

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**

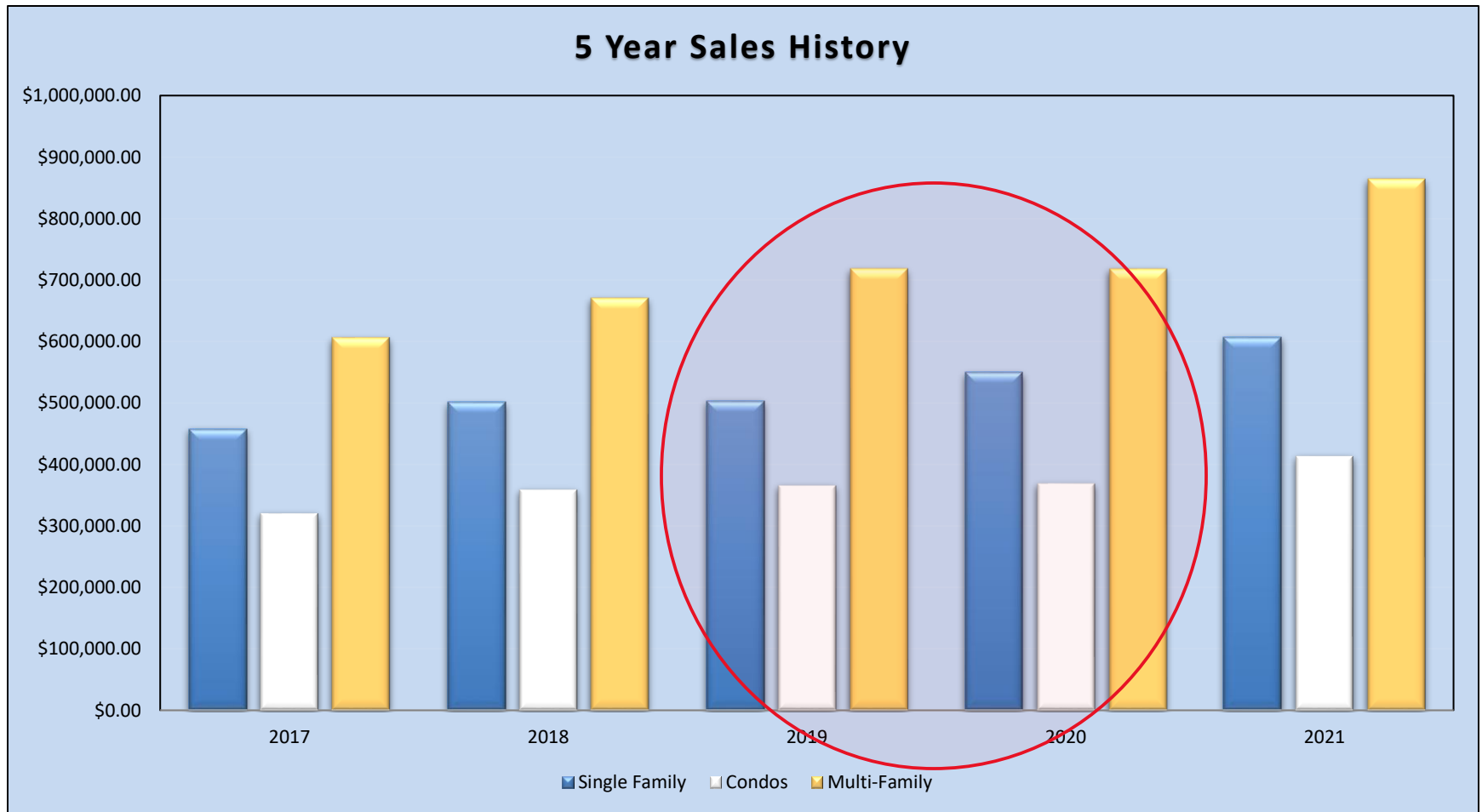
- Selection of a Minimum Residential Factor.
- Granting of a Residential Exemption.



MINIMUM RESIDENTIAL FACTOR

- A Residential Factor of 1 would yield a single tax rate of \$10.95 per thousand of value.
- Tax Levy: \$101,685,688/ Value: \$9,283,128,544 = (0.01095) X 1000 = Single Tax Rate of \$10.95
- 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 2019 to 2020



MRF OPTIONS

CIP SHIFT	MRF	RES %	CIP %	RES TR	CIP TR
1	1	88.4432	11.5568	\$13.69	\$10.95
1.25	.9673	85.5540	14.4460	\$13.25	\$13.69
1.50	.9347	82.6648	17.3353	\$12.80	\$16.43
1.75	.9020	79.7756	20.2245	\$12.35	\$19.17

- **Bold represents the max allowable shift for FY 2022.**

ESTIMATED TAX AMOUNTS RESIDENTIAL

FY22 Average Residential Value is \$651,973

CIP SHIFT	MRF	RES %	RES TR	EST BILL
1.00	1.00	88.4432	\$13.69	\$8,926
1.25	.9673	85.5540	\$13.25	\$8,639
1.50	.9347	82.6648	\$12.80	\$8,345
1.75	.9020	79.7756	\$12.35	\$8,052

- **Bold represents the max allowable shift for FY 2022.**
- **The Maximum Allowable Shift results in an \$874 savings to the average residential taxpayer.**
- **These amounts DO NOT include the residential exemption**

ESTIMATED TAX AMOUNTS CIP

FY22 Average Comm/Indust/PP Value is \$1,054,899

CIP SHIFT	MRF	CIP %	CIP TR	EST TB
1	1	11.5568	\$10.95	\$11,551
1.25	.9673	14.4460	\$13.69	\$14,442
1.5	.9347	17.3353	\$16.43	\$17,332
1.75	.9020	20.2245	\$19.17	\$20,222

Blue represents the max allowable shift for FY 2022.

