12,732	\$13,127	\$13,588	\$14,062	\$14,701	\$15,016	\$15,423
Chelmsford								
Residential		\$18.98	\$18.70	\$18.03	\$17.92	\$17.96	\$16.35	\$16,045.00
CIP		Uniform	Uniform	Uniform	Uniform	Uniform	\$22.21	\$21.18
(uniform rate)							\$17.37	\$17.25
Average Single Family Bill		\$6,119	\$6,329	\$6,540	\$6,912	\$7,175	\$7,003	\$7,362
Lexington								
Residential		\$15.51	\$14.86	\$14.60	\$14.49	\$14.30	\$14.12	\$14.05
CIP		\$29.56	\$29.10	\$28.40	\$28.13	\$27.69	\$27.33	\$27.22
(uniform rate)		(\$17.39)	(\$16.63)	(\$16.23)	\$16.07	\$15.82	\$15.62	\$15.55
Average Single Family Bill		\$11,481	\$12,191	\$12,955	\$13,506	\$14,169	\$14,834	\$15,547

ADDENDUM #3 (continued)							
Community Tax Rates	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Lincoln							
Residential	\$14.41	\$14.15	\$13.99	\$13.70	\$13.60	\$14.03	\$15.36
CIP	\$18.95	\$18.60	\$18.39	\$18.05	\$17.88	\$18.44	\$20.18
(uniform rate)	(\$14.58)	(\$14.31)	(\$14.15)	\$13.88	\$13.75	\$14.18	\$15.52
Average Single Family Bill	\$13,742	\$14,367	\$15,033	\$15,185	\$15,629	\$16,118	\$18,097
Maynard							
Residential	\$22.29	\$22.31	\$21.25	\$22.01	\$22.64	\$21.04	\$20.64
CIP	\$32.28	\$31.09	\$29.57	\$30.57	\$31.10	\$28.86	\$27.89
(uniform rate)	(\$23.56)	(\$23.38)	(\$22.23)	\$22.98	\$23.56	\$21.86	\$21.29
Average Single Family Bill	\$6,414	\$6,680	\$6,960	\$7,209	\$7,440	\$7,752	\$8,124
Sudbury							
Residential	\$18.03	\$17.60	\$17.80	\$17.74	\$17.93	\$17.91	\$18.45
CIP	\$24.94	\$24.88	\$25.11	\$25.01	\$24.30	\$18.27	\$24.97
(uniform rate)	(\$18.42)	(\$17.99)	(\$18.20)	\$18.12	\$18.27	\$18.27	\$18.80
Average Single Family Bill	\$11,544	\$11,598	\$12,082	\$12,520	\$13,033	\$13,355	
Wayland							
Residential	\$18.33	\$18.39	\$17.34	\$18.14	\$18.03	\$18.28	\$17.76
CIP	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Average Single Family Bill	\$10,974	\$12,049	\$11,730	\$12,529	\$12,906	\$13,719	\$14,214
Westford							
Residential	\$16.60	\$16.24	\$16.30	\$16.41	\$16.38	\$16.56	\$16.33
CIP *	\$16.83	\$16.44	\$16.50	\$16.41	\$16.38	\$16.56	\$16.33
(uniform rate)	(\$16.60)*	(\$16.24)*	(\$16.30)*	\$16.41	\$16.38	\$16.56	\$16.33
Average Single Family Bill	\$7,312	\$7,543	\$7,797	\$8,054	\$8,420	\$8,821	\$9,238
*Small commercial exemption							

Chapter 374 – Acts of 2016

AN ACT ESTABLISHING A SENIOR MEANS-TESTED PROPERTY TAX EXEMPTION IN THE TOWN OF CONCORD

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. With respect to each qualifying parcel of real property classified as Class 1, residential, in the town of Concord there shall be an exemption from the property tax equal to the total amount of tax that would otherwise be assessed without this exemption less the sum of: (i) 10 per cent of the total annual qualifying income for purposes of the state circuit breaker income tax credit; and (ii) the amount of the state circuit breaker credit the applicant was eligible to receive in the year before the application being filed. The percentage of total annual qualifying income may be raised by section 3. Property taxes shall not be reduced by more than 50 per cent by this exemption. The exemption shall be applied to the domicile of the taxpayer only. For the purposes of this act, a "parcel" shall be a unit of real property as defined by the board of assessors under the deed for the property and shall include a condominium unit.

SECTION 2. The board of assessors may deny an application for the exemption in section 1 if the board finds that the applicant has excessive assets that place the applicant outside of the intended recipients of the senior exemption created by this act. Real property shall qualify for the exemption under section 1 if the following criteria are met:

- (i) the qualifying real property is owned and occupied by a person whose prior year's income would make the person eligible for the circuit breaker income tax credit under subsection (k) of section 6 of chapter 62 of the General Laws;
- (ii) the qualifying real property is owned by a single applicant who is 65 years of age or older at the close of the previous year or owned jointly if 1 of the joint applicants is 65 years of age or older at the close of the previous year and the other joint applicant is 60 years of age or older;
- (iii) the qualifying real property is owned and occupied by the applicant or joint applicants as their domicile;
- (iv) the applicant or not less than 1 of the joint applicants has been domiciled in the town of Concord for not less than 10 consecutive years before filing an application for the exemption;
- (v) the maximum assessed value of the domicile is not more than the town's median single-family residential assessed value of the prior fiscal year; and
- (vi) the board of assessors has approved the application for the exemption.

