



Town of Avon
Tax Rate Classification
Fiscal Year 2021

Report to the
Avon Board of Selectmen
By the
Avon Board of Assessors
December 3, 2020

Purpose

- The Board of Selectmen determines the allocation of the local tax burden to be borne by the four classes of real property for Fiscal Year 2021.
- Selectmen must adopt a residential factor which is used to determine the percentage of the tax levy to apply to each class of real and personal property.
- The Board of Assessors applies these percentages to the individual property classes (M.G.L. Chapter 40, section 56).
- The Selectmen must also vote to adopt or reject an exemption for:
 - Residential properties (Residential Exemption)
 - Commercial properties (Small Commercial Exemption)
 - Open Space properties (Open Space Discount).
- The Assessors are to provide the Selectmen with all relevant information, and to discuss the fiscal effect of possible alternatives.

Total Assessed Value for Fiscal Year 2021

- The total Taxable Value for FY2021 is \$ 931,455,740. The total valuation from FY2020 to FY2021 increased by 1.07%. The breakdown by class is:

• Residential:	+2.10%
• Commercial:	+9.49%
• Industrial	+16.28%
• Personal Property	-4.47%

Total Assessed Value for Fiscal Year 2021

- Residential values are rising and the increase is from new construction, minor data changes and market demand for housing.
- Commercial Values increased over the prior year.
- Industrial Values increased, affected by sales, new construction/renovations.
- Market rents for both classes also factor in market value, they were stable/rising for calendar year 2019.
- Personal Property Values decreased slightly. This is due to limited growth in utility values and wireless telephone inventory values.

Total Assessed Value for Fiscal Year 2021

- The increase in value, mainly from the State mandated revaluation of all properties, new growth in each of the various classes, helps the FY2021 Tax Rate for all classes of property. With additional value, especially within the Residential, Commercial and Industrial Classes, this provides a natural shift that helps ease the tax burden.

Taxable Levy FY2021

● Amount to be Raised by Town Meeting Votes:	\$28,357,605
● Cherry Sheet Offsets:	\$695,336
● State and County Cherry Sheet Charges:	\$477,546
● Overlay:	***0,000**
● Total Amount to be Raised:	\$29,589,077
● Receipts:	
● Cherry Sheet Receipts:	\$3,579,993
● Local Receipts:	\$2,630,981
● Other Available Funds:	\$1,595,591
● Total Estimated Receipts:	\$7,806,565
● FY2021 Real and Personal Property Tax Levy:	\$21,782,512

Tax Rate

- ****For illustration purposes only****, the Uniform Tax Rate for the Town of Avon for FY2021 would be:
- $\$21,782,512 / \$931,455,740 = 0.02339$
- OR
- \$23.39 per thousand dollars of assessed valuation
- ****Need to complete RECAP****

Residential Factor

- State law permits the town to adopt a residential factor less than 1, which would have the effect of increasing the commercial, industrial, and personal property tax rates and decreasing the residential tax rate.
- The DOR also determines the minimum residential factor as outlined in M.G.L. Chapter 200. This year's calculation has determined the Town of Avon's minimum residential factor to be 65.0%.
- The Board of Selectmen is responsible to choose the Residential Factor the town will use each fiscal year.

Allowable Tax Shift for FY21

- The Town of Avon has traditionally chosen a factor less than one. The following shows what the factor has been for the last 10 years

FY 2020	72.7%
FY 2019	71.8%
FY 2018	72.0%
FY 2017	69.3%
FY2016	68.6%
FY2015	68.0%
FY2014	67.5%
FY2013	66.5%
FY2012	65.0%
FY2011	65.0%

Open Space Discount

- The Town of Avon at this time has no land that has been classified as open space.

Residential Exemption

- This mechanism provides for the redistribution of the tax levy among residential property owners, solely within the Residential Class (Class 1).
- Subtracting a standard dollar amount (a percentage of the average Class 1 value) from every qualifying owner-occupied residential property;
- Recalculating the class 1 tax levy based on the new total of the Class 1 taxable value. The Class 1 tax levy must remain unchanged before and after this calculation.
- The selected percentage to calculate the standard qualifying assessed value reduction can be from 0 to 20%.
- *Only sixteen cities and towns in the Commonwealth use the Residential Exemption, generally large urban areas with a high number of income producing multi-family homes or resort communities with a high number of second (seasonal) homes.*
- The Town of Avon has very few multi-family income producing properties and virtually no second (seasonal) homes. The Board of Assessors would recommend that the Residential Exemption **not** be adopted for FY2021.

