

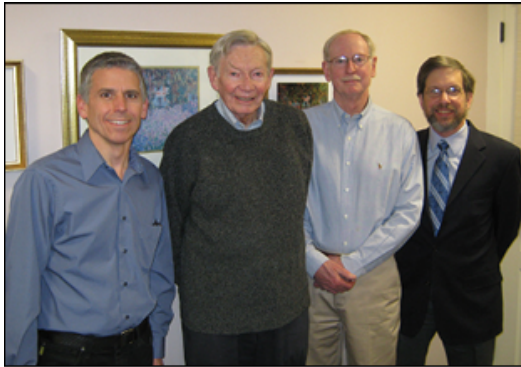


2013 CONCORD ANNUAL TOWN REPORT

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Board of Assessors



Jim Sommer, Jim Phelps, Tory Lambert, David Karr

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The Board of Assessors began calendar year 2013 by processing 63 abatement applications, completing all by the deadline of May 1, 2013. The Board granted abatements in whole or in part for 37 applications.

The remainder of the year was devoted to the fiscal year 2014 interim year revaluation program. Property valuation for FY14 tax purposes (the tax year beginning July 1, 2013) is based on a valuation date of January 1, 2013. Market value as of this valuation date is derived from the analysis of calendar year 2012 sales.

The Board of Assessors revalues all properties in the Town every year in accordance with the State law requirement that property valuations must be at 100% of market value each year. The Massachusetts Department of Revenue (DOR) certifies the values once every three years through on-site and intensive examination of the procedures and methodology being employed by the local board of assessors. In the intervening years, the local valuation process is the same, but State oversight consists of review and approval of the required statistical analysis. The DOR has approved Concord's FY14 assessed values. This year was the second of two interim years, next year being our re-certification year.

The major objective in any year is to update the various factors in the tables of the Computer Assisted Mass Appraisal (CAMA) system. The CAMA system is used to calculate the assessed value for each property in order to adjust to the market value as indicated by sales data. The DOR

issues regulations that define how the statistical sales analysis must be done. There were 345 sales with 244 qualified sales in calendar year 2012, the time frame required by DOR guidelines. A qualified sale is an open market transaction between a willing and educated buyer and seller. Types of sales not considered qualified by the DOR include those between family members or intra-corporation sales, those not exposed to the market, auction and foreclosure sales, those that involve more than one property and/or additional personal property, stressed sales (such as an estate sale, court settlement or as a result of a divorce), and where there has been a significant change in the property after the sale and before the sales analysis is done.

State law also requires that the median Assessment to Sales Ratio (ASR) fall within required parameters each year:

- The overall ASR median must be within plus or minus ten percent of 100% of full and fair market value.
- The median for each subcategory within the sales stratifications—such as style, location and size - must be within plus or minus five percent of the overall median.

The overall median ASR is 0.95 for Fiscal Year 2014. The DOR requires that buildings and land be valued separately and that land valuations must also be supported by the sales. In the absence of vacant land sales, a technique called “Land Residual” analysis is used. This analysis subtracts the building’s calculated value from the sales price, and then the assessed land value is divided by the residual sale price amount for the land residual ASR.

For FY14 Concord’s average Single Family Residence (SFR) is valued at \$847,681 (up 1.06% from FY13) and the median SFR is valued at \$680,400 (up 1.58%). The overall valuation of the Town indicates that property values remained fairly stable with only a 1.49% increase. However, when new growth is subtracted from the overall taxable assessed value of the Town, the net change is a decrease in taxable value of 0.22%. All of this change is attributable to a drop in the value of taxable personal property, the result of one large firm relocating from offices on Virginia Road.

The FY14 final values are then used to establish the tax rate in order to meet the budget requirements as voted at Town Meeting. Since there was a 4.2% increase in the FY14 levy required to balance the adopted budget with a 1.5% increase in property values, the tax rate increased 2.7%, from \$14.07 to \$14.45 per thousand dollars of valuation.

FY2013 EXEMPTIONS GRANTED

Exemption Type	MGL Ch. 59 S.5, Clause	# Granted	Base Amount	Total Base	Actual Abated	State Reimburse.	Net Town Funds
Elderly	17D	6	\$175	\$1,050	\$2,100	\$900	\$1,050
Veterans	22	52	\$400	\$20,800	\$41,600	\$11,700	\$29,900
Veterans	22A	1	\$750	\$750	\$1,500	\$575	\$925
Veterans	22D	2	Various	\$11,250	\$11,250	\$11,250	\$0
Veterans	22E	6	\$1,000	\$6,000	\$12,000	\$4,950	\$7,050
Blind	37A	16	\$500	\$8,000	\$16,000	\$1,400	\$14,600
Elderly	41C	12	\$500	\$6,000	\$12,000	\$6,024	\$5,976
TOTALS		95			\$96,450	\$36,799	\$59,651

Inclusive of optional 100% increase where applicable.

New Growth

The value of new construction increases the levy limit. It is measured for the period from July 1, 2012 through June 30, 2013. The new growth amount for FY14 is attributable to the completion of the Concord Mews apartment complex and a new medical office building at 330 Baker Avenue. These projects account for almost half of the \$1,220,624 in tax growth.

