

# Dedham and Norfolk County Communities Property Taxes: FY 2017 - 2022

Kevin Doyle & Mike Butler

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*All data are from MA DOR Division of Local Services  
On-line Municipal Databank. There are 28  
communities in Norfolk County. Brookline has a  
residential property tax exemption so MA DOR does  
not calculate every metric for that town.*

# Agenda

General Overview on Assessment Values and Procedures and how they relate to the Tax Bills. Please keep in mind this is a discussion on the Overall Process and will NOT be discussing or answering questions to specific properties or tax bills. If you have any questions on your individual property or tax bill, please contact the Assessor's Office at (781) 751-9130 to make an appointment.

- Property Tax Bills
  - Tax Rate Setting
    - Classification
- Historical Tax Rates
  - Current Tax Rates
  - Assessment Values
- Historical Tax Bill Info
  - Historical Levy
- Dedham vs Norfolk County

# Property Tax Bills

- The Town of Dedham operates on a fiscal year that starts on July 1<sup>st</sup> and ends on June 30<sup>th</sup> every year and utilizes a quarterly tax billing system which means we mail tax bills four times per year;
  - 1st Quarter: July 1<sup>st</sup> (Pre-liminary Tax Bill)
  - 2nd Quarter: October 1<sup>st</sup> (Pre-liminary Tax Bill)
  - 3rd Quarter: January 1<sup>st</sup> (Actual Tax Bill)
  - 4th Quarter: April 1<sup>st</sup> (Actual Tax Bill)
- The first two quarters are Pre-liminary Tax Bills, which are estimates based on the prior year's adjusted net tax on the property plus the 2.5 percent tax increase allowed under Prop 2 ½.
- The last two quarters are Actual Tax Bills, which will have the new valuation set by the Assessors and approved by the Department of Revenue as well as the new tax rate approved by the Select Board.

# Tax Bills

- Your actual tax is calculated by taking the new assessment valuation per thousand multiplied by the new tax rate.
- Example: FY22 Avg SFR =  $\$597,742 / \$1,000 \times \$13.35 = \$7,979.86$
- The actual tax due is the balance after the 1<sup>st</sup> and 2<sup>nd</sup> pre-liminary tax installments are credited against the total tax due, which is split equally in two installments, known as the 3<sup>rd</sup> and 4<sup>th</sup> quarter tax bill.

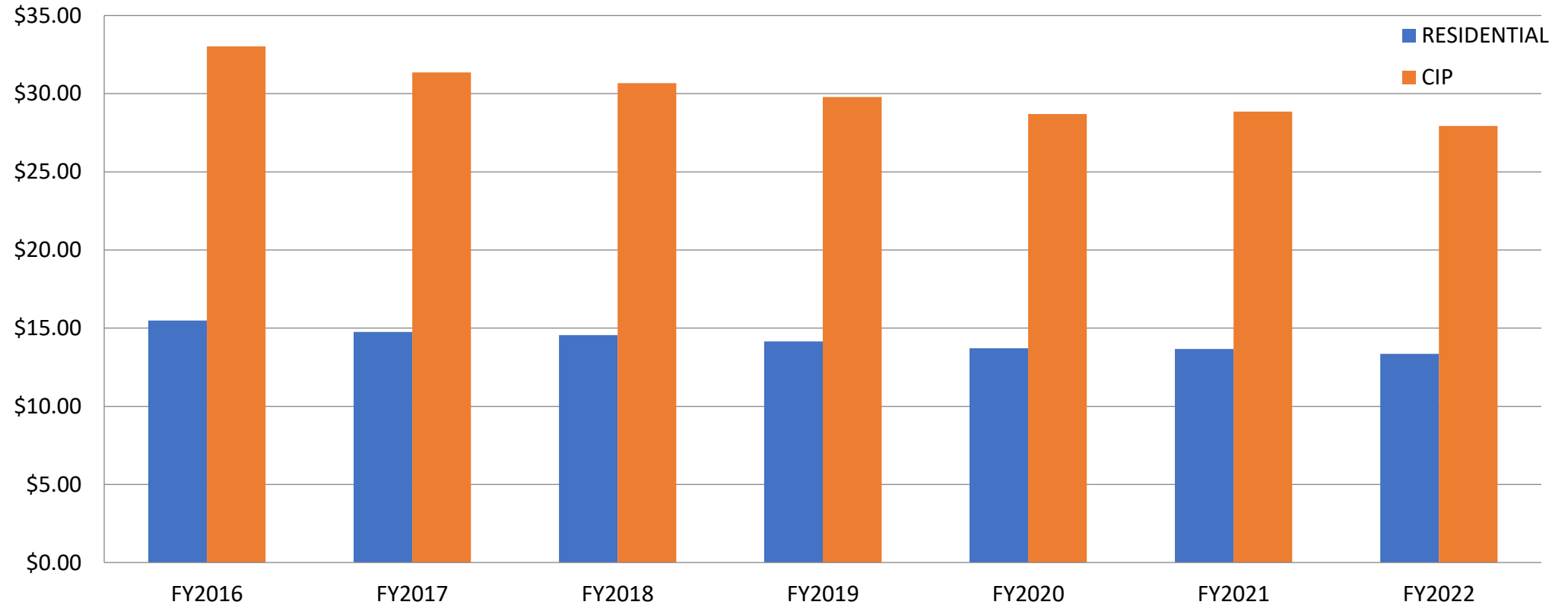
# Tax Rate Setting

- Once all property values have been approved by the Department of Revenue, the Board of Assessors meet with the Select Board typically at the end of November/beginning of December, for the purpose of classifying all real and personal property within the limits of the Town of Dedham.
- During this meeting, known as the Classification Hearing, the Board of Assessor's will make two recommendations to the Select Board, which the Select Board will then vote on;
  - 1. Does the Select Board want to continue classification?
  - 2. If classification continues, what shift does the Board wish to use?
- Based on these votes a tax rate is created for the Fiscal Year.

