



Town of Randolph

**FY2025 Tax Classification Presentation
November 18, 2024**

What Is The Purpose Of This Presentation?

1. Select a single or split tax rate
2. Whether to adopt open space discount
3. Whether to adopt residential exemption
4. Whether to adopt small commercial exemption

Residential/Commercial Exemptions & Open Space Discount

- **Residential Exemption** – Shifts the tax burden within the residential class from owners of moderately valued properties to the owners of higher valued homes and properties not occupied by the owner, including apartments
- **Commercial Exemption** – Designed to provide tax relief for small businesses. The benefit goes to the landlord not the business owner. The tax burden is shifted within the commercial and industrial class. The properties must be approved by the Department of Workforce, have a valuation of less than 1 million dollars and an average annual employment of 10 or fewer people.
- **Open Space Discount** – Land that is maintained in an open or natural condition that contributes to the benefit and enjoyment of the public (parks, recreation facilities, golf courses)

Residential Exemption Motivation & Examples

- The two primary motivations to adopt the residential exemption are to promote owner occupancy and shift the residential burden from modest homes to high end homes.
- Boston & Brookline adopted the exemption due to high numbers of non-owner occupied homes and a high volume of apartment buildings and similar buildings.
- Cambridge & Malden are primarily looking to shift the residential burden from low value homes to high value homes.
- The Cape & Islands have similar motivation to Cambridge & Malden, but with the added level of the high value homes predominately being secondary residences, so this directly benefits the year-round population.

Residential Exemption

Motivation & Examples ctd.

- Watertown was the most similar town to ours in which they have adopted the residential exemption, but could not give context to the motivation behind doing so back in the 90's. However, they have shared many examples with us as to why it is not suggested to consider this for Randolph:
 - Increases the residential tax rate significantly, even with the CIP shift.
 - Qualification is not guaranteed on an annual basis and is subject to change based on average values and the break even point.
 - Homes that exist on the bubble of the break even point will not consistently benefit from the exemption on an annual basis.
 - Processing applications and removing qualifying homes from sales analysis is a job in itself as well as a tremendous drain on time and resources.
 - Taxpayer misunderstanding of ownership requirements can lead to benefits being revoked if the property is conveyed incorrectly.
 - If the home is transferred to a trust where the trustees are not the owner of the home, then that parcel will lose the residential exemption.

Full and Fair Cash Value*

Class	FY2024	FY2025	% Change
Residential	\$5,168,672,276	\$5,334,487,024	3.2%
Comm/Ind/PP	\$664,689,819	\$680,798,384	2.4%
% of Total	88.6 _(res) / 11.4 _(CIP)	88.7 _(res) / 11.3 _(CIP)	.01%
Total Value	\$5,833,362,095	\$6,015,285,408	3.1%

Values Continue to Rise In Randolph

Single Family



Solds / Year	2020	2021	2022	2023	2024
List Price	\$433,282.08	\$473,305.27	\$520,684.83	\$544,462.51	\$572,565.61
Sale Price	\$435,796.19	\$491,982.11	\$540,516.35	\$558,664.95	\$589,787.97

Data courtesy of Pinergy MLS

FY25 Residential Shift

Shift	Rate	Avg SFR Bill	Compared to Last Year's Average
1.70	\$11.66	\$6,199	\$266
1.71	\$11.65	\$6,194	\$261
1.72	\$11.63	\$6,183	\$250
1.73	\$11.61	\$6,172	\$239
1.74	\$11.60	\$6,167	\$234
1.75	\$11.58	\$6,156	\$223

*Average (Single Family Residential) SFR Value FY25 \$531,632

*Single Tax Rate would be \$12.81 Average Tax Bill \$6,810

Single Family FY24 VS. FY25

Res Rate FY24	FY24 Avg Value	FY24 Avg Bill
\$11.45 *1.75 Shift	\$518,172	\$5,933
Res Rate FY25	FY25 Avg Value	FY25 Avg Bill
\$11.58 *1.75 shift	\$531,632	\$6,156

FY25 CIP Shift

(Commercial, Industrial, Personal)

Shift	Rate	Tax	Compared to Last Year's Average
1.70	\$21.77	\$18,096	\$-232
1.71	\$21.90	\$18,205	\$-123
1.72	\$22.03	\$18,313	\$-15
1.73	\$22.15	\$18,412	\$84
1.74	\$22.28	\$18,520	\$192
1.75	\$22.41	\$18,628	\$300

* Average CIP value is \$831,256

* Single Rate would be \$12.81 Avg Tax Bill \$10,648

CIP FY24 VS. FY25

CIP Rate FY24	FY24 Avg Value	FY24 Avg Bill
\$22.17 *1.75 Shift	\$826,729	\$18,328
CIP Rate FY25	FY25 Avg Value	FY25 Avg Bill
\$22.41 *1.75 Shift	\$831,256	\$18,628

Fiscal Year 2025 Levy Limit

FY 2024 Levy Limit	\$73,585,400
Plus 2.5%	+ \$1,839,635
Plus New Growth	+ \$763,136
FY 2025 Levy Limit	= \$76,188,171
Debt Exclusion	+ 883,605
FY 2025 Maximum Allowable Levy	\$77,071,776

Minimum Residential Factor (MRF)

Shift	Res Factor	Res Tax Rate	CIP Tax Rate
1.70	0.9107	\$11.66	\$21.77
1.71	0.9094	\$11.65	\$21.90
1.72	0.9081	\$11.63	\$22.03
1.73	0.9068	\$11.61	\$22.15
1.74	0.9056	\$11.60	\$22.28
1.75	0.9043	\$11.58	\$22.41

History of Classification Shifts

Fiscal Year	Shift
2024	1.75
2023	1.74
2022	1.75
2021	1.74
2020	1.74

Comparison of Surrounding Communities

*These are FY24 numbers, many towns do not have an FY25 tax rate set as of today

Community	FY24 Residential	Commercial	Shift	Average Single Family Value	Average SF Tax Bill	Average Commercial Tax Bill
Randolph	\$11.45	\$22.17	1.75	\$518,172	\$5,933	\$18,328
Braintree	\$ 9.48	\$20.25	1.75	\$668,178	\$6,334	\$21,400
Avon	\$14.03	\$27.84	1.42	\$449,552	\$6,307	\$26,493
Stoughton	\$12.73	\$21.29	1.48	\$521,446	\$6,638	\$20,747
Holbrook	\$13.44	\$26.59	1.75	\$457,712	\$6,152	\$13,373
Abington	\$13.38	\$13.38	No Shift	\$550,979	\$7,372	\$6,403
Canton	\$9.97	\$20.80	1.65	\$799,737	\$7,973	\$54,468
Milton	\$10.92	\$17.94	1.60	\$1,008,088	\$11,008	\$14,892
Quincy	\$11.27	\$22.45	1.75	\$645,712	\$7,277	\$37,832
State Avg	\$12.56	\$15.58	N/A	\$626,081	\$7,166	N/A

Action

1. Town Council is choosing a shift of _____

2. Was a discount granted to Open Space?

Yes _____ No _____

3. Was the Residential Exemption Adopted?

Yes _____ No _____

4. Was a Small Commercial Exemption adopted?

Yes _____ No _____

Thank You!



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