

CITY OF MALDEN FISCAL YEAR 2022 CLASSIFICATION PRESENTATION

Presented by
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Director
City of Malden Assessor's Office
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Required **Action**

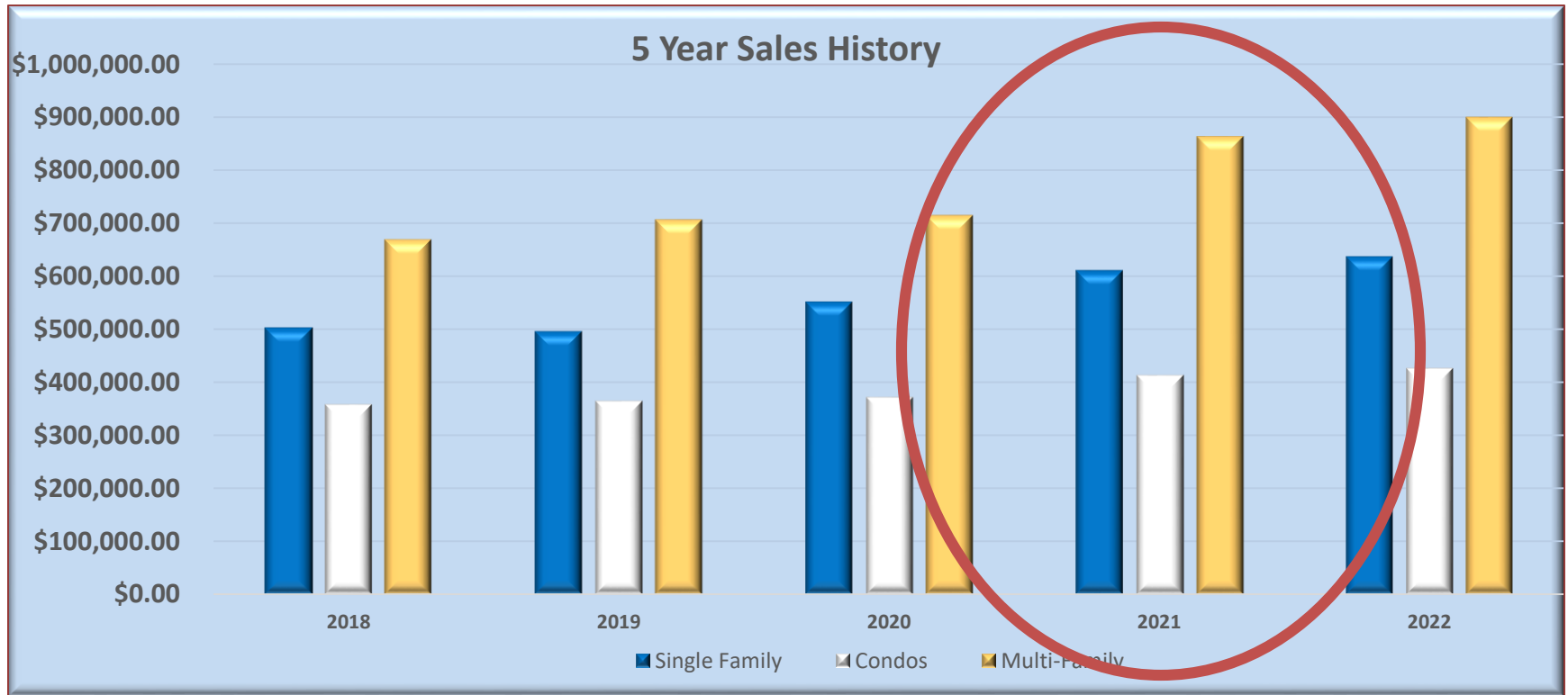
- Selection of a Minimum Residential Factor.
- Granting of a Residential Exemption.

MINIMUM RESIDENTIAL FACTOR



- A Residential Factor of 1 would yield a single tax rate of \$10.74 per thousand of value.
- Tax Levy: \$105,377,504/ Value: \$9,812,434,818 = $(0.01074) \times 1000$ = Single Tax Rate of \$10.74
- Chapter 200 allows communities to select a factor less than 1 thereby shifting more of the tax burden onto the CIP classes of properties.
- 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 2020 to 2021



MRF OPTIONS

CIP SHIFT	MRF	RES %	CIP %	RES TR	CIP TR
1	1	88.3754	11.6246	\$13.47	\$10.74
1.25	.9671	85.4693	14.5307	\$13.02	\$13.42
1.50	.9342	82.5631	17.4370	\$12.58	\$16.11
1.74	.9027	79.7732	20.5352	\$12.19	\$18.69
1.75	.9013	79.6570	20.3431	\$12.14	\$18.79

- **Blue** represents the maximum allowable shift for FY 2023.