Small Commercial Exemption

- A small commercial exemption of up to 10% may be granted to qualifying commercial (Class 3) properties if:
- The property is valued less than \$1,000,000
- All the businesses occupying the property have 10 or fewer employees on average, in the last calendar year, as certified by the Commissioner of Employment & Training;
- The building is fully occupied (no vacancies).
- Any savings from this exemption are available only to commercial properties and the cost would be borne within the commercial (Class 3) and Industrial (Class 4)
- There are only fourteen communities granting the commercial exemption.

Small Commercial Exemption

- Currently of the qualifying commercial properties in Avon
- 15 have filed an application for the exemption for FY2021.
- Using the maximum of 10% the potential total exemption amount for those properties would be \$409,400 in value.
- After the reduction in value to those properties the commercial and industrial tax rate would increase roughly three cents over the personal property rate which is not affected.
- The Town of Avon has been granting this exemption for many years. The Board of Assessors would recommend that the town continues to grant this exemption.

Final Statement of the Board of Assessors

- The Board of Assessors is only responsible to give the Board of Selectmen the information they need to make an informed choice.
- The Board of Assessors recommends a factor of 1.37%.
- By choosing this factor, the tax rate for each class decreases by \$1.30 for Residential and \$1.35 for Commercial and Industrial.
- THANK YOU!... ANY QUESTIONS?

MassDOR - Massachusetts Department of Revenue

Division of Local Services

What If ... Scenario Worksheet for FY 2021

Avon - 018

CLASSIFICATION OPTIONS

CLASS	VALUE	%	
Residential	515,507,905	55.3443	R & O %
Open Space	0	0.0000	55.3443
Commercial	140,345,795	15.0674	
Industrial	221,456,500	23.7753	C I P %
Personal Property	54,145,540	5.8130	44.6557
Total	931,455,740	100.0000	

RESIDENTIAL EXEMPTION

# of Eligible Parcels	0.000000
Res Parcel Count	0
Res Exemption %	0.0000
Total Res Value Net of Exemption	515,507,905

SMALL COMMERCIAL EXEMPTION

# of Eligible Parcels	15
Total Value of Eligible Parcels	4,094,000
Comm Exemption %	10.0000
Total C & I Value Net of Exemption	361,392,895

ENTER A LEVY (ESTIMATED IF N

Levy	21,782,508
Single TaxRate	23.39

ENTER CIP SHIFT RANGE

Shift Range	1.00	1.43
Shift Increment %		1.00
Max Shift Allowed		1.43

Note: This table should be used for planning purposes only. Actual calculations may differ slightly due to rounding. For actual calculations, complete Recap.

