

# Fiscal Year 2024 Classification Hearing

November 2, 2023  
Norton Media Center  
7:15 P.M.

## **BOARD OF ASSESSORS**

Richard Dorney, Chairperson  
Michael Masone, Clerk  
Michael Toole, Member

Denise Ellis, MAA  
Director of Assessing

# Property Assessment & Tax Rate Process

- January 1<sup>st</sup> – Property valuation process begins
- January 1<sup>st</sup> – June 30<sup>th</sup> – Values are adjusted to reflect any changes to the property. Examples - new construction, additions, land splits, decks, inground pools etc.
- July 1<sup>st</sup> – New fiscal year begins
- July – October – Assessors finalize values and submit to the Department of Revenue (DOR). Assessors then receive certification of values and New Growth
- November – Classification Hearing
- November – DOR approves the tax rate
- December - New tax rates are applied and tax bills are mailed at the end of the month.

# Purpose of this Hearing

The purpose of the classification hearing is to adopt the Town's Tax Policy by allocating or classifying the tax levy among the 5 property types.

Residential

Open Space

Commercial

Industrial

Personal Property

## Action Required by the Select Board

1. Vote for a single tax rate or maintain the 1.05% shift. This factor allows the Select Board to shift the burden toward Commercial, Industrial and Personal Property taxpayers to a maximum of 150%
2. If the Select Board decides in favor of shifting the burden higher, by means of shifting the tax rate, the Board must then decide how much the burden will be shifted.
3. Vote whether to adopt a residential exemption
4. Vote whether to adopt a small commercial exemption
5. Vote whether to adopt an open space discount

# Selection of Minimum Residential Factor

**Shifting the taxes to the CIP classes does not increase the amount of revenue collected, It simply changes the allocation of the tax burden among the classes of taxpayers**

- A residential factor of 1.00 will result in the taxation of all property at the same tax rate (single tax rate)
- A residential factor less than 1.00 will increase the share of the levy raised by Commercial, Industrial and Personal Property (CIP) owners and reduces the share paid by the residential property owners.

# New Growth

New Growth Value was certified and approved by the Dept. of Revenue on September 21, 2023 in the amount of \$748,786

