

# Town of Randolph

Property Tax Classification Presentation  
Fiscal Year 2023



# What Is The Purpose Of This Presentation?

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

# Full and Fair Cash Value\*

Class	FY2022	FY2023	% Change
Residential	\$4,030,974,541	\$4,678,445,003	8.6%
Commercial	\$521,597,427	\$634,209,062	8.2%
% of Total	88.5 <sub>(res)</sub> / 11.5 <sub>(CIP)</sub>	88.6 <sub>(res)</sub> / 11.9 <sub>(CIP)</sub>	0.1 / 0.4
Total Value	\$4,552,571,968	\$5,312,654,065	8.6%

\*The Assessors are required to assess all property at its "full and fair cash value," a term that could also be described as "market value" or "fair market value." Massachusetts General Laws define full and fair cash value as the price an owner willing, but not under compulsion, to sell ought to receive from 1 willing, but not under compulsion, to buy.

# Values Continue to Rise In Randolph

## Single Family



Solds / Year	2018	2019	2020	2021	2022
List Price	\$383,411.72	\$400,121.87	\$436,261.75	\$472,477.18	\$519,141.48
Sale Price	\$385,514.50	\$399,754.53	\$438,618.39	\$490,994.07	\$540,344.22

Data courtesy of pinergy MLS

# What Is Causing The Market to Increase

- Increased Number of buyers
  - Millennials now make up largest portion of population
- Limited Inventory Has Created High Demand
  - Buyers regularly offer more than asking price
  - COVID-19 – even less inventory
- Record Low Mortgage Rates
  - 30-year fixed rates were in the low 3's, significantly increasing buying power. (Remember these values are based on 2021 sales)

# Maximum Allowable Shift

The town of Randolph is unable to shift 1.75% for FY 23 because the Residential class is required by law to pay at least a minimum of their full and fair cash value share of the levy.

Due to significant increases in property values over the past couple of years, a 1.75 shift results in the residential class falling below that minimum. As a result, the maximum allowable shift for Fiscal Year 2023 is 1.74%.

The difference in the residential tax rate on a 1.74 shift versus a 1.75 shift is 2 cents. (\$12.08 vs. \$12.06) \*subject to change slightly during approval process

# FY23 Residential Shift

SHIFT	RATE	Avg SFR Bill	Difference FY 22-23
1.70	\$12.15	\$5,847	\$318
1.71	\$12.13	\$5,842	\$317
1.72	\$12.12	\$5,833	\$316
1.73	\$12.10	\$5,823	\$314
1.74	\$12.08	\$5,813	\$312

\*Average (Single Family Residential) SFR Value FY23 \$481,271

\* Single Rate would be \$13.43 Average Tax Bill \$6,463

# Single Family FY22 VS. FY23

Res Rate FY22	FY22 Avg Value	FY22 Avg Bill
\$13.60 *1.75 Shift	\$404,461	\$5,501
Res Rate FY23	FY23 Avg Value	FY23 Avg Bill
\$12.08 *1.74 Shift	\$481,271	\$5,813



# FY23 CIP Shift

(Commercial, Industrial, Personal)

SHIFT	RATE	TAX	Difference FY 22-23
1.70	\$22.83	\$17,787	\$1,381
1.71	\$22.96	\$17,889	\$1,387
1.72	\$23.09	\$17,990	\$1,393
1.73	\$23.23	\$18,099	\$1,400
1.74	\$23.36	\$18,200	\$1,419

\*Important to note that high value properties skew this number, most will not realize these increases

\* Average CIP value is \$779,126

\* Single Rate would be \$13.43 Avg Tax Bill \$10,464

# CIP FY22 VS. FY23

CIP Rate FY22	FY22 Avg Value	FY22 Avg Bill
\$26.35 *1.75 Shift	\$636,871	\$16,781
CIP Rate FY23	FY23 Avg Value	2023 Avg Bill
\$23.36 *1.74 Shift	\$779,126	\$18,200

# Fiscal Year 2023 Levy Limit

<b>FY 2022 Levy Limit</b>	<b>\$68,992,988</b>
<b>Plus 2.5%</b>	<b>+ \$1,724,825</b>
<b>Plus New Growth</b>	<b>+ \$625,855</b>
<b>FY 2023 Levy Limit</b>	<b>= \$71,343,668</b>
<b>Debt Exclusion</b>	<b>\$5,292</b>
<b>FY 2023 Maximum Allowable Levy</b>	<b>\$71,348,960</b>

# Minimum Residential Factor (MRF)

SHIFT	RES FACTOR	Res Tax Rate	CIP TAX RATE
1.70	0.9051	\$12.15	\$22.83
1.71	0.9038	\$12.13	\$22.96
1.72	0.9024	\$12.12	\$23.09
1.73	0.9010	\$12.10	\$23.23
1.74	0.8997	\$12.08	\$23.36

# History of Classification Shifts

FISCAL YEAR	SHIFT
2022	1.75
2021	1.74
2020	1.74
2019	1.74

# Comparison of Surrounding Communities

\*These are FY22 numbers, many towns do not have an FY23 tax rate set as of today

Community	FY22 Residential	Commercial	Shift	Average Single Family Value	Average Single Fam Bill
<b>Randolph</b>	<b>\$13.60</b>	<b>\$26.35</b>	<b>1.75</b>	<b>\$404,461</b>	<b>\$5,501</b>
Braintree	\$ 9.95	\$21.63	1.75	\$583,056	\$5,801
Holbrook	\$16.49	\$32.68	1.75	\$364,758	\$6,015
Stoughton	\$14.41	\$24.20	1.48	\$428,259	\$6,171
Avon	\$15.81	\$29.93	1.38	\$391,703	\$6,193
Abington	\$15.22	\$15.22	No Shift	\$454,000	\$6,910
Canton	\$11.35	\$24.18	1.60	\$657,803	\$7,466
Milton	\$12.47	\$19.12	1.50	\$824,451	\$10,281
<i>State Avg</i>	<i>\$14.38</i>	<i>\$17.53</i>	<i>N/A</i>	<i>\$467,629</i>	<i>\$6,525</i>

# Questions

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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