

TOWN OF ARLINGTON



TAX CLASSIFICATION HEARING

December 4, 2023

FY 2024

DANA MANN
DIRECTOR OF ASSESSMENTS

HOW TO DETERMINE THE LEVY TOTAL TO BE RAISED AND THE TAX RATE FY 2024

I. CALCULATE THE FY 2024 LEVY LIMIT

A. FY 2023 LEVY LIMIT		\$135,356,908
B. ADD 2.5 %		\$3,383,913
C. ADD FY 2024 NEW GROWTH	*	\$1,280,112
D. ADD FY 2024 OVERRIDE		\$0
E. FY 2024 LEVY LIMIT		\$140,020,933

II. CALCULATE THE FY 2024 TOTAL TO BE RAISED

FY 2024 LEVY LIMIT		\$140,020,933
ADD FY 2024 SCHOOL DEBT EXCLUSION		\$13,830,576
MAXIMUM TOTAL TO BE RAISED		\$153,851,509

III. CALCULATE THE FY 2024 TAX RATE

TO BE RAISED / TOTAL TAXABLE ASSESSED VALUE X 1000

\$153,807,575 / \$14,523,850,398 X 1000 \$10.59

EXCESS LEVY \$43,934

*GROWTH TAX DOLLARS AND THE TAX RATE ARE ESTIMATED PENDING DEPARTMENT OF REVENUE APPROVAL

**SHIFTING THE TAX RATE
Fiscal Year 2024**

I. CALCULATION OF THE MINIMUM RESIDENTIAL FACTOR - 150% Shift (formerly shown on the LA-7)

The Minimum Residential Factor is used to make sure the shift of the tax burden complies with the law ([M.G.L. c. 58, § 1A](#)). Residential and Open Space taxpayers must pay at least 65% of their full and fair cash value share of the levy. Commercial/Industrial/Personal Property taxpayers cannot pay more than 150% of their full and fair cash value share of the levy. If the calculated Minimum Residential Factor is less than 65%, a community cannot make the maximum shift and must use a Commercial/Industrial/Personal Property factor less than 150%.

A Class	B Full and Fair Cash Valuation	C Percentage Share	D Combined Res/OS, CIP
1. Residential	13,747,614,314	94.6555%	94.6555%
2. Open Space	0	0.0000%	
3. Commercial	537,586,224	3.7014%	5.3445%
4. Industrial	27,367,600	0.1884%	
5. Personal Property	211,282,260	1.4547%	
TOTALS	14,523,850,398	100.0000%	

The "Percentage Share" is based on the "Full and Fair Cash Valuation" of each class, which is affected by the level of assessment for each class. The level of assessment can range between 90% and 110%. This alone can cause a shift if the level of assessment for Residential and Open Space is different than the level of assessment for Commercial, Industrial and Personal Property.

Maximum Share of Levy for Commercial/Industrial/Personal Property: 150% * 5.3445% (Lines 3C + 4C + 5C) = 8.0168% (Max % Share)

This calculation shows the maximum % share of the levy allowed for the full and fair cash value of the combined Commercial, Industrial and Personal Property classes (150% of the combined shares.) NOTE: Shift impact is reduced as the Max % Share decreases.

Minimum Share of Levy for Residential and Open Space: 100% - 8.0168% (Max % Share) = 91.9832% (Min % Share)

This calculation shows the minimum % share of the levy allowed for the full and fair cash value of the combined Residential and Open Space Property classes. This is computed by subtracting the Maximum Share for Industrial/Commercial/Personal Property from 100%.

Minimum Residential Factor (MRF): 91.9832% (Min % Share) / 94.6555% (Lines 1C + 2C) = 97.1768% (Minimum Residential Factor)

This calculates the Minimum Residential Factor: divide the minimum % share for Residential and Open Space by the actual % share for Residential and Open Space.

MINIMUM RESIDENTIAL FACTOR: 97.1768% Chapter 58, Section 1A mandates a minimum residential factor of not less than 65 percent.