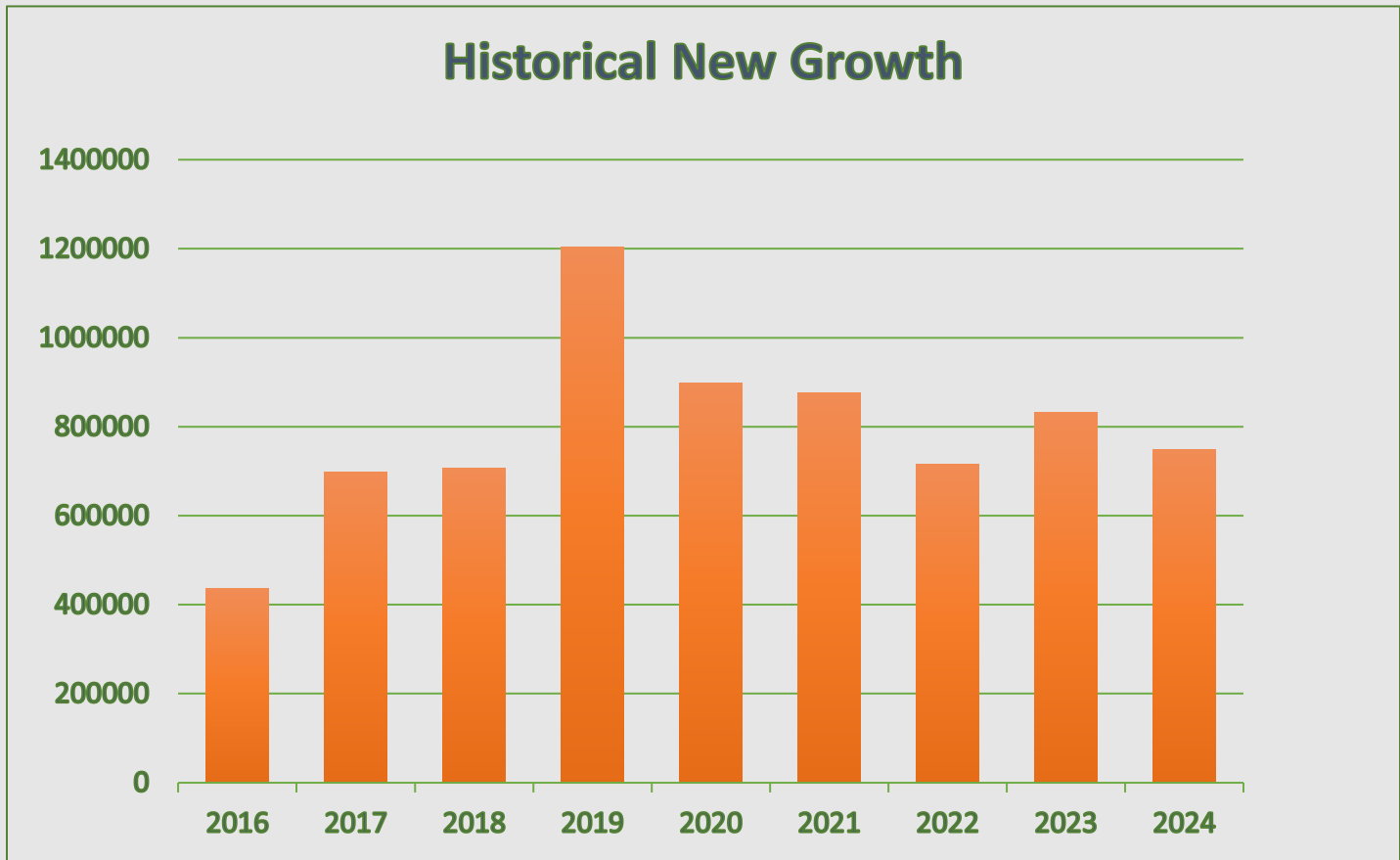
Real Estate \$356,200

Commercial \$35,948

Industrial \$156,440

Personal Property \$200,198

## Historical New Growth



# Property Assessment Review

Arms - length sales that occurred during Calendar Year 2022 were used to establish the Fiscal Year 2024 Assessment.

M.G.L. requires that Assessors value properties at a median assessment - to - sales (ASR) ratio of 90% to 110%.

For FY2024, the Assessors used a median ASR of 96.4%



# Valuation

For Fiscal Year 2024, the Town of Norton had a total taxable valuation of \$3,691,804,260 which is comprised of:

	<u>Value</u>	<u>% of Total</u>
Residential	\$ 2,997,598,299	81.20%
Commercial	\$ 265,207,426	7.18%
Industrial	\$ 319,710,555	8.66%
Personal Property	\$ 109,287,980	2.96%
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<b>Total Taxable</b>	<b>\$3,691,804,260</b>	<b>100%</b>

Property Type	Parcel Count	Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	Class5 Pers Prop
101	4,478	2,287,333,510				
102	1,155	457,832,250				
MISC 103,109	33	26,767,500				
104	97	48,207,800				
105	22	12,240,400				
111-125	77	97,730,200				
130-32,106	517	37,996,800				
200-231	0		0			
300-393	179			243,564,350		
400-442	49				306,485,100	
450-452	6				12,685,500	
CH 61 LAND	7	11	0	35,000		
CH 61A LAND	9	13	0	316,960		
CH 61B LAND	4	9	0	1,489,650		
012-043	62	29,489,839	0	19,801,466	539,955	
501	134					13,408,260
502	97					8,725,270
503	0					0
504	3					65,842,690
505	3					7,346,800
506	0					0
508	3					13,964,960
550-552	0					0
<b>TOTALS</b>	<b>6,968</b>	<b>2,997,598,299</b>	<b>0</b>	<b>265,207,426</b>	<b>319,710,555</b>	<b>109,287,980</b>
Real and Personal Property Total Value						<b>3,691,804,260</b>
Exempt Parcel Count & Value					794	470,503,800