FY 2022 EST TAX RATES & HISTORY

At the Maximum Allowable Shift with the selected MRF of .9020, our estimated tax rates will be:

\$12.35 Residential

\$19.17 Commercial/Industrial/Personal

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

Prior Year Tax Rates

	2022	2021	2020	2019
Real Estate	12.35	12.29	12.65	13.27
Commercial	19.17	19.14	19.58	20.53

RESIDENTIAL EXEMPTION

- An exemption of up to 35%
- Only 16 communities state-wide have adopted
- Malden adopted in 2008 @ 30%
- Exemption in FY2021 was \$2,323.40
- Of the 12,593 residential properties, about 8,400 qualify for the exemption
- There is a break even point.....

Res-Exemption Break Even

Properties valued above \$977,000 don't realize the benefit, and begin to pay more as the value increases

Land Use	Count
101- Single Family	7
104- 2-Family	23
105- 3-Family	23
109- Multiple Houses, One lot	13
111 – 4-8 Unit Apts	81
112 – 9+ Unit Apartments	101
121-125	4

AVG TAX BILL FY 2021 – FY 2022

	2020	2021
Avg. Single Family Value	\$629,649	\$651,973 (+3.5%)
Res Tax Rate	\$12.29	\$12.35 (+\$.06)
Avg. Res Tax Bill	\$7,745	\$8,052 (+\$307 or 3.9%) *Does not include residential exemption
Avg. CIP Value	\$968,834	\$1,054,899 (+8.8%)*
CIP Tax Rate	\$19.15	\$19.17 (+\$.02)*
Avg. CIP Tax Bill	\$18,553	\$20,222 (\$+\$1,669 or +8.9%) *504 Class Skews

NEARBY COMMUNITIES THAT ALSO HAVE THE RESIDENTIAL EXEMPTION (FY21)

COMMUNITY	RES TAX RATE	CIP TAX RATE	AVG SINGLE FAMILY VALUE	Exemption Amount (Value)	AVG Res Tax BILL WITH EXEMPTION
BOSTON (35%)	\$10.67	\$24.55	\$844,293	\$295,503	\$5,856
CAMBRIDGE (30%)	\$5.85	\$11.85	\$1,442,221	\$432,666	\$5,906
EVERETT (25%)	\$9.87	\$23.20	\$88,810	\$139,703	\$4,137
SOMERVILLE (35%)	\$10.19	\$16.69	\$968,685	\$339,040	\$6,416
CHELSEA (35%)	\$13.62	\$26.64	\$547,259	\$191,541	\$4,845
MALDEN (30%)	\$12.29	\$19.14	\$629,649	\$188,895	\$5,417

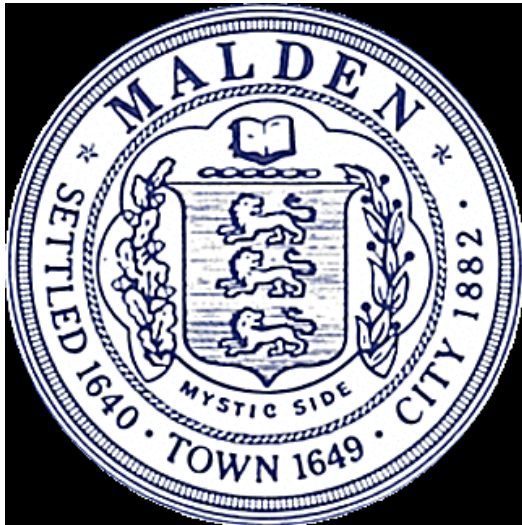
FY 2021 TAX SHIFT NEIGHBORING

COMMUNITY	FY2020 ACTUAL SHIFT	RES % OF TAX BASE		CIP % OF TAX BASE		Avg Res Tax Bill*
		Before	After	Before	After	
MALDEN	1.75	88.23%	79.40%	11.77%	20.60%	\$5,417*
SAUGUS	1.75	82.88%	70.04%	17.12%	29.96%	\$5,772
EVERETT	1.75	68.69%	45.20%	31.31%	54.80%	\$4,137*
MELROSE	1.65	95.04%	91.81%	4.96%	8.19%	\$7,195
MEDFORD	1.75	89.51%	81.64%	10.49%	18.36%	\$5,768

ACTION

The Board of Assessors recommends
the following:

- Maximum Shift of 1.75 (.9020 MRF)
- Residential Exemption @ 30%



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