When the Minimum Residential Factor is multiplied by % share of the Residential and Open space full and fair cash value, it reduces the Residential and Open Space share to its Minimum % Share of the Levy as calculated above.

**SHIFTING THE TAX
 RATE**

Fiscal Year 2024

II. CALCULATION OF THE LOWEST POSSIBLE RESIDENTIAL FACTOR - 175% Shift (Chapter 200)

Chapter 200 of the Acts of 1988 amended M.G.L. c. 58, § 1A to allow cities and towns to give Residential property taxpayers greater tax relief by adopting a shift of the property tax burden from Residential taxpayers to the Commercial, Industrial and Personal Property taxpayers, provided certain parameters are not exceeded. Chapter 200 allows a shift of up to 75% (also known as a 175% shift) and lowers the percentage that Residential and Open Space taxpayers must raise to 50%. By expanding the shift, the tax levy on Commercial, Industrial and Personal Property taxpayers increases, and the tax Levy on Residential and Open Space taxpayers decreases.

The first Section (Steps 1, 2 & 3) determines whether Residential taxpayers would raise a greater percentage of the property tax levy this fiscal year than they raised last fiscal year, if the town voted the existing law's maximum shift of 150% onto Commercial/Industrial/Personal Property taxpayers.

1. Last year's chosen RESIDENTIAL percentage* (Residential only, does not include Open Space)	<u>94.5277%</u>
This is last year's chosen residential percentage (RES%), not including Open Space, from form LA-5 (under the "SHIFT PERCENTS" section). (Note: The residential share in the fiscal year prior to a community's first property value certification may be used if the assessors can document that it was lower than the prior year's LA5 RES%.)	
2. This year's Minimum Residential Factor using a 150% shift to CIP (from LA-7).	<u>97.1768%</u>
This is the "Minimum Residential Factor (MRF)" calculation in Section I above.	
3. Minimum residential share (R) in current year using 150% Shift to CIP.	<u>91.9832%</u>
This is the "Minimum Share of Levy for Residential" calculation in Section I above.	

If #1 is greater than #3, STOP!

You may shift only up to 150% to Commercial/Industrial/Personal Property, and line #2 remains your Minimum Residential Factor. You must stop here, because continuing would cause the Residential taxpayers to pay more this year than they did last year.

If #3 is greater than #1, go on., continue the shift calculations. Steps 7, 8 and 9 determine whether Residential & Open Space taxpayers would raise a smaller percentage of the property tax levy this fiscal year than they have ever raised since the community's first certification of values, assuming the town voted a 175% shift onto Commercial/Industrial/Personal Property taxpayers as allowed by Chapter 200.

4. Calculate a Residential Factor using a 175% shift to CIP.	_____
This Residential Factor is the result of repeating the calculations in Steps 1 through 3 above using a shift of 175% instead of 150%. Residential and Open Space taxpayers must raise a minimum of 50%	
5. Multiply this new Residential Factor by this year's residential percentage.	_____
This calculation multiplies the factor in step 4 above by the combined Residential/Open Space % Share from the grid at the top.	
6. What is the Lowest Historical Residential Percentage since the first certification.	_____
This is the "Historic Low %" shown on the LA-5 Options & Certification form.	

If #5 is greater than #6, STOP!

You may shift up to 175% to the Commercial/Industrial/Personal Property taxpayers and step 4 is the Lowest Residential Factor.

If #6 is greater than #5, go on.

This section determines the maximum shift allowed by law, and the lowest residential factor allowable to achieve the maximum shift. These calculations will not appear if the 175% shift is not allowed according to the calculations above (If #5 is greater than #6).