SECTION 3. The exemption under section 1 shall be in addition to any other exemption allowable under the General Laws, except that there shall be a dollar cap on the total exemptions granted pursuant to this act equal to 0.5 per cent of the fiscal year's total residential property tax levy for the town of Concord, including the levy for the regional high school if not included in the town's tax levy at some subsequent date with the total exemption amount granted pursuant to this act allocated proportionally within the tax levy on all residential taxpayers. After the first year of the exemption, the total cap on the exemptions granted pursuant to this act shall be set annually by the select board within a range of 0.5 to 1 per cent of the residential property tax levy for the town. If benefits to the applicants may be limited because the percentage established annually by the select board would otherwise be exceeded, the benefits shall be allocated by raising the total annual qualifying income percentage as required in section 1 as necessary to not exceed the cap. If the cap exceeds the need for the exemption, the total cap on the exemptions granted pursuant to this act shall be reduced to meet the need.

SECTION 4. A person who seeks to qualify for the exemption under section 1 shall, before the deadline established by the board of assessors, file an application, on a form to be adopted by the

board of assessors, with the supporting documentation of the applicant's income and assets as described in the application. The application shall be filed each year for which the applicant seeks the exemption.

SECTION 5. Acceptance of this act by the town of Concord shall be first by vote of approval at an annual town meeting, to be followed by an affirmative vote of a majority of the voters at any regular or special election at which the question of acceptance is placed on the ballot. Sections 1 to 4, inclusive, and sections 7 and 8 shall take effect 30 days after an affirmative vote by the town.

SECTION 6. This act may be revoked by an affirmative vote of a majority of the voters at any regular or special town election at which the question of revocation is placed on the ballot. Revocation of sections 1 to 4, inclusive, and sections 7 and 8 shall take effect 30 days after an affirmative vote of the town to revoke those sections.

SECTION 7. An exemption shall not be granted under this act until the department of revenue certifies a residential tax rate for the applicable tax year where the total exemption amount is raised by a burden shift within the residential tax levy.

SECTION 8. This act shall expire after 3 years of implementation of the exemption.

Approved, January 6, 2017

ADDENDUM # 5

What if ... Scenario Worksheet

Note: This table should be used for planning purposes only. Actual calculations may differ slightly due to rounding

CLASS		VALUE	PERCENTAGE				
Residential		\$6,127,758,265	91.86%	R&O %			
Open Space		\$0	0.00%				
Sub-Total Res, OS				91.8634%			
Commercial		\$466,024,405	6.99%				
Industrial		\$26,575,200	0.40%	C.I.P.			
Personal Property		\$50,149,780	0.75%				
Sub-Total Comm, Ind, PP				8.1366%			
Total		\$6,670,507,650	100.00%				
LEVY							
Estimated Levy		\$98,128,300.00					
Single Tax Rate		\$14.71					
		Share Percentages		Estimated Tax rates	C.I.P.	% Shift	
C.I.P. Shift	Res Factor	Res/OS	C.I.P.	Res/OS		Res	C.I.P.
1	100	91.8634%	8.1366%	\$14.71	\$14.71	0.00%	0.00%
1.02	99.8229%	91.7007%	8.2993%	\$14.68	\$15.00	-0.18%	2.00%
1.04	99.6457%	91.5380%	8.4620%	\$14.66	\$15.30	-0.35%	4.00%
1.06	99.4686%	91.3753%	8.6247%	\$14.63	\$15.59	-0.53%	6.00%
1.08	99.2914%	91.2125%	8.7875%	\$14.61	\$15.89	-0.71%	8.00%
1.1	99.1143%	91.0498%	8.9502%	\$14.58	\$16.18	-0.89%	10.00%
1.12	98.9371%	90.8871%	9.1129%	\$14.55	\$16.48	-1.06%	12.00%
1.14	98.7600%	90.7243%	9.2757%	\$14.53	\$16.77	-1.24%	14.00%
1.16	98.5828%	90.5616%	9.4384%	\$14.50	\$17.06	-1.42%	16.00%
1.18	98.4057%	90.3989%	9.6011%	\$14.48	\$17.36	-1.59%	18.00%
1.2	98.2286%	90.2361%	9.7639%	\$14.45	\$17.65	-1.77%	20.00%
1.22	98.0514%	90.0734%	9.9266%	\$14.42	\$17.95	-1.95%	22.00%
1.24	97.8743%	89.9107%	10.0893%	\$14.40	\$18.24	-2.13%	24.00%
1.26	97.6971%	89.7479%	10.2521%	\$14.37	\$18.54	-2.30%	26.00%
1.28	97.5200%	89.5852%	10.4148%	\$14.35	\$18.83	-2.48%	28.00%
1.3	97.3428%	89.4225%	10.5775%	\$14.32	\$19.12	-2.66%	30.00%
1.4	96.4571%	88.6088%	11.3912%	\$14.19	\$20.60	-3.54%	40.00%
1.5	95.5714%	87.7952%	12.2048%	\$14.06	\$22.07	-4.43%	50.00%

ADDENDUM #6

**FY 2021 SINGLE FAMILY RESIDENCE by VALUES – STATE USE CODE 101
(Does not include mixed use 012 or multiple houses 109)
Concord, Ma**

Average Assessment: \$1,101,824

Median Assessment: \$928,100

Addendum # 7

FY 2021 CONDO VALUES – STATE USE CODE 102
(The figures include affordable units, but not separate garages)

Average Assessment: \$560,540.

Median Assessment: \$485,571.