# Classification Hearing

- Classification – Municipalities have the option of taxing the various classes of property differently;
  - 1. Residential
  - 2. Commercial, Industrial, Personal Property (CIP)
- The use of classification creates a tax shift.
- Massachusetts communities may shift some of the residential burden onto the CIP properties by adopting a residential factor which creates a split tax rate.
- Dedham has historically had a split tax rate

# Residential & CIP Historical Tax Rates



	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
RESIDENTIAL	\$15.49	\$14.76	\$14.55	\$14.15	\$13.72	\$13.67	\$13.35
CIP	\$33.02	\$31.36	\$30.68	\$29.79	\$28.70	\$28.86	\$27.93

# Valuation Process

- Fiscal Year 2022 Assessment Values are how the properties exist as of January 1<sup>st</sup> 2021.
- Residential Values are based on sales activity during the Calendar Year 2020.
- Residential Properties are broken down and assessed by different characteristics of the home when comparing and utilizing the sales data (i.e. Type, Style, Square Footage, Neighborhood, Location, Amenities)
- CIP Values (Commercial, Industrial, Personal) are derived based on market data such as income and expenses and data sheets from Calendar Year 2020. The Assessor's Office mails out 38D Forms (Income & Expense) each year as well as Forms of List (Inventory) to derive market data.



# FY 2022 Tax Rates vs FY2021 Tax Rates

Residential Tax Rate: \$13.35

Residential Tax Rate: \$13.67

Commercial Tax Rate: \$27.93

Commercial Tax Rate: \$28.86

- While there was a decrease in the tax rates, most residents still saw an increase in their overall tax bills due to the significant increase in residential property values.
- Due to the pandemic, the residential values increased at a much higher rate than overall commercial values which caused an increase of 1.2 percent in the residential share when looking at the overall share of property taxes (residential share increased from 67.5% to 68.7%).

# Assessment Values

- All properties in Dedham have new assessment values every year and are set by the Assessors and approved by the Department of Revenue and are made available to the public every January 1<sup>st</sup> and are also printed on the 3<sup>rd</sup> Quarter Tax Bill.
- The Assessment Value of the average single family home in Dedham increased from \$550,083 last year to \$597,742 this year, an increase in value of 8.66%.
- The average single family home tax bill increased \$460 from \$7,520 last year to \$7,980 this year, an increase of 6.12%.

# Historical Info for the Town of Dedham

## Average Single Family Tax Bill

Fiscal Year	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Average SFH	\$597,742	\$550,083	\$540,688	\$499,901	\$473,826
Tax Rate	\$13.35	\$13.67	\$13.72	\$14.15	\$14.55
Average Tax Bill	\$7,979.86	\$7,519.63	\$7,418.24	\$7,073.60	\$6,894.17
Average Increase (\$)	\$460.23	\$101.39	\$344.64	\$179.43	\$272.79
Average Increase (%)	6.12%	1.37%	4.87%	2.60%	4.12%