<b>FY23 Levy Limit</b>	<b>\$43,827,742</b>
FY23 Amended Growth	- \$4,388.00
Prop. 2 1/2	\$1,095,584
New Growth	\$748,786
FY24 Subtotal	\$45,667,724
FY24 Debt Exclusion	\$2,768,047
FY24 Maximum Allowable Levy	\$48,435,771

Actual Levy / Total Assessed Value = Tax Rate

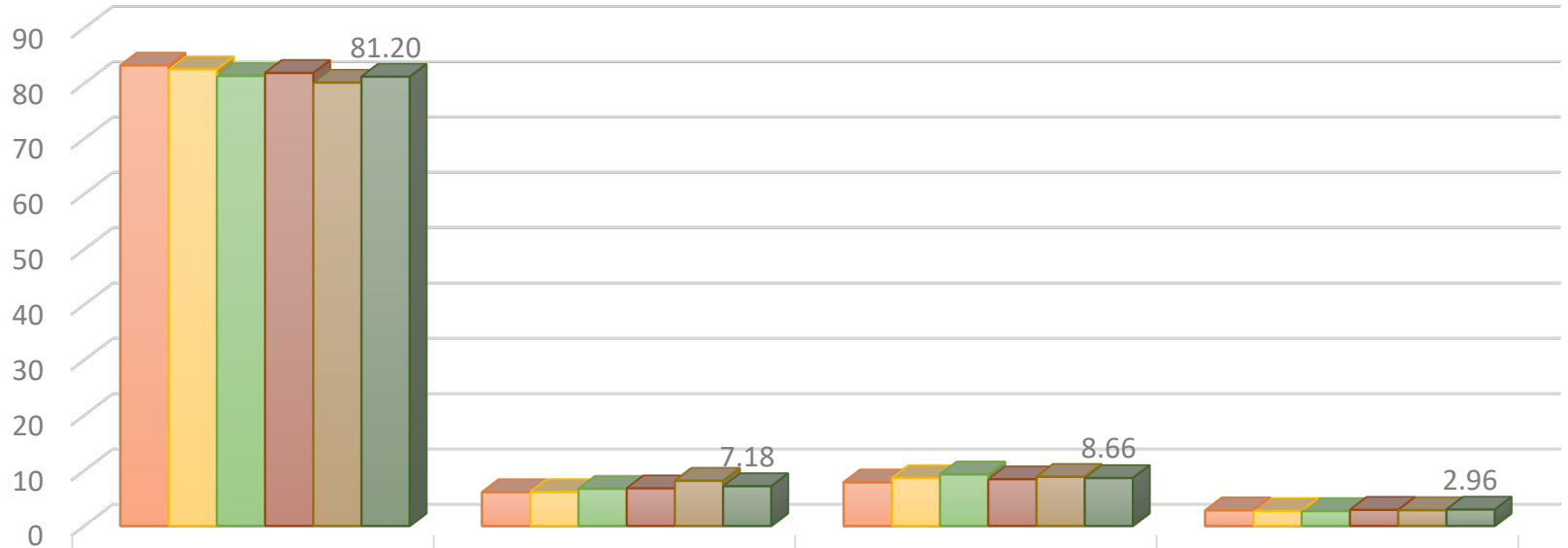
$\$48,435,771 / \$3,691,804,260 = \$13.12$

\*This is an estimated tax rate and could change by a few cents.

