

CITY OF MALDEN FISCAL YEAR 2024 CLASSIFICATION PRESENTATION

Presented by
Nate Cramer
Director
City of Malden Assessor's Office
November 2023





Required Action

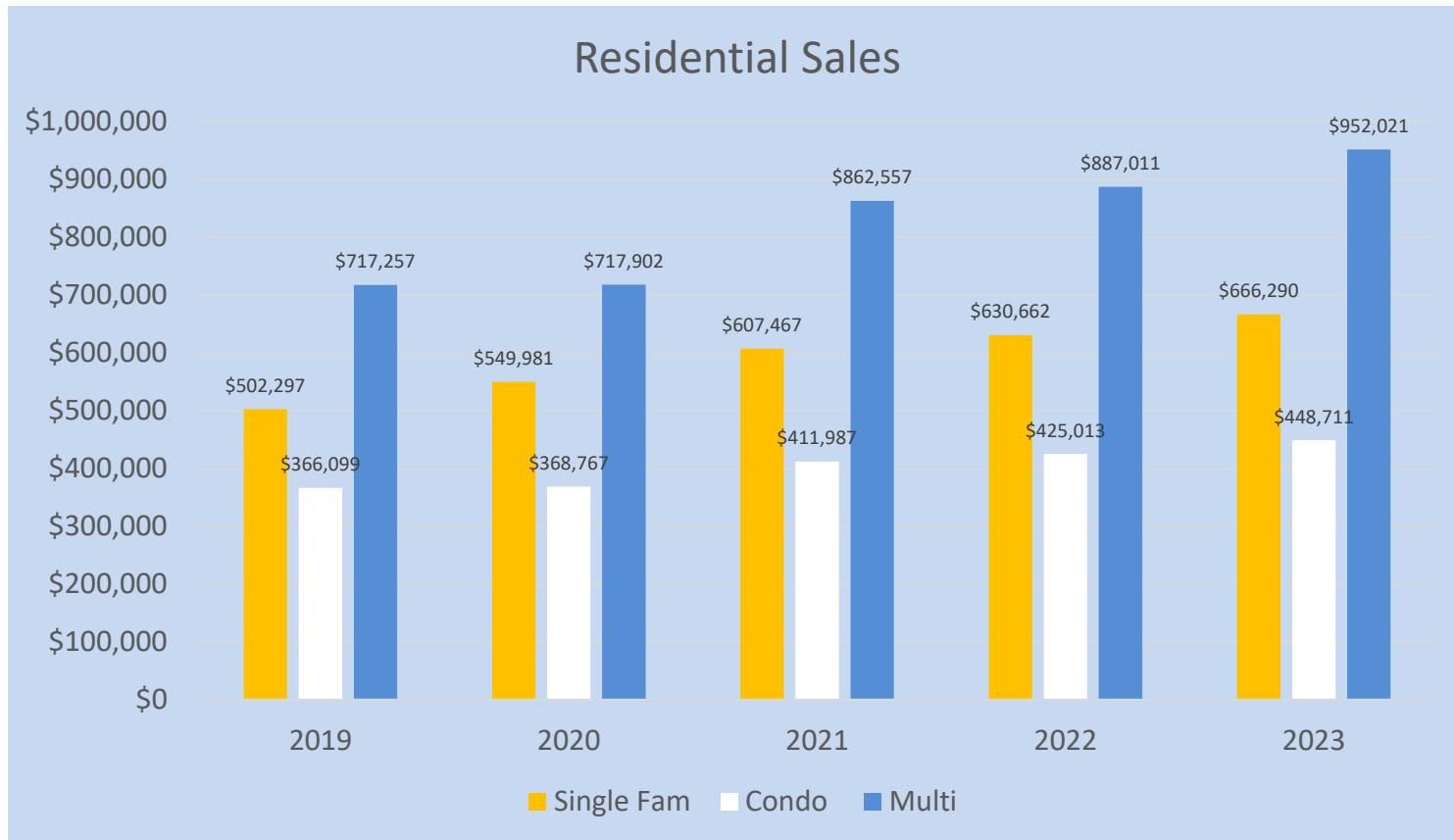
- Selection of a Minimum Residential Factor.
- Whether to grant a Residential Exemption.

MINIMUM RESIDENTIAL FACTOR



- A Residential Factor of 1 would yield a single tax rate of \$10.41 per thousand of value.
- Tax Levy: \$109,325,449/ Value: \$10,505,789,439 = (0.01040) X 1000 = Single Tax Rate of \$10.41
- Chapter 200 allows communities to select a factor less than 1 thereby shifting more of the tax burden onto the CIP classes of properties.
(CIP= Commercial/Industrial/Personal Property)
- Historically, Malden has chosen the maximum allowable shift factor to afford residential taxpayers the lowest share of the tax burden allowed by state law.