# Historical Levy Raised for the Town of Dedham

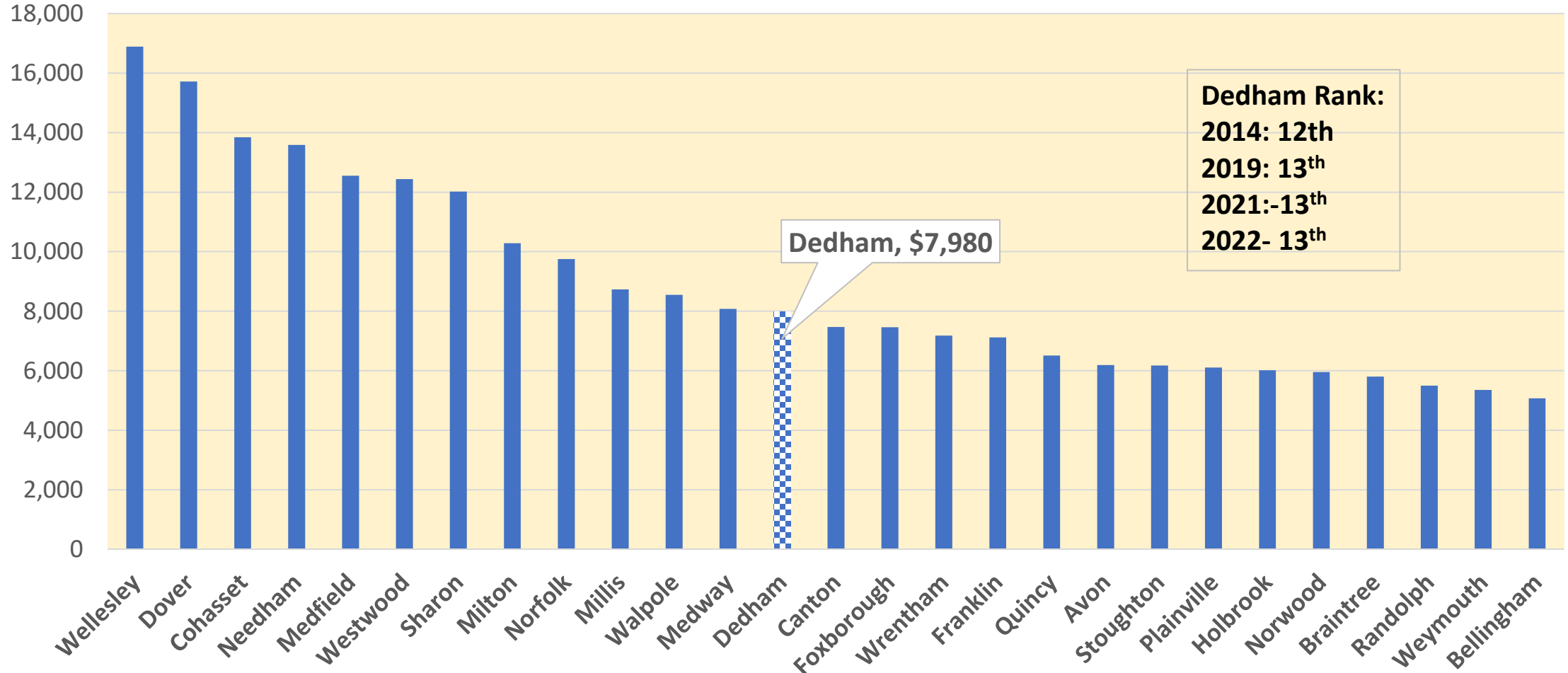
Fiscal Year	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Total Levy	\$97,124,922	\$93,340,826	\$89,836,926	\$86,602,476	\$84,516,081
Debt Exclusion	\$2,368,873	\$2,447,975	\$2,525,746	\$2,720,355	\$2,791,493
Total Tax Raise	\$99,493,795	\$95,788,801	\$92,362,672	\$89,322,861	\$87,307,574
Increase (\$)	\$3,704,994	\$3,426,129	\$3,039,811	\$2,015,287	\$2,330,387
Increase (%)	3.87%	3.71%	3.40%	2.31%	2.74%

# Property Tax Bill Information

How does the Town of Dedham compare against the other Communities within Norfolk County?

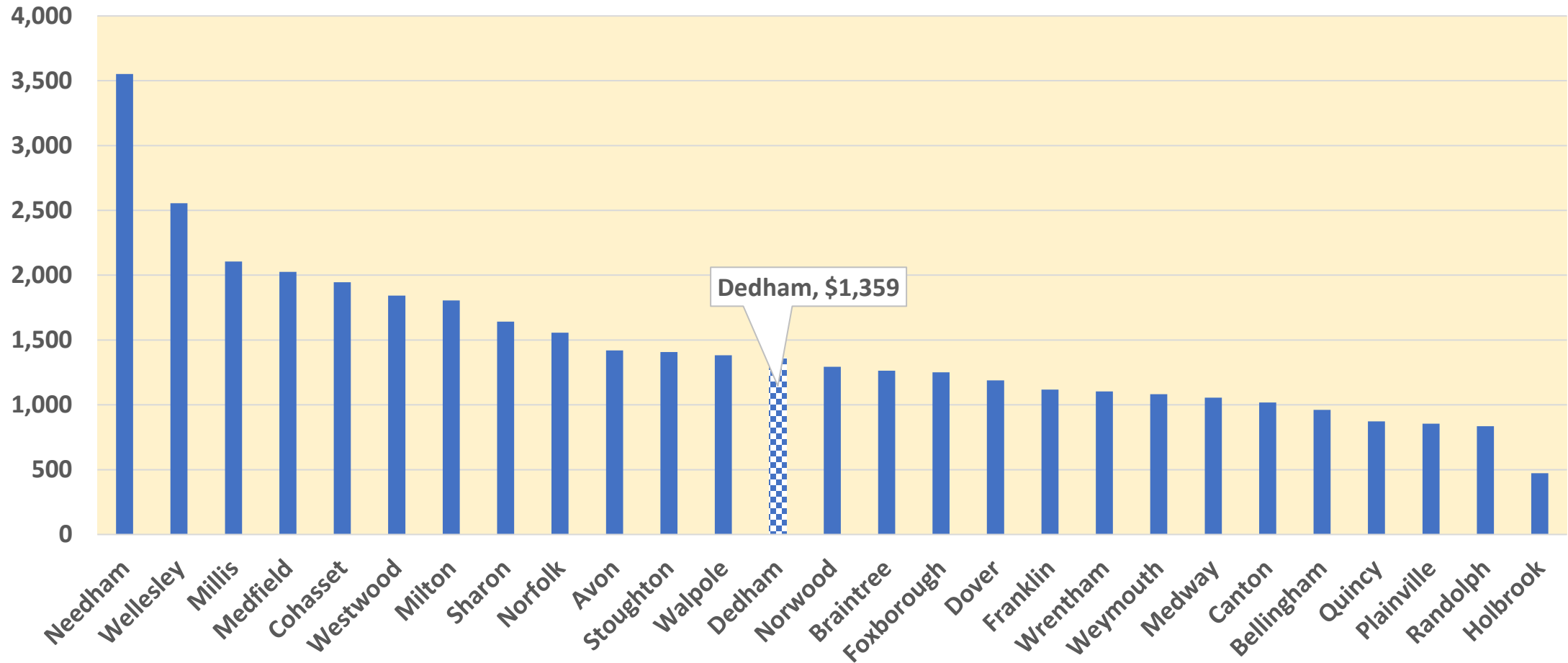
# Average Single Family Property Tax Bill – 2022