# Distribution of Classes by Total Valuation

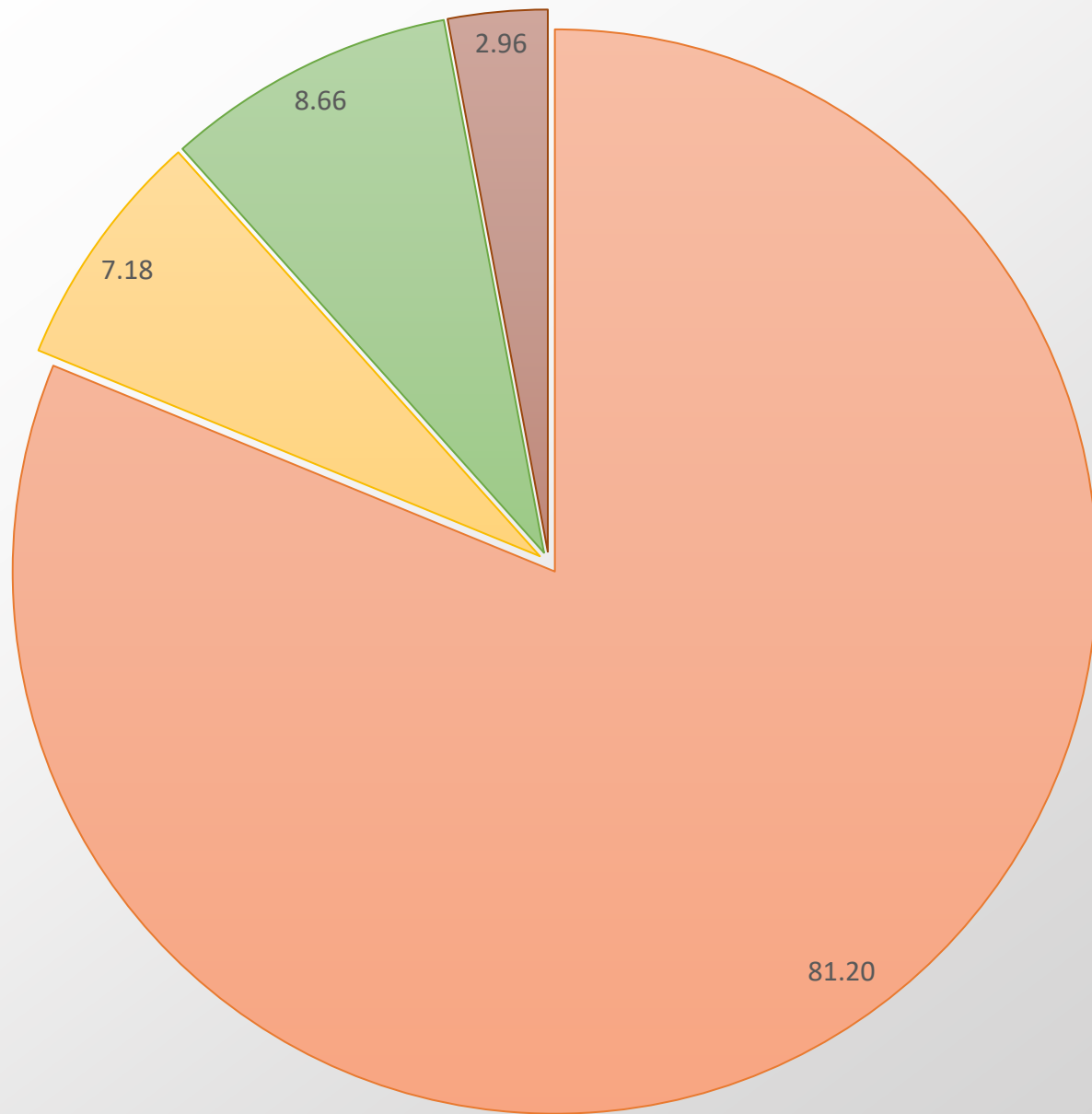
- Residential = 81.20%
- Open Space = 0.00%
- Commercial = 7.18%
- Industrial = 8.66%
- Personal Property = 2.96%