7A. Take the lowest historical residential percentage (6 above).	_____
The residential share in the year before first certification may be used if assessors document it was lower.	
7B. Divide 7A by the current combined residential/open space percentage share (Residential & Open Space % from the grid above).	_____
7C. The result is the lowest residential factor allowable (it may not be less than 50%).	_____

TOWN OF ARLINGTON
CLASSIFICATION OF REAL ESTATE
SELECT BOARD
 December 4, 2023
FISCAL YEAR 2024

I.	OPTION OF THE SELECT BOARD (CHAPTER 797 OF MASSACHUSETTS GENERAL LAW)	
II.	ALLOWS THE BOARD OF SELECTMEN TO INCREASE THE COMMERCIAL, INDUSTRIAL, PERSONAL PROPERTY (CIP) CLASSES OF PROPERTY UP TO 150% OF THE LEVY.	
III.	ARLINGTON'S MINIMAL RESIDENTIAL FACTOR (MRF) FOR FISCAL 2024	97.1768%
IV.	CIP SHARE OF THE FY 2024 LEVY IS	5.3445%
VI.	CIP'S MAXIMUM SHARE THEREFORE MAY BE RAISED TO	8.0168%

**Town of Arlington
Office of the Board of Assessors
FISCAL YEAR 2024**

Note: All rates are estimated subject to DOR certification

AT	CIP%	RO%	RATE PER \$1000 AV		CIP	RO
	SHARE	SHARE	CIP	RO	TAX INC. PER 500K	TAX DEC. PER 500K
100.00%	5.3445	94.6555	\$10.59	\$10.59	\$0	\$0
105.00%	5.6117	94.3883	\$11.12	\$10.56	\$265	(\$14.95)
110.00%	5.8790	94.1211	\$11.65	\$10.53	\$529	(\$29.89)
115.00%	6.1462	93.8538	\$12.18	\$10.50	\$794	(\$44.84)
120.00%	6.4134	93.5866	\$12.71	\$10.47	\$1,059	(\$59.79)
125.00%	6.6806	93.3194	\$13.24	\$10.44	\$1,324	(\$74.74)
130.00%	6.9479	93.0522	\$13.77	\$10.41	\$1,588	(\$89.69)
135.00%	7.2151	92.7849	\$14.30	\$10.38	\$1,853	(\$104.64)
140.00%	7.4823	92.5177	\$14.83	\$10.35	\$2,118	(\$119.58)
145.00%	7.7495	92.2505	\$15.36	\$10.32	\$2,383	(\$134.53)
150.00%	8.0168	91.9833	\$15.88	\$10.29	\$2,647	(\$149.48)

CIP SHARE OF LEVY IS	\$8,220,340
CIP MAXIMUM LEVY IS	\$12,330,510

*CIP-COMMERCIAL, INDUSTRIAL, PERSONAL PROPERTY

*RO- RESIDENTIAL, OPEN SPACE

RESIDENTIAL EXEMPTION

Residential Average Assessment	Total Accounts	Total Eligible Accounts	Exemption Voted	Exemption Amount	Total Value Exempted	New Residential Assessment Total	Total Residential Levy	Tax Rate
925,703	14,851	0	0%	0	0	13,747,614,314	145,587,330	\$10.59
		12,326	5%	46,285	570,510,759	13,177,103,555	145,587,330	\$11.05
		12,326	10%	92,570	1,141,021,518	12,606,592,796	145,587,330	\$11.55
		12,326	15%	138,855	1,711,532,277	12,036,082,037	145,587,330	\$12.10
		12,326	20%	185,141	2,282,043,036	11,465,571,278	145,587,330	\$12.70

- **Residential Exemption up to 35% of average residential value: Only adopted in a handful of communities including Boston, Cambridge, Chelsea and Brookline.**
- **Tax Rate would go from \$10.59 to \$12.70 before discount.**
- **The Breakeven point is \$1,114,355.**
- **Approximately 17% of homes shoulder the burden.**
- **Most homes in Arlington are owner- occupied.**