*Dedham is in the middle*



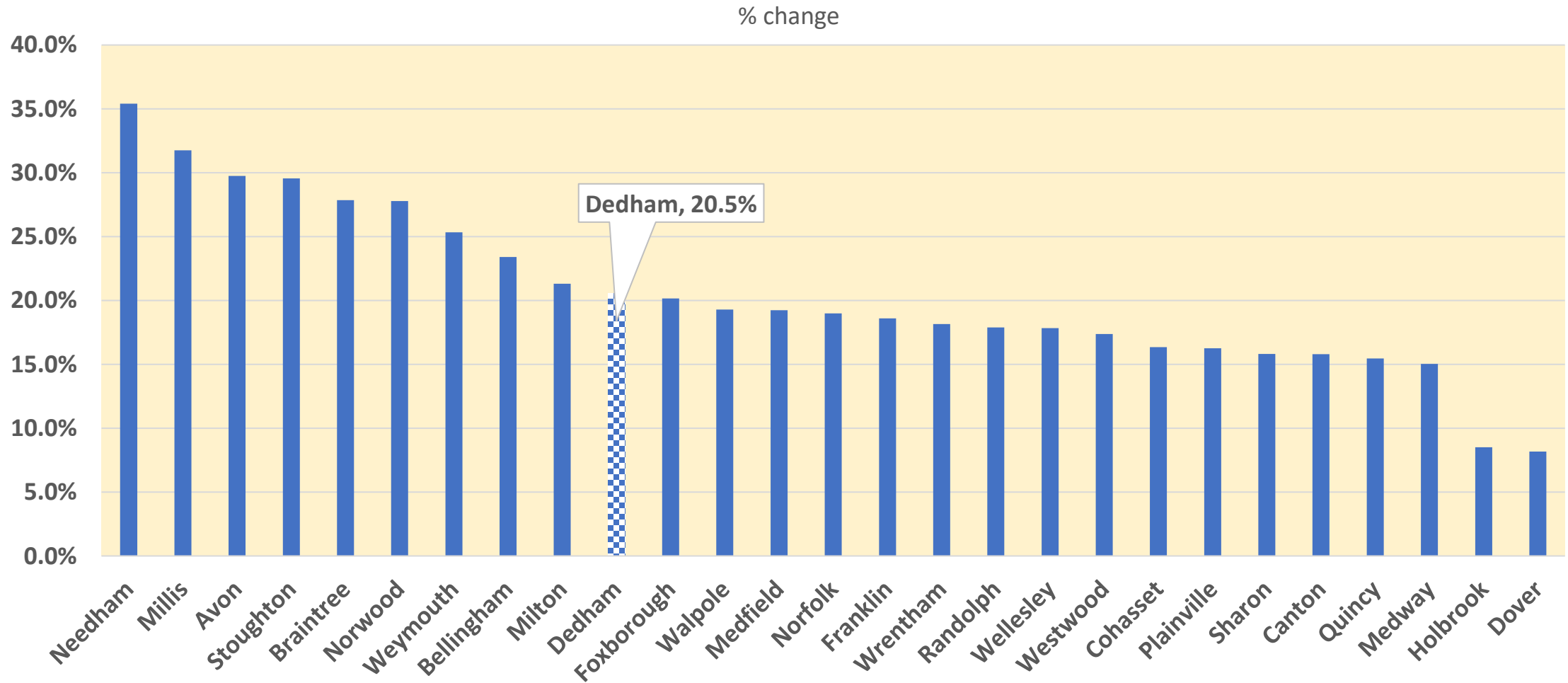
# \$ Change in Average Residential Tax Bill: 2017-2022