Time Frame- Calendar 2021 to 2022



MRF OPTIONS

CIP SHIFT	MRF	RES %	CIP %	RES TR	CIP TR
1	1	88.9397	11.0603	\$12.90	\$10.41
1.25	.9689	86.1746	13.8254	\$12.50	\$13.01
1.50	.9378	83.4096	16.5905	\$12.10	\$15.61
1.75	.9068	80.6445	19.3556	\$11.70	\$18.21

Blue represents the maximum allowable shift for FY 2023

The above data includes a 30% residential exemption

ESTIMATED TAX AMOUNTS RESIDENTIAL

FY24 Average Residential Value is \$743,873

CIP SHIFT	MRF	RES %	RES TR	EST BILL
1	1	88.9397	\$12.90	\$9,595
1.25	.9689	86.1746	\$12.50	\$9,298
1.50	.9378	83.4096	\$12.10	\$9,000
1.75	.9068	80.6445	\$11.70	\$8,703

- **Bold represents the max allowable shift for FY 2024.**
- **The Maximum Allowable Shift results in an \$892 savings to the average residential taxpayer.**
- **These amounts DO NOT include the residential exemption**

ESTIMATED TAX AMOUNTS CIP

FY24 Average Comm/Indust/PP Value is \$1,287,942

CIP SHIFT	MRF	CIP %	CIP TR	EST TB
1	1	11.0603	\$10.41	\$13,407
1.25	.9689	13.8254	\$13.01	\$16,756
1.5	.9378	16.5905	\$15.61	\$20,104
1.75	.9068	19.3556	\$18.21	\$23,453

FY 2024 EST TAX RATES & HISTORY

At the Maximum Allowable Shift with the selected MRF of .9068, our estimated tax rates will be:

\$11.70 Residential

\$18.21 Commercial/Industrial/Personal

Note: These rates can change slightly during the approval process.

Prior Year Tax Rates

	2023	2022	2021	2020
Residential	\$12.19	\$12.35	\$12.29	\$12.65
CIP	\$18.68	\$19.17	\$19.14	\$19.58

RESIDENTIAL EXEMPTION

- Only 17 communities state-wide have adopted
- Malden adopted in 2008
- Exemption in FY2023 was \$2,521.43
- Of the 12,612 residential properties, about 8,093 currently qualify for the exemption
- There is a break-even point.....

Res-Exemption Break Even

Properties valued above \$1,159,239 don't realize the benefit and begin to pay more as value rises.

Land Use	Count
101- Single Family	10
102- Condos	0
104- 2-Fam	17
105- 3-Family	20
109- Multiple Houses, One lot	12
111 – 4-8 Unit Apts	94
112 – 9+ Unit Apartments	100
121-125- Boarding, Etc.	3

AVG TAX BILL FY 2023 – FY 2024

	2023	2024
Avg. Residential Value	\$689,480	\$743,873
Res Tax Rate	\$12.19	\$11.70
Avg. Res Tax Bill	\$8,405 <small>*Does not include residential exemption</small>	\$8,703 <small>*Does not include residential exemption</small>
Avg. CIP Value	\$1,397,939	\$1,287,943
CIP Tax Rate	\$18.68	\$18.21
Avg. CIP Tax Bill	\$26,127	\$23,453

NEARBY COMMUNITIES THAT ALSO HAVE THE RESIDENTIAL EXEMPTION (FY23)

COMMUNITY	RES TAX RATE	CIP TAX RATE	AVG SINGLE FAMILY VALUE	Exemption Amount (Value)	AVG Res Tax BILL WITH EXEMPTION
BOSTON (35%)	\$10.74	\$24.68	\$919,525	\$321,834	\$6,419
CAMBRIDGE (30%)	\$5.86	\$10.38	\$1,569,411	\$470,823	\$6,438
EVERETT (25%)	\$11.78	\$25.36	\$634,360	\$158,590	\$5,566
SOMERVILLE (35%)	\$10.34	\$17.35	\$1,080,581	\$378,203	\$7,262
CHELSEA (35%)	\$12.38	\$24.88	\$665,997	\$233,099	\$5,359
MALDEN (30%)	\$12.19	\$18.68	\$689,480	\$206,844	\$5,833

FY 2023 TAX SHIFT NEIGHBORING

COMMUNITY	FY2023 ACTUAL SHIFT	RES % OF TAX BASE		CIP % OF TAX BASE		Avg SF Tax Bill* <small>*includes Res Exemption</small>
		Before	After	Before	After	
MALDEN	1.74	88.37%	79.78%	11.63%	20.22%	\$4,477*
SAUGUS	1.75	82.79%	69.90%	17.21%	30.10%	\$6,363
EVERETT	1.75	72.77%	53.35%	27.23%	46.65%	\$4,706*
MELROSE	1.68	95%	91.61%	6%	8.39%	\$7,643
MEDFORD	1.75	89.74%	82.05%	10.26%	17.95%	\$6,215

ACTION

-Maximum Allowable Shift

Historically 1.75 = (.9068 MRF)

-Residential Exemption @ 30%

Historically 30%



Nate Cramer

Director of Assessing

ncramer@cityofmalden.org

215 Pleasant Street
2nd Floor - Room 240
Malden, MA 02148
781-397-7100