**ASSESSORS' OFFICE
TOWN OF ARLINGTON
TAX RATE PER \$ 1000 OF
ASSESSED VALUE**

YEAR	RATE	YEAR	RATE	YEAR	RATE	YEAR	RATE
1929	\$30.00	1954	\$54.50	FY 1978	\$78.00	FY 2003	\$13.64
1930	\$30.40	1955	\$59.20	FY 1979	\$84.60	FY 2004	\$10.61
1931	\$31.40	1956	\$69.20	FY 1980	\$81.00	FY 2005	\$10.94
1932	\$30.40	1957	\$70.40	FY 1981	\$87.00	FY 2006	\$11.34
1933	\$30.40	1958	\$71.20	FY 1982	\$73.50	FY 2007	\$10.95
1934	\$33.00	1959	\$74.00	FY 1983	\$22.70	FY 2008	\$11.45
1935	\$33.00	1960	\$78.20	FY 1984	\$23.43	FY 2009	\$11.92
1936	\$34.00	1961	\$82.60	FY 1985	\$23.96	FY 2010	\$12.11
1937	\$35.60	1962	\$85.00	FY 1986	\$16.49	FY 2011	\$12.41
1938	\$35.20	1963	\$84.60	FY 1987	\$17.24	FY 2012	\$13.66
1939	\$36.80	1964	\$92.60	FY 1988	\$17.66	FY 2013	\$13.61
1940	\$35.80	1965	\$97.60	FY 1989	\$10.86	FY 2014	\$13.79
1941	\$34.80	1966	\$97.60	FY 1990	\$11.25	FY 2015	\$13.55
1942	\$35.60	1967	\$106.00	FY 1991	\$12.47	FY 2016	\$12.80
1943	\$32.00	1968	\$124.00	FY 1992	\$13.84	FY 2017	\$12.56
1944	\$32.00	1969	\$41.00	FY 1993	\$14.52	FY 2018	\$12.13
1945	\$34.40	1970	\$48.20	FY 1994	\$15.55	FY 2019	\$11.26
1946	\$38.00	1971	\$51.80	FY 1995	\$16.06	FY 2020	\$11.06
1947	\$42.80	1972	\$56.80	FY 1996	\$16.54	FY 2021	\$11.34
1948	\$44.20	1973	\$56.80	FY 1997	\$17.08	FY 2022	\$11.42
1949	\$46.20	1973	\$28.20	FY 1998	\$16.73	FY 2023	\$11.21
1950	\$50.40	1974	\$74.00	FY 1999	\$17.17	FY 2024	\$10.59
1951	\$54.20	FY 1975	\$67.20	FY 2000	\$17.66		
1952	\$56.40	FY 1976	\$67.20	FY 2001	\$13.17		
1953	\$57.60	FY 1977	\$74.80	FY 2002	\$13.85		

ASSESSMENT/CLASSIFICATION REPORT as of January 1, 2023

Fiscal Year 2024

Property Type	Parcel Count		Class 1 Residential	Class 2 Open Space	Class 3 Commercial	Class 4 Industrial	Class 5 Pers Prop
101	8,008		8,129,420,100				
102	4,121		2,472,017,000				
MISC 103,109	11		15,045,500				
104	2,016		2,135,511,560				
105	174		195,605,500				
111-125	157		684,439,100				
130-32,106	287		41,024,000				
200-231	0			0			
300-393	367				469,896,300		
400-442	21					27,367,600	
450-452	0					0	
CH 61 LAND	0	0		0	0		
CH 61A LAND	0	0		0	0		
CH 61B LAND	1	3		0	1,327,188		
012-043	77		74,551,554	0	66,362,736	0	
501	148						6,726,360
502	129						3,775,920
503	0						0
504	2						160,502,060
505	6						23,003,400
506	2						14,318,100
508	3						2,956,420
550-552	0						0
TOTALS	15,533		13,747,614,314	0	537,586,224	27,367,600	211,282,260
Real and Personal Property Total Value							14,523,850,398
Exempt Parcel Count & Value						361	987,437,900