Dedham's increase was 13<sup>th</sup> highest/15<sup>th</sup> lowest



# % Change in Average Residential Tax Bill: 2017-2022

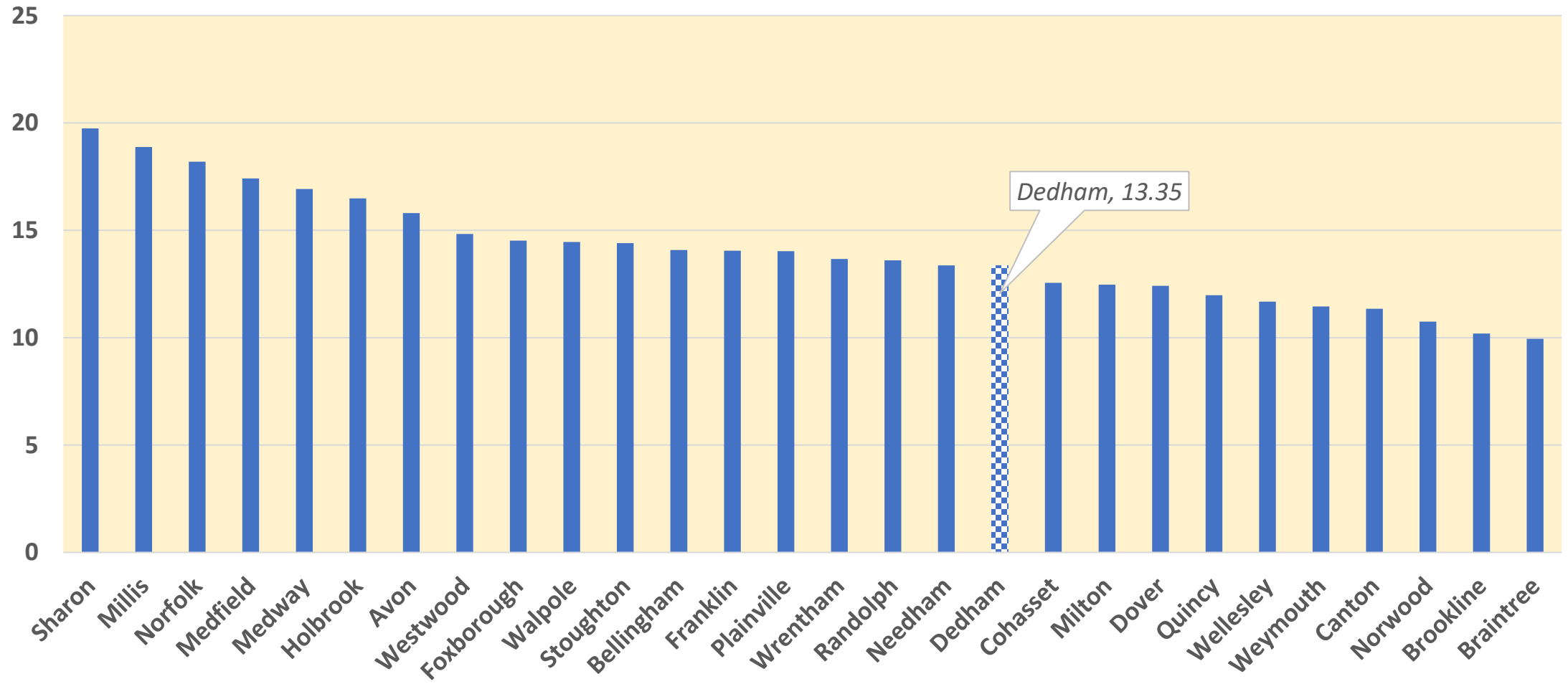