ESTIMATED TAX AMOUNTS RESIDENTIAL

FY23 Average Residential Value is \$689,480

CIP SHIFT	MRF	RES %	RES TR	EST BILL
1	1	88.3754	\$13.47	\$9,287
1.25	.9671	85.4693	\$13.02	\$8,977
1.50	.9342	82.5631	\$12.58	\$8,674
1.74	.9027	79.7732	\$12.19	\$8,384
1.75	.9013	79.6570	\$12.14	\$8,370

- **Bold represents the max allowable shift for FY 2023.**
- **The Maximum Allowable Shift results in an \$903 savings to the average residential taxpayer.**
- **These amounts DO NOT include the residential exemption**

ESTIMATED TAX AMOUNTS CIP

FY23 Average Comm/Indust/PP Value is \$1,397,939

CIP SHIFT	MRF	CIP %	CIP TR	EST TB
1	1	11.6246	\$10.74	\$15,014
1.25	.9671	14.5307	\$13.42	\$18,760
1.5	.9342	17.4370	\$16.11	\$22,521
1.74	.9027	20.2268	\$18.69	\$26,127
1.75	.9013	20.3431	\$18.79	\$26,267

FY 2022 EST TAX RATES & HISTORY

At the Maximum Allowable Shift with the selected MRF of .9027, our estimated tax rates will be:

\$12.19 Residential

\$18.69 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	\$18.69	\$19.17	\$19.14	\$19.58

RESIDENTIAL EXEMPTION

- An exemption of up to 35%
- Only 16 communities state-wide have adopted
- Malden adopted in 2008
- Exemption in FY2022 was \$2,415.56
- Of the 12,472 residential properties, about 8,500 qualify for the exemption
- There is a break-even point.....

Res-Exemption Break Even

Properties valued above \$1,024,124 don't realize the benefit and begin to pay more as value rises.

Land Use	Count
101- Single Family	11
102- Condos	0
104- 2-Fam	25
105- 3-Family	39
109- Multiple Houses, One lot	14
111 – 4-8 Unit Apts	94
112 – 9+ Unit Apartments	100
121-125- Boarding, Etc.	3

AVG TAX BILL FY 2022 – FY 2023

	2022	2023
Avg. Single Family Value	\$651,973	\$689,480
Res Tax Rate	\$12.35	\$12.19
Avg. Res Tax Bill	\$8,052 *Does not include residential exemption	\$8,405 *Does not include residential exemption
Avg. CIP Value	\$1,054,899	\$1,397,939
CIP Tax Rate	\$19.17	\$18.69
Avg. CIP Tax Bill	\$20,222	\$26,127

NEARBY COMMUNITIES THAT ALSO HAVE THE RESIDENTIAL EXEMPTION (FY22)

COMMUNITY	RES TAX RATE	CIP TAX RATE	AVG SINGLE FAMILY VALUE	Exemption Amount (Value)	AVG Res Tax BILL WITH EXEMPTION
BOSTON (35%)	\$10.88	\$24.98	\$867,964	\$303,787	\$5,212
CAMBRIDGE (30%)	\$5.92	\$11.23	\$1,476,852	\$443,056	\$9,691
EVERETT (25%)	\$10.36	\$24.04	\$581,986	\$145,497	\$3,907
SOMERVILLE (35%)	\$10.18	\$16.85	\$1,027,123	\$359,493	\$6,879
CHELSEA (35%)	\$13.25	\$25.72	\$618,484	\$216,469	\$3,494
MALDEN (30%)	\$12.35	\$19.17	\$651,973	\$195,592	\$4,278

FY 2022 TAX SHIFT NEIGHBORING

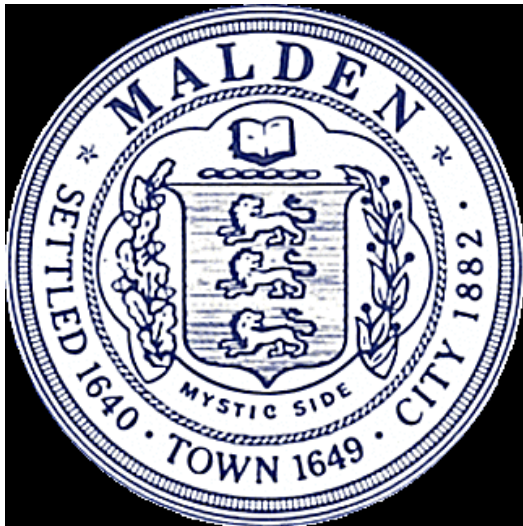
COMMUNITY	FY2020 ACTUAL SHIFT	RES % OF TAX BASE		CIP % OF TAX BASE		Avg SF Tax Bill* <small>*includes Res Exemption</small>
		Before	After	Before	After	
MALDEN	1.75	88.44%	79.77%	11.55%	20.23%	\$4,278*
SAUGUS	1.75	82.88%	70.04%	17.12%	29.96%	\$6,117
EVERETT	1.75	69.40%	46.45%	30.54%	53.54%	\$3,907*
MELROSE	1.65	95.10%	91.93%	4.87%	8.07%	\$7,435
MEDFORD	1.75	89.80%	82.16%	10.20%	17.84%	\$5,896

ACTION

The Board of Assessors recommends
the following:

-Maximum Allowable Shift of 1.74
(.9027 MRF)

-Residential Exemption @ 30%



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