LA13 Tax Base Levy Growth

Retain documentation for 5 years in case of DOR audit - Fiscal Year 2024

Property Class	(A) All Prior Year Abatement No.	(B) All Prior Year Abatement Values	(C) New Growth Valuation	(D) PY Tax Rate	(E) Tax Levy Growth
RESIDENTIAL					
SINGLE FAMILY (101)	7	447,400	38,233,600		
CONDOMINIUM (102)	2	52,200	32,624,500		
TWO & THREE FAMILY (104 & 105)	0	0	5,227,400		
MULTI - FAMILY (111-125)	0	0	21,193,100		
VACANT LAND (130-132 & 106)	0	0	0		
ALL OTHERS (103, 109, 012-018)	0	0	1,097,456		
TOTAL RESIDENTIAL	9	499,600	98,376,056	11.21	1,102,796
OPEN SPACE	0	0	0		
OPEN SPACE - CHAPTER 61, 61A, 61B	0	0	0		
TOTAL OPEN SPACE	0	0	0	0.00	0
COMMERCIAL	1	325,900	1,378,044		
COMMERCIAL - CHAPTER 61, 61A, 61B	1	704,295	0		
TOTAL COMMERCIAL	2	1,030,195	1,378,044	11.21	15,448
INDUSTRIAL	0	0	0	11.21	0
PERSONAL PROPERTY	1	29,580	14,474,220	11.21	162,256
TOTAL REAL & PERSONAL	12	1,559,375	114,228,320		1,280,500

Community Comments:

FY 2024 vs FY 2023 by State Class Code

						24 VS 23					
Code	Type	Count	FY 2024 Assessed Value	Ave. AV	Count Inc/Dec	% Inc/Dec	Ave AV Inc/Dec	Count	FY 2023 Assessed Value	Ave. AV	
101	Single Family	8,008	8,129,420,100	1,015,162	0	11.26%	102,777	8,008	7,306,385,400	912,386	
102	Condominium	4,121	2,472,017,000	599,859	82	9.45%	40,682	4,039	2,258,514,600	559,177	
Misc 103,109	Misc	11	15,045,500	1,367,773	1	11.74%	21,283	10	13,464,900	1,346,490	
104	2 Family	2,016	2,135,511,560	1,059,282	-39	2.59%	46,360	2,055	2,081,554,760	1,012,922	
105	3 Family	174	195,605,500	1,124,170	-2	2.08%	35,386	176	191,625,900	1,088,784	
111-125	Apartments	157	684,439,100	4,359,485	1	10.01%	371,270	156	622,161,500	3,988,215	
130-132, 106	Res Land	287	41,024,000	142,941	-1	12.37%	16,181	288	36,506,900	126,760	
200-231	Open Space	0			0			0			
300-393	Commercial	367	469,896,300	1,280,371	-3	4.82%	68,775	370	448,290,630	1,211,596	
400-452	Industrial	21	27,367,600	1,303,219	0	7.73%	93,538	21	25,403,300	1,209,681	
CH 61 Land	Ch Land	0			0			0			
CH 61A Land	Ch Land	0			0			0			
CH 61B Land	Ch Land	3	1,327,188	442,396	0	-23.83%	-138,376	3	1,742,317	580,772	
012-043(Res)	Mixed Use(Res)	52	74,551,554	1,433,684	-1	8.91%	142,137	53	68,451,951	1,291,546	
012-043(Com)	Mixed Use(Com)	25	66,362,736	1,610,041	0	7.96%	0	25	61,468,139	1,610,041	
501	Per Prop	148	6,726,360	45,448	-7	-8.64%	-2,051	155	7,362,340	47,499	
502	Per Prop	129	3,775,920	29,271	-2	14.71%	4,144	131	3,291,630	25,127	
503	Per Prop	0	0		0			0	0		
504,550-552	Per Prop	2	160,502,060	80,251,030	0	11.41%	8,220,275	2	144,061,510	72,030,755	
505	Per Prop	6	23,003,400	3,833,900	0	9.14%	321,167	6	21,076,400	3,512,733	
506	Per Prop	2	14,318,100	7,159,050	0	2.76%	192,550	2	13,933,000	6,966,500	
508	Per Prop	3	2,956,420	985,473	0	89.49%	465,397	3	1,560,230	520,077	
TOTAL		15,533	14,523,850,398			9.15%		15,503	13,306,855,407		
Residential		14,851	13,747,614,314			9.29%		14,810	12,578,665,911		
Open Space			0.00						0.00		
Commercial		371	537,586,224			5.10%		374	511,501,086		
Industrial		21	27,367,600			7.73%		21	25,403,300		
Total Real Est		15,243	14,312,568,138			9.13%		15,205	13,115,570,297		
Personal Prop		290	211,282,260			10.45%		299	191,285,110		
Total Real & PP		15,533	14,523,850,398			9.15%		15,504	13,306,855,407		
Exempt		361	987,437,900					361	829,142,800		
Grand Total		15,894	15,511,288,298					15,865	14,135,998,207		