*Dedham's increase was tenth highest*





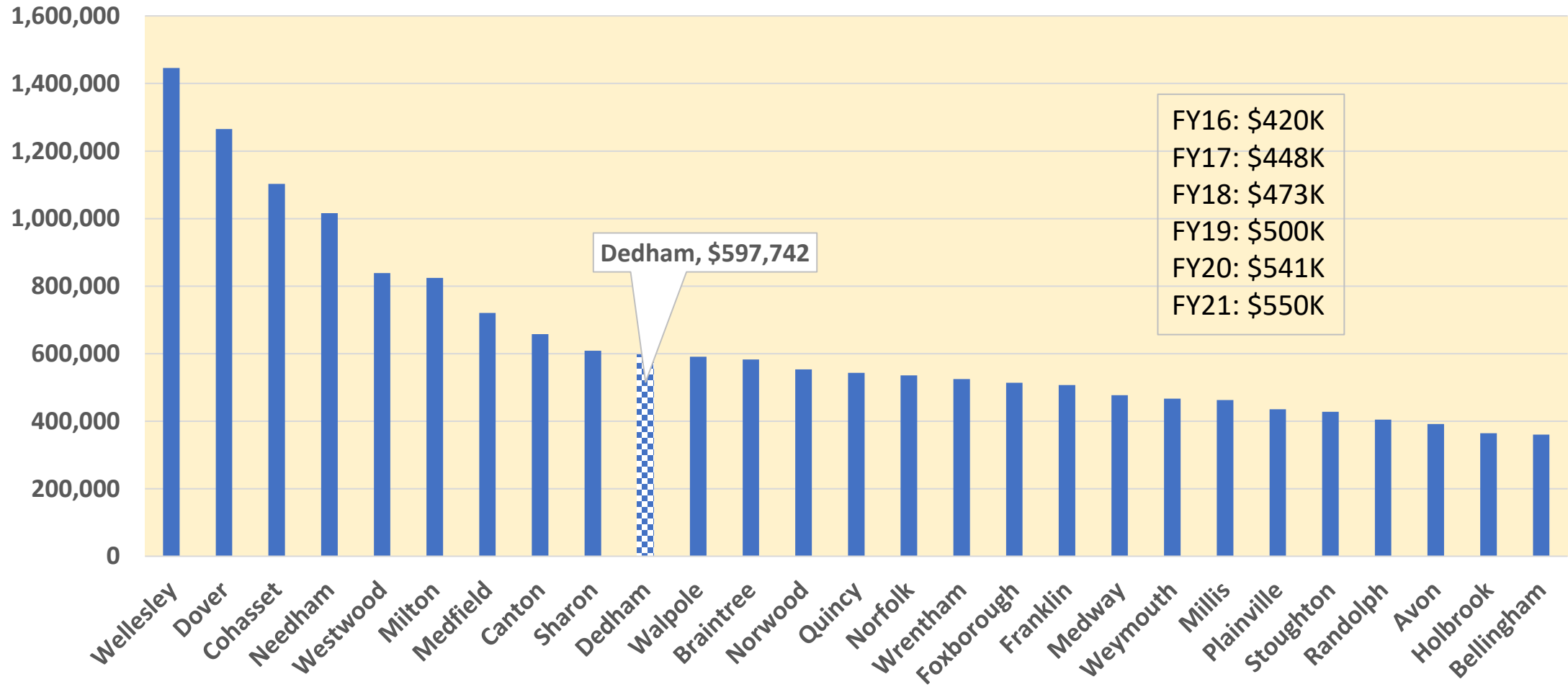
# Residential Tax Rate - FY 2022

*per \$1,000 of assessed value*

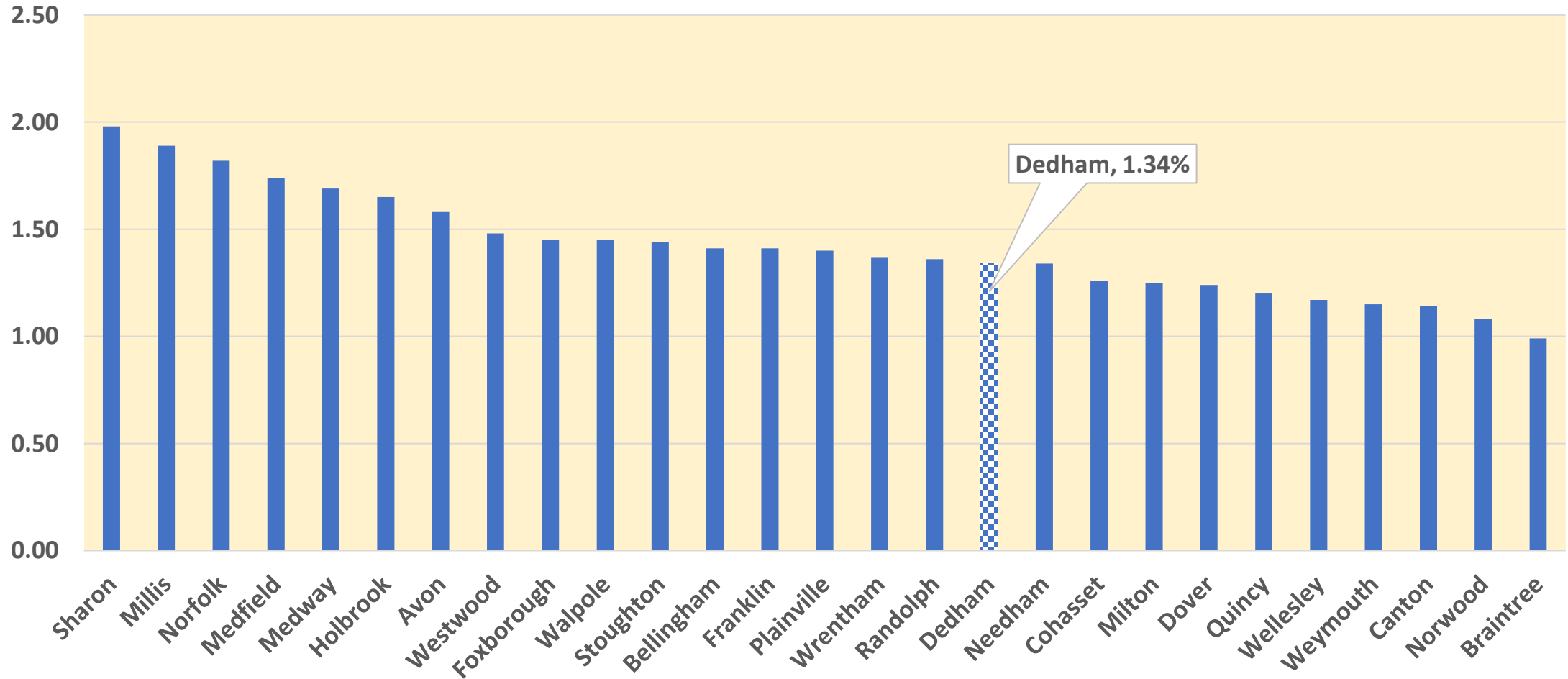