CIP Shift	Res Factor	Res SP	Comm SP	Ind SP	Share Percentages				Levy Amounts				Estimated Tax Rates			
					PP SP	Total SP	Res LA	Comm LA	Ind LA	PP LA	Total LA	Res ET	Comm ET	Ind ET	PP ET	
1.0000	1.0000	55.3443	15.0674	23.7753	5.8130	100.0000	12,055,377	3,282,058	5,178,857	1,266,217	21,782,508	23.39	23.41	23.41	23.39	
1.0100	0.9919	54.8977	15.2181	24.0131	5.8711	100.0000	11,958,105	3,314,878	5,230,645	1,278,879	21,782,508	23.20	23.65	23.65	23.62	
1.0200	0.9839	54.4512	15.3687	24.2508	5.9293	100.0000	11,860,834	3,347,699	5,282,434	1,291,542	21,782,508	23.01	23.88	23.88	23.85	
1.0300	0.9758	54.0046	15.5194	24.4886	5.9874	100.0000	11,763,563	3,380,519	5,334,222	1,304,204	21,782,508	22.82	24.11	24.11	24.09	
1.0400	0.9677	53.5581	15.6701	24.7263	6.0455	100.0000	11,666,292	3,413,340	5,386,011	1,316,866	21,782,508	22.63	24.35	24.35	24.32	
1.0500	0.9597	53.1115	15.8208	24.9641	6.1037	100.0000	11,569,021	3,446,160	5,437,799	1,329,528	21,782,509	22.44	24.58	24.58	24.55	
1.0600	0.9516	52.6650	15.9714	25.2018	6.1618	100.0000	11,471,749	3,478,981	5,489,588	1,342,190	21,782,509	22.25	24.82	24.82	24.79	
1.0700	0.9435	52.2184	16.1221	25.4396	6.2199	100.0000	11,374,478	3,511,802	5,541,377	1,354,852	21,782,509	22.06	25.05	25.05	25.02	
1.0800	0.9355	51.7718	16.2728	25.6773	6.2780	100.0000	11,277,207	3,544,622	5,593,165	1,367,515	21,782,509	21.88	25.28	25.28	25.26	
1.0900	0.9274	51.3253	16.4235	25.9151	6.3362	100.0000	11,179,936	3,577,443	5,644,954	1,380,177	21,782,509	21.69	25.52	25.52	25.49	
1.1000	0.9193	50.8787	16.5741	26.1528	6.3943	100.0000	11,082,664	3,610,263	5,696,742	1,392,839	21,782,509	21.50	25.75	25.75	25.72	
1.1100	0.9112	50.4322	16.7248	26.3906	6.4524	100.0000	10,985,393	3,643,084	5,748,531	1,405,501	21,782,509	21.31	25.99	25.99	25.96	
1.1200	0.9032	49.9856	16.8755	26.6283	6.5106	100.0000	10,888,122	3,675,905	5,800,319	1,418,163	21,782,509	21.12	26.22	26.22	26.19	
1.1300	0.8951	49.5391	17.0262	26.8661	6.5687	100.0000	10,790,851	3,708,725	5,852,108	1,430,825	21,782,509	20.93	26.46	26.46	26.43	
1.1400	0.8870	49.0925	17.1768	27.1038	6.6268	100.0000	10,693,580	3,741,546	5,903,897	1,443,488	21,782,509	20.74	26.69	26.69	26.66	
1.1500	0.8790	48.6460	17.3275	27.3416	6.6850	100.0000	10,596,308	3,774,366	5,955,685	1,456,150	21,782,510	20.56	26.92	26.92	26.89	
1.1600	0.8709	48.1994	17.4782	27.5793	6.7431	100.0000	10,499,037	3,807,187	6,007,474	1,468,812	21,782,510	20.37	27.16	27.16	27.13	
1.1700	0.8628	47.7528	17.6289	27.8171	6.8012	100.0000	10,401,766	3,840,007	6,059,262	1,481,474	21,782,510	20.18	27.39	27.39	27.36	
1.1800	0.8548	47.3063	17.7795	28.0549	6.8593	100.0000	10,304,495	3,872,828	6,111,051	1,494,136	21,782,510	19.99	27.63	27.63	27.59	
1.1900	0.8467	46.8597	17.9302	28.2926	6.9175	100.0000	10,207,224	3,905,649	6,162,839	1,506,798	21,782,510	19.80	27.86	27.86	27.83	
1.2000	0.8386	46.4132	18.0809	28.5304	6.9756	100.0000	10,109,952	3,938,469	6,214,628	1,519,461	21,782,510	19.61	28.09	28.09	28.06	
1.2100	0.8306	45.9666	18.2316	28.7681	7.0337	100.0000	10,012,681	3,971,290	6,266,417	1,532,123	21,782,510	19.42	28.33	28.33	28.30	
1.2200	0.8225	45.5201	18.3822	29.0059	7.0919	100.0000	9,915,410	4,004,110	6,318,205	1,544,785	21,782,510	19.23	28.56	28.56	28.53	