## Residential and Commercial by Fiscal Year



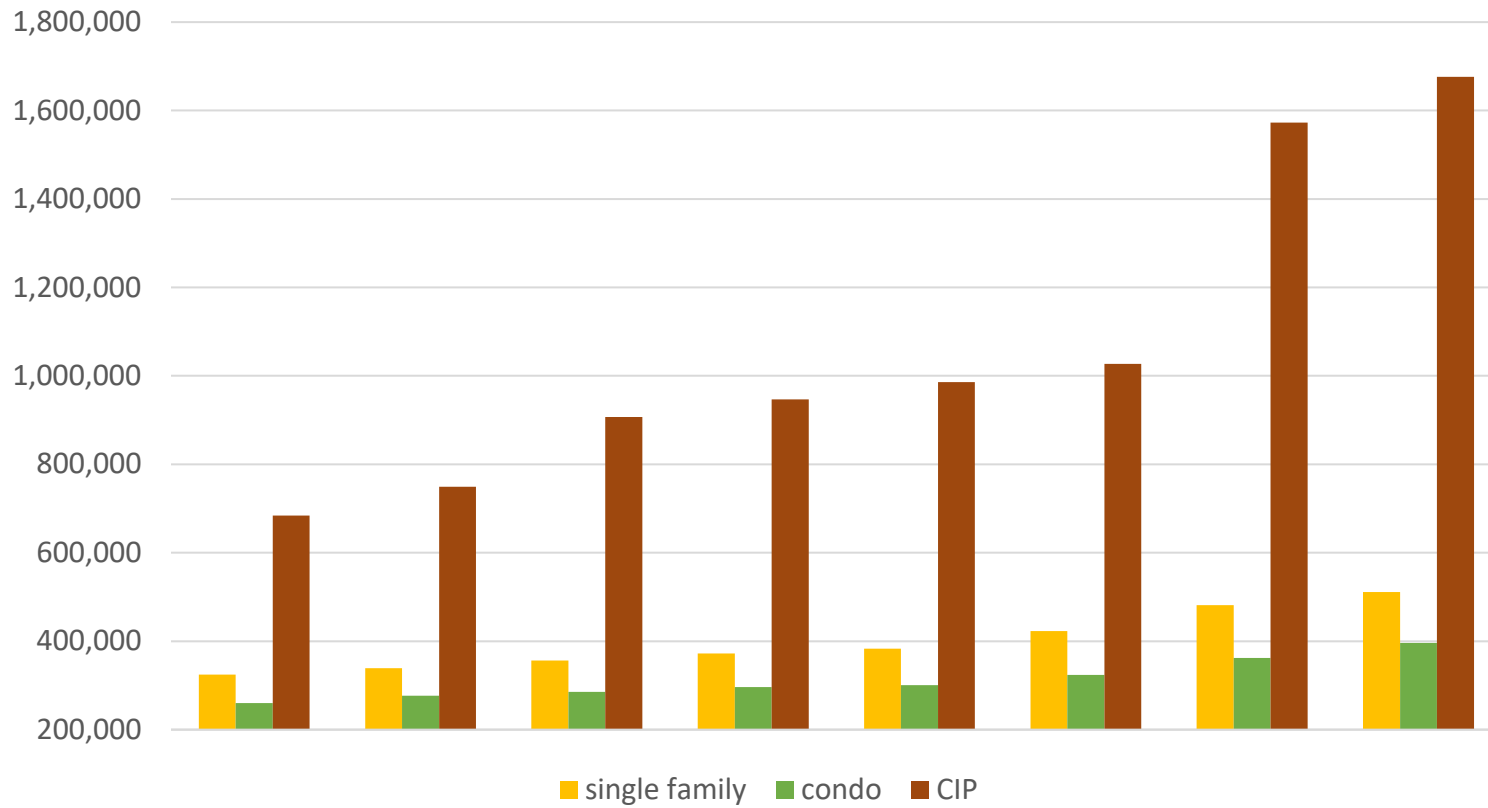
	Residential	Commercial	Industrial	Personal Property
2019	83.23	6.1	7.87	2.8
2020	82.54	6.13	8.63	2.7
2021	81.33	6.7	9.3	2.67
2022	81.87	6.79	8.44	2.9
2023	80.12	8.16	8.88	2.84
2024	81.20	7.18	8.66	2.96