TAX RATE COMPONENTS FY 2020 - FY 2024

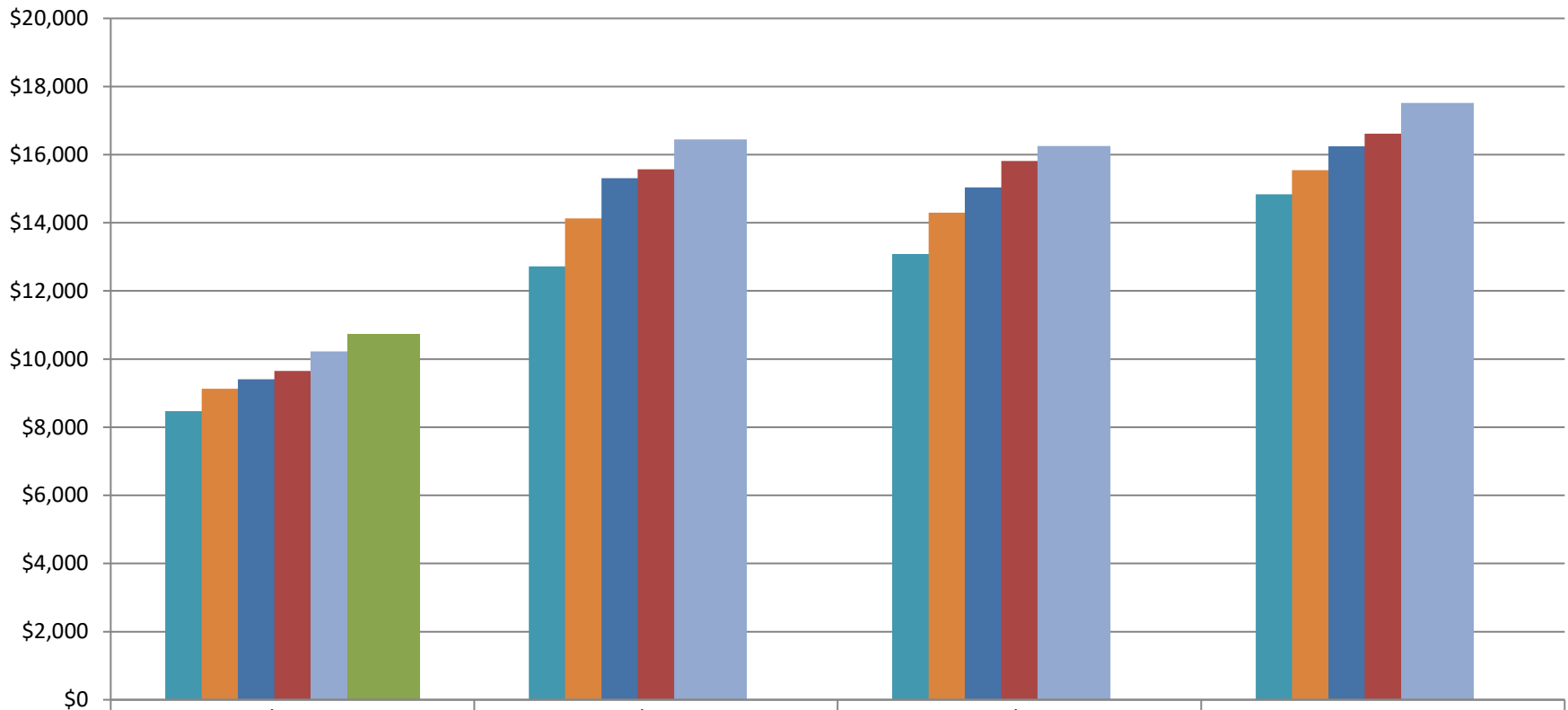
	2020	2021	2022	2023	2024
LEVY BASE	\$9.42	\$10.08	\$10.13	\$9.83	\$9.32
2.5%	\$0.24	\$0.25	\$0.25	\$0.25	\$0.23
GROWTH	\$0.07	\$0.07	\$0.07	\$0.09	\$0.09
OVERRIDE	\$0.46	\$0.00	\$0.00	\$0.00	\$0.00
WAT & SEW DEBT EXCL	\$0.46	\$0.30	\$0.15	\$0.00	\$0.00
SCHOOL DEBT EXCLU	\$0.41	\$0.64	\$0.82	\$1.04	\$0.95
TAX RATE *	\$11.06	\$11.34	\$11.42	\$11.21	\$10.59