# Average Assessed Value – Single Family Home 2022

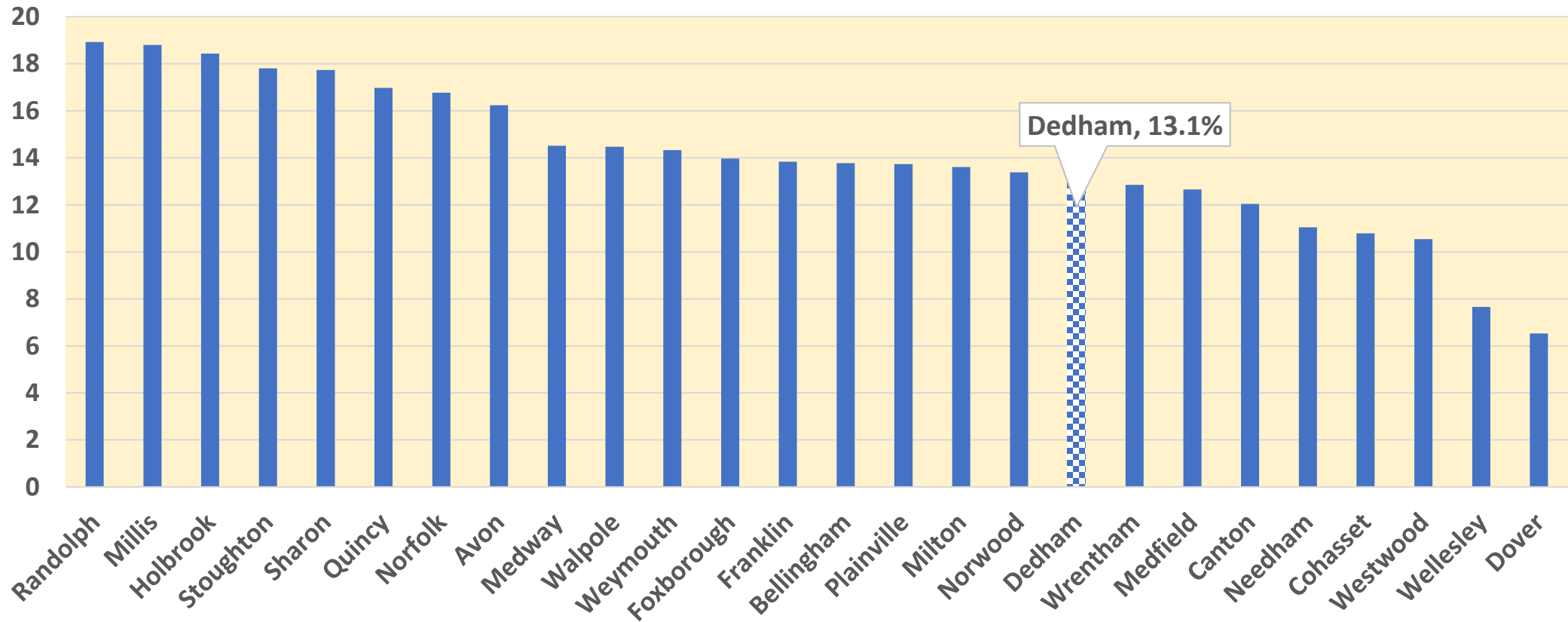
*Dedham is the 10<sup>th</sup> highest in Assessment Values*