■ 2019 
 ■ 2020 
 ■ 2021 
 ■ 2022 
 ■ 2023 
 ■ 2024



- Residential
- Commerical
- Industrial
- Personal Property

# Average Assessments 2017-2024



# Potential Impact of Shifting the Residential Factor

CIP SHIFT	RESIDENTIAL FACTOR	RESIDENTIAL SHARE PERCENTAGE	CIP SHARE PERCENTAGE	RESIDENTIAL TAX PER THOUSAND	CIP TAX RATE PER THOUSAND
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100.00	100.00	81.20	18.80	13.12	13.12
1.05	98.73	80.16	19.84	12.95	13.84
1.10	97.71	79.33	20.67	12.82	14.42
1.15	96.43	78.30	21.70	12.65	15.14
1.20	95.16	77.27	22.73	12.48	15.86
1.25	94.14	76.44	23.56	12.35	16.44
1.30	92.87	75.40	24.60	12.18	17.16
1.35	91.85	74.58	25.42	12.05	17.74
1.40	90.57	73.54	26.46	11.88	18.46
1.15	89.56	72.72	27.28	11.75	19.04
1.50	88.54	71.89	28.11	11.62	19.61

# Average Tax Bill FY 2021-2024

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Average Single Family Value	\$ 382,978	\$422,532	481,557	\$510,794
Residential Tax Rate	\$ 14.93	\$14.27	\$12.99	\$12.95
Average Tax Bill	\$ 5,718	\$6,030	\$6,255	\$6,615
Average Condominium Value	\$300,670	\$323,300	\$362,273	\$396,392
Residential Tax Rate	\$14.93	\$14.27	\$12.99	\$12.95
Average Tax Bill	\$4,489	\$4,614	\$4,706	\$5,133
Average C&I Value	\$ 985,685	\$1,027,259	1,572,388	\$1,675,983
CIP Tax Rate	\$ 14.93	\$14.27	\$13.80	13.84
Average C&I Tax Bill	\$ 14,716	\$14,659	\$21,699	\$23,196



# Hypothetical Split Tax Rate

CIP SHIFT	AVERAGE SINGLE FAMILY VALUE	AVERAGE CONDO VALUE	AVERAGE CIP VALUE	RESIDENTIAL TAX RATE	CIP TAX RATE	AVERAGE RESIDENTIAL TAX BILL	AVERAGE CONDO TAX BILL	AVERAGE CIP TAX BILL
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1.00	\$510,794	\$396,392	\$1,675,983	13.12	13.12	\$6,702	\$5,201	\$21,989
1.05	\$510,794	\$396,392	\$1,675,983	12.95	13.84	\$6,615	\$5,133	\$23,196
1.10	\$510,794	\$396,392	\$1,675,983	12.82	14.42	\$6,548	\$5,082	\$24,168
1.15	\$510,794	\$396,392	\$1,675,983	12.65	15.14	\$6,462	\$5,014	\$25,374
1.20	\$510,794	\$396,392	\$1,675,983	12.48	15.86	\$6,375	\$4,947	\$26,581
1.25	\$510,794	\$396,392	\$1,675,983	12.35	16.44	\$6,308	\$4,895	\$27,553
1.30	\$510,794	\$396,392	\$1,675,983	12.18	17.16	\$6,221	\$4,828	\$28,760
1.35	\$510,794	\$396,392	\$1,675,983	12.05	17.74	\$6,155	\$4,777	\$29,732
1.40	\$510,794	\$396,392	\$1,675,983	11.88	18.46	\$6,068	\$4,709	\$30,939
1.45	\$510,794	\$396,392	\$1,675,983	11.75	19.04	\$6,002	\$4,658	\$31,911
1.50	\$510,794	\$396,392	\$1,675,983	11.62	19.61	\$5,935	\$4,606	\$32,866