*Tax Rate =((Amount To Be Raised)/(Total Taxable Assessed Value))*1000

	2020	2021	2022	2023	2024
MAX LEVY PRIOR FY	\$113,696,347	\$122,855,373	\$126,776,920	\$130,879,853	\$135,356,908
2.50%	\$2,842,409	\$3,071,384	\$3,169,423	\$3,271,996	\$3,383,913
GROWTH	\$816,616	\$850,163	\$933,510	\$1,205,059	\$1,280,112
OVERRIDE	\$5,500,000	\$0	\$0	\$0	\$0
MAXIMUM LEVY	\$122,855,372	\$126,776,920	\$130,879,853	\$135,356,908	\$140,020,933
LEVY INC %	7.46%	3.09%	3.13%	3.31%	3.33%
LEVY INC \$	\$9,159,025	\$3,921,548	\$4,102,933	\$4,477,055	\$4,664,025
W/S DEBT SERVICE	\$5,593,112	\$3,691,454	\$1,845,727	\$0	\$0
SCHOOL DEBT EXCLU	\$4,928,109	\$7,744,595	\$10,276,792	\$13,848,434	\$13,830,576
MAX TO BE RAISED	\$133,376,594	\$138,212,969	\$143,002,372	\$149,205,342	\$153,851,509
ACTUAL RAISED	\$133,350,155	\$138,199,499	\$142,948,226	\$149,169,849	\$153,807,575
EXCESS LEVY	\$26,439	\$13,470	\$54,146	\$35,493	\$43,934
TOTAL TAXABLE ASSESSED VALUE	12,056,976,079	12,186,904,721	12,517,357,831	13,306,855,407	14,523,850,398
TOTAL AV % INCREASE	9.48%	1.08%	2.71%	6.31%	9.15%
TAX RATE	\$11.06	\$11.34	\$11.42	\$11.21	\$10.59
PENNY ON TAX RATE	\$120,570	\$121,869	\$125,174	\$133,069	\$145,239
AVE ASSED VAL SINGLE FAMILY	\$825,144	\$829,339	\$844,658	\$912,386	\$1,015,162
AVE TAXES SINGLE FAMILY	\$9,126	\$9,405	\$9,646	\$10,228	\$10,751

* ALL NUMBERS SUBJECT TO ROUNDING AND FINAL DOR CERTIFICATION

Average Taxes FY2019-FY2024 Single Family Homes



	Arlington	Belmont	Winchester	Lexington
2019	\$8,470	\$12,720	\$13,083	\$14,834
2020	\$9,126	\$14,130	\$14,298	\$15,547
2021	\$9,405	\$15,305	\$15,035	\$16,241
2022	\$9,650	\$15,568	\$15,813	\$16,613
2023	\$10,228	\$16,450	\$16,249	\$17,514
2024	\$10,751	\$0	\$0	\$0