1.2300	0.8144	45.0735	18.5329	29.2436	7.1500	100.0000	9,818,139	4,036,931	6,369,994	1,557,447	21,782,510	19.05	28.80	28.80	28.76	
1.2400	0.8064	44.6269	18.6836	29.4814	7.2081	100.0000	9,720,868	4,069,751	6,421,782	1,570,109	21,782,510	18.86	29.03	29.03	29.00	
1.2500	0.7983	44.1804	18.8343	29.7191	7.2663	100.0000	9,623,596	4,102,572	6,473,571	1,582,771	21,782,511	18.67	29.26	29.26	29.23	
1.2600	0.7902	43.7338	18.9849	29.9569	7.3244	100.0000	9,526,325	4,135,393	6,525,359	1,595,434	21,782,511	18.48	29.50	29.50	29.47	
1.2700	0.7821	43.2873	19.1356	30.1946	7.3825	100.0000	9,429,054	4,168,213	6,577,148	1,608,096	21,782,511	18.29	29.73	29.73	29.70	
1.2800	0.7741	42.8407	19.2863	30.4324	7.4406	100.0000	9,331,783	4,201,034	6,628,936	1,620,758	21,782,511	18.10	29.97	29.97	29.93	
1.2900	0.7660	42.3942	19.4369	30.6701	7.4988	100.0000	9,234,511	4,233,854	6,680,725	1,633,420	21,782,511	17.91	30.20	30.20	30.17	
1.3000	0.7579	41.9476	19.5876	30.9079	7.5569	100.0000	9,137,240	4,266,675	6,732,514	1,646,082	21,782,511	17.72	30.44	30.44	30.40	
1.3100	0.7499	41.5010	19.7383	31.1456	7.6150	100.0000	9,039,969	4,299,495	6,784,302	1,658,745	21,782,511	17.54	30.67	30.67	30.63	
1.3200	0.7418	41.0545	19.8890	31.3834	7.6732	100.0000	8,942,698	4,332,316	6,836,091	1,671,407	21,782,511	17.35	30.90	30.90	30.87	
1.3300	0.7337	40.6079	20.0396	31.6211	7.7313	100.0000	8,845,427	4,365,137	6,887,879	1,684,069	21,782,511	17.16	31.14	31.14	31.10	
1.3400	0.7257	40.1614	20.1903	31.8589	7.7894	100.0000	8,748,155	4,397,957	6,939,668	1,696,731	21,782,512	16.97	31.37	31.37	31.34	
1.3500	0.7176	39.7148	20.3410	32.0967	7.8476	100.0000	8,650,884	4,430,778	6,991,456	1,709,393	21,782,512	16.78	31.61	31.61	31.57	
1.3600	0.7095	39.2683	20.4917	32.3344	7.9057	100.0000	8,553,613	4,463,598	7,043,245	1,722,055	21,782,512	16.59	31.84	31.84	31.80	
LAST YEAR 1.37	0.7015	38.8217	20.6423	32.5722	7.9638	100.0000	8,456,342	4,496,419	7,095,034	1,734,718	21,782,512	16.40	32.07	32.07	32.04	
1.3800	0.6934	38.3752	20.7930	32.8099	8.0219	100.0000	8,359,071	4,529,240	7,146,822	1,747,380	21,782,512	16.22	32.31	32.31	32.27	
1.3900	0.6853	37.9286	20.9437	33.0477	8.0801	100.0000	8,261,799	4,562,060	7,198,611	1,760,042	21,782,512	16.03	32.54	32.54	32.51	
1.4000	0.6773	37.4820	21.0944	33.2854	8.1382	100.0000	8,164,528	4,594,881	7,250,399	1,772,704	21,782,512	15.84	32.78	32.78	32.74	
1.4100	0.6692	37.0355	21.2450	33.5232	8.1963	100.0000	8,067,257	4,627,701	7,302,188	1,785,366	21,782,512	15.65	33.01	33.01	32.97	
1.4200	0.6611	36.5889	21.3957	33.7609	8.2545	100.0000	7,969,986	4,660,522	7,353,976	1,798,028	21,782,512	15.46	33.24	33.24	33.21	
1.4300	0.6530	36.1424	21.5464	33.9987	8.3126	100.0000	7,872,715	4,693,342	7,405,765	1,810,691	21,782,512	15.27	33.48	33.48	33.44	

EXAMPLES AT VARIOUS FACTORS

PROPERTY TYPE	VALUE	FY 20	FY 21 (1.37)	DIFFERENCE	FY 21 (1.36)	DIFFERENCE	FY 21 (1.35)	DIFFERENCE
Residential	\$ 338,711.00	\$ 5,853.87	\$ 5,554.85	\$ (299.02)	\$ 5,619.22	\$ (234.65)	\$ 5,683.57	\$ (170.30)
Commercial	\$ 1,515,813.00	\$ 50,658.47	\$ 48,612.12	\$ (2,046.35)	\$ 48,263.49	\$ (2,394.98)	\$ 47,914.85	\$ (2,743.62)
Industrial	\$ 1,895,719.00	\$ 63,354.93	\$ 60,795.71	\$ (2,559.22)	\$ 60,359.69	\$ (2,995.24)	\$ 59,923.68	\$ (3,431.25)