# FY23 Tax Rates for surrounding towns

Town	Residential	CIP	Res. %	CIP %
Attleboro	\$13.69	\$20.27	79.06	20.94
Easton	\$14.59	\$16.24	88.17	11.83
Foxboro	\$14.21	\$18.37	75.06	24.94
Mansfield	\$14.09	\$18.52	73.08	26.92
N. Attleboro	\$12.79	\$15.48	82.12	17.88
Raynham	\$13.60	\$18.53	71.68	28.32
Taunton	\$12.05	\$26.30	63.10	36.90
Norton	\$12.99	\$13.80	80.12	19.88

## Top Ten Taxpayers

<b>Business</b>	<b>Location</b>	<b>Assessed Value</b>	<b>Total Taxes</b>
E/R PROPERTIES LLC (Horizon Beverage)	45 COMMERCE WAY	\$68,149,140	\$940,458.13
JSIP EAST MAIN LLC	274 EAST MAIN ST	\$43,684,400	\$602,844.27
PARK 192 MANSFIELD AVENUE OWNER LLC	192 MANSFIELD AV	\$47,911,900	\$661,184.22
LEONARD STREET B5 OWNER LLC	19 LEONARD ST	\$39,395,800	\$543,662.04
BCI IV NORTON DC LLC	176 S WASHINGTON ST	\$32,375,700	\$446,784.66
MASSACHUSETTS ELECTRIC COMPANY	0 NORTON	\$31,230,640	\$430,982.83
DOWE REALTY II, LLC	380 S WORCESTER ST	\$25,065,820	\$345,908.32
STAG NORTON LLC	202 S WASHINGTON ST	\$21,901,800	\$302,244.84
LEONARD STREET B4 OWNER LLC	15 LEONARD ST	\$21,753,400	\$300,196.92
NEW ENGLAND POWER COMPANY	0 NORTON	\$21,066,440	\$290,716.87
<b><u>Total Estimated Taxes for Top Ten Taxpayers</u></b>			<b><u>\$4,864,983.10</u></b>

# Residential Exemption

The Residential Exemption is used primarily in communities that have a large seasonal tax base or large communities such as Boston and Cambridge. It is designed to give relief to taxpayers that use the property as the domicile/principal residence

# Small Commercial Exemption

- An exemption of up to 10% of the property valuation of commercial properties only.
- Eligible businesses cannot have more than 10 employees as certified by the Department of Employment and Training.
- One business in a building could not qualify unless every business qualifies.
- Exemption goes to the building owner.
- This lowers the taxes on small business and shifts the taxes to other commercial and industrial taxpayers.
- The Assessing Department is unaware of any business meeting these requirements

# Open Space Discount

- Open Space Discount is defined as “land which is not otherwise classified and which is not taxable under provisions of Chapters 61A or 61B, or taxable under a permanent conservation restriction...not held for the production of income but maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public”.
- A maximum exemption of 25% may be adopted. However, the Town has never voted a discount for open space since no properties have been identified which fulfill this section.
- Norton does not have an Open Space Classification

# Classification hearing terms

**Shift** - Shifting the tax rate moves some of the burden of monies to be raised by taxes from the Residential to the Commercial, Industrial and Personal Property Classes.

**ASR** – Assessment - to - Sales Ratio

**CIP** - Commercial, Industrial, and Personal Property Classes

**MRF** – Minimum Residential Factor. This factor represents the minimum percentage of the levy the Residential class must pay.

**Levy** – The property tax levy is the revenue a community can raise through real and personal property taxes.

**Levy Limit** – The maximum a community can levy in a given year equal to last year's levy plus 2.5% plus new growth plus override if applicable.

**Levy Ceiling** – Equal to 2.5% of the total full and fair cash value of all taxable real and personal property in the community.

**New Growth** – Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations. It is calculated by multiplying the increased assessed valuation by the prior year's tax rate for the appropriate class of property.

**Debt Exclusion** – A temporary increase over the levy limit for the payment of a specific debt service item over a specific period of time.