NEW GROWTH BY CLASS, FISCAL 2014

Property Class	Value	Levy Limit Adjustment	% of Total New Growth
Class One, Residential	\$62,670,000	\$881,767	72.2%
Class Three, Commercial	15,784,3000	222,085	18.2%
Class Four, Industrial	0	0	0%
Personal Property	8,299,330	116,772	9.60%
TOTALS	\$86,753,630	\$1,220,624	

Classification Hearing

The Board of Assessors recommended to the Board of Selectmen that for FY14 it vote: to adopt a Uniform Tax rate, not to grant an Open Space discount, not to adopt a Residential Exemption and not to adopt a Small Commercial Exemption. Since FY98 the Board of Selectmen has adopted a uniform tax rate for all classes of property. A public hearing was held on November 18, 2013, at which time the Selectman voted a uniform tax rate for FY14. The full report of the Board of Assessors is available on the Town's website.

VALUATION, TAX RATES, AND TAX LEVY - FY2002 - 2014

Fiscal Year	Assessed Valuation	Tax Rate	Tax Levy	% Change Tax Levy	Tax Levy as % Assessed Value
2004	\$4,411,852,520	10.59	\$46,721,518	9.9%	1.059%
2005	\$5,117,100,515	9.80	\$50,147,585	7.3%	0.980%
2006	\$5,207,535,371	10.23	\$53,273,087	6.2%	1.023%
2007	\$5,309,253,833	10.56	\$56,065,720	5.2%	1.056%
2008	\$5,498,736,316	10.72	\$58,946,453	5.1%	1.072%
2009	\$5,264,591,702	11.90	\$62,648,641	6.3%	1.190%
2010	\$5,026,552,229	13.09	\$65,797,569	5.0%	1.309%
2011	\$5,045,140,030	13.19	\$66,545,397	1.1%	1.319%
2012	\$5,090,058,629	13.58	\$69,122,996	3.9%	1.358%
2013	\$5,054,970,094	14.07	\$71,123,429	2.9%	1.407%
2014	\$5,130,493,662	14.45	\$74,135,633	4.2%	1.445%

Statutory Exemptions

Tax exemptions are available by state statute to qualified homeowners who are disabled veterans, elderly (subject to certain income and asset limits) or blind. The state reimburses the town for certain specified amounts. In recent years (commencing in FY02), the town has voted to accept an optional state law to double the value of these exemptions, with the additional cost being borne by the town. Beginning in FY10, several of these exemptions also have an annual state-determined cost-of-living adjustment applied to the qualifying thresholds (income and/or whole estate value), pursuant to a vote at the 2009 Annual Town Meeting. Exemptions granted for FY13 and the related state exemption reimbursements to the town are shown in the following table on the preceding page.

Agricultural, Recreational and Forest Land

State law provides property tax relief designed to encourage the continuation of certain types of land use. These classifications carry strict application requirements. The law directs the valuation methods and procedural requirements, as well as how to calculate the payment of back taxes when land is withdrawn from these tax-favored classifications. The three categories are:

Chapter 61 - Forest Land refers to land of at least 10 contiguous acres held in a wooded state and subject to a management plan certified by the State Forester. Such land is valued at a specific acreage value set by the state.

Chapter 61A - Agricultural/Horticultural Land refers to land of at least 5 contiguous acres that is used to raise agricultural or horticultural products to be sold on the market. The state requires the town to verify the income requirements from the sale of the products. The state has also established specific acreage valuations that depend upon the product produced on the land.

Chapter 61B - Recreational Land refers to land of at least 5 contiguous acres that is retained in

substantially a natural, wild or landscaped condition designed to preserve wildlife and natural resources. Included under this classification are golf courses, horse stables and riding areas, hunting and fishing areas, areas for target shooting, camps, and other picnic, swimming, boating and recreational areas.

FY13 FOREST, AGRICULTURAL, AND RECREATION LAND – VALUES AND DISCOUNTS

Chapter	Class	# of Parcels	Market Value	Taxable Value	Exempted Value	Tax Bill Reduction
61	Forest Land	19	\$24,143,700	\$6,262,105	\$17,881,595	\$258,389
61A	Agricultural Land	56	\$78,469,300	\$43,319,753	\$35,149,547	\$507,911
61B	Recreation Land	40	\$93,974,900	\$67,226,674	\$26,748,226	\$386,512
TOTALS		115	\$196,587,900	\$116,808,532	\$79,779,368	\$1,152,812

**TOWN OF CONCORD
FY2014 TAXABLE ASSESSED VALUE**

ASSESSMENT DATE:	January 1, 2012		January 1, 2013		\$ Change FY13-14	% Change FY13-14	FY14 % Share	Last Year FY13 % Share	10 Yrs ago FY04 % Share
	BUDGET YEAR:	7/1/12 – 6/30/13	7/1/13 – 6/30/14						
Class	FY 13 Valuation	FY14 Valuation							
Class 1 Residential	\$4,584,014,351	\$4,646,613,799	\$62,599,448	1.37%	90.57%	90.68%	89.42%		
Class 2 Open Space	\$0	\$0	\$0	n/a	0.00%	0.00%	0%		
R/O SUBTOTAL	\$4,584,014,351	\$4,646,613,799	\$62,599,448	1.37%	90.57%	90.68%	89.42%		
Class 3 Commercial	\$391,496,583	\$411,116,033	\$19,619,450	5.01%	8.07%	7.72%	7.35%		
Class 4 Industrial	\$28,240,400	\$26,044,900	\$(2,195,500)	(7.77%)	0.51%	0.57%	1.92%		
Class 5 Per. Property	\$51,218,760	\$46,718,930	\$(4,499,830)	(8.79%)	0.91%	1.04%	1.31%		
C/I/P Subtotal	\$470,955,743	\$483,879,863	\$12,924,120	2.74%	9.43%	9.32%	10.58%		
TOTAL	\$5,054,970,094	\$5,130,493,662	\$75,523,568	1.49%					
Class 9 Exempt	\$736,001,200	\$757,809,200	\$21,808,000	2.96%					