# Single Family Tax Bill as a % of Assessed Value 2022

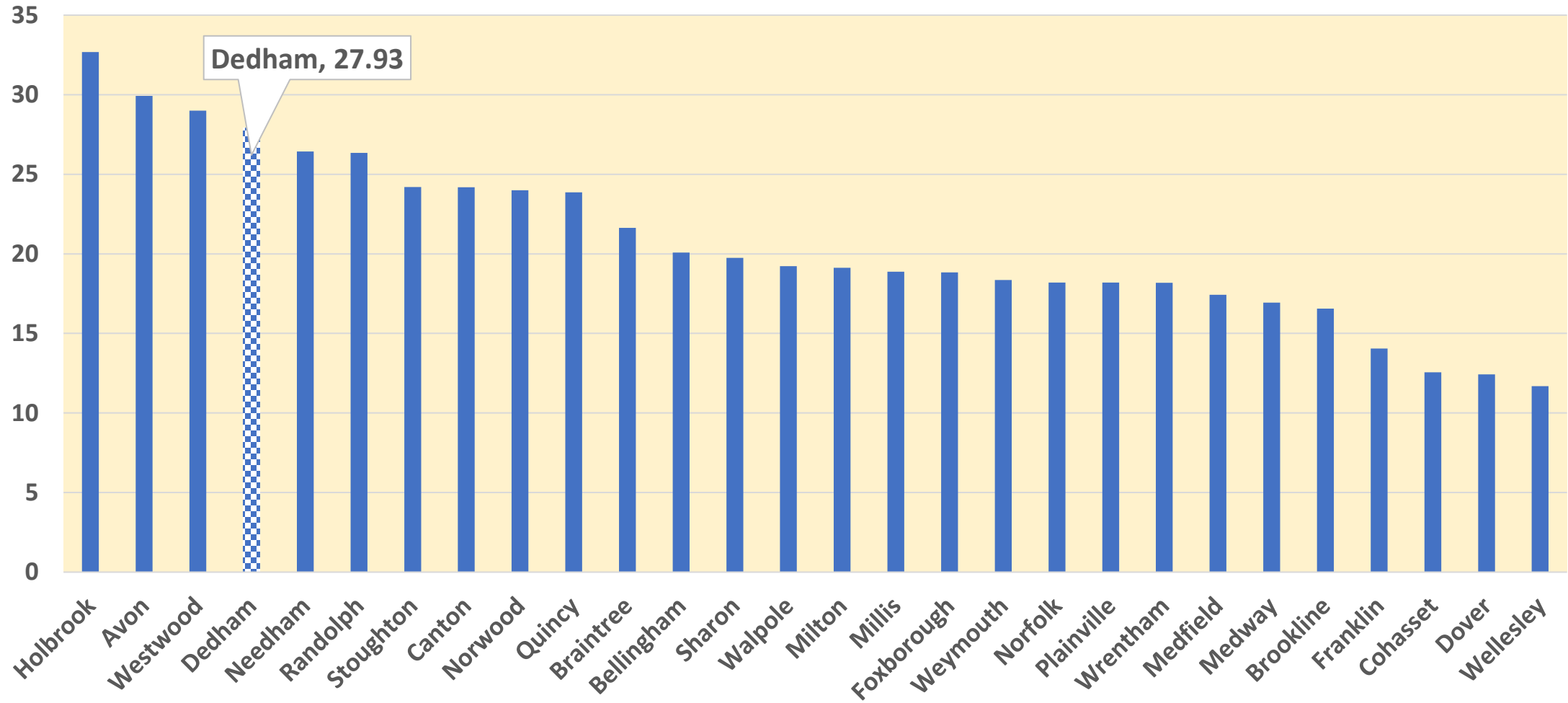


# Average Tax Bill as a % of Income per Capita 2022



# Commercial Tax Rate - FY 2022

*per \$1,000 of assessed value*



# Share of Tax Levy - \$: Small changes in relative property value may cause large swings in amount paid by a class

Year	Increase in Tax Levy vs Previous Year	Share Pd by Residential	Share paid by CIP	Excess Levy Capacity*
2011	5,269,139	2,114,155	3,154,984	11,057
2012	3,129,311	1,896,814	1,232,497	29,160
2013	3,154,571	1,517,872	1,636,699	21,948
2014	2,237,413	2,191,319	46,094	479,008
2015	397,405	1,172,700	-775,295	2,804,578
2016	1,242,721	1,168,545	74,177	4,200,366
2017	596,577	743,478	-146,902	6,854,270
2018	2,426,828	2,404,559	22,269	7,695,289
2019	2,065,265	1,595,512	469,752	9,118,142
2020	3,234,450	2,954,710	279,740	9,220,096
2021	3,516,663	1,283,585	2,233,078	9,265,736
2022	3,744,785	3,694,036	50,749	9,280,690

Note: A \$1,000,000 increase in the tax levy raises the residential tax rate by fourteen cents (\$0.14) and increases the CIP rate by twenty-nine cents (\$0.29). \$9.2mil in excess levy capacity translates to roughly \$1.30 potential increase to the residential tax rate (\$780 increase to the average single family tax bill).

*\*When a community sets its **levy** below the limit, the difference between the **levy** and the **levy** limit is commonly referred to as **excess levy capacity**. This is an additional amount the community could, but chose not to, **levy**.*

# Share of Tax Levy - \$: Small changes in relative property value may cause large swings in amount paid by a class (continued)

Year	Increase in Tax Levy vs Previous Year	Share Pd by Residential	Share paid by CIP	Excess Levy Capacity*
2011	5,269,139	2,114,155	3,154,984	11,057
2012	3,129,311	1,896,814	1,232,497	29,160
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2022	3,744,785	3,694,036	50,749	9,280,690

In the 10 years from 2013 to 2022 total levy increased \$22.6MM. Residential share was \$18.7MM, or 83%. If this trend continues, what are the implications if the next decade is similar to the past decade?

*\*When a community sets its **levy** below the limit, the difference between the **levy** and the **levy** limit is commonly referred to as **excess levy capacity**. This is an additional amount the community could, but chose not to, **levy**.*

# Excess Levy Capacity for FY2022

Municipality	Excess Levy Capacity	Municipality	Excess Levy Capacity
Quincy	41,182,876	Franklin	54,270
Dedham	9,280,690	Norfolk	37,961
Dover	3,299,149	Cohasset	33,974
Sharon	3,281,010	Medfield	28,580
Holbrook	2,828,557	Foxborough	25,610
Avon	2,591,890	Braintree	21,566
Canton	1,727,856	Milton	18,425
Medway	1,606,745	Stoughton	12,020
Westwood	1,173,184	Wellesley	11,264
Needham	603,818	Millis	10,247
Randolph	427,642	Walpole	6,230
Norwood	382,532	Plainville	6,201
Bellingham	216,777	Wrentham	5,026
Weymouth	76,844	Brookline	461



# Summary

- As you can see the Town of Dedham has been working diligently to keep the average single family tax bills as low as possible and within the middle range in comparison to other communities.
- It's important to note, not only where we compare against other communities within the County, but to note, that we have maintained the same high level of services, which are comparable, and in many cases better, than the services provided in some of these other communities.
- In closing, I'd like to point out that we have also managed to complete several high expense Capital Improvement Projects, such as improvements to Dedham Square, several new schools like the Middle School, Avery, the new ECEC, the new Town Hall and Senior Center, maintain and improve the sewers and roads in town, as well as many field projects like Gonzales Field and turf field at the High School, currently in the process of building a new Public Safety Building, all while keeping AAA Financial Bond rating, which allows the town to borrow money at the lowest rates available to complete projects like the ones mentioned as economically feasible as possible...all while having over \$9.2million in unused levy capacity, the 2<sup>nd</sup> most in all of Norfolk County.

# Appendix

# Share of Tax Levy - %: Small changes in relative property value may cause large swings in amount paid by a class

Year	Increase in Tax Levy v Previous Year	Share Pd by Residential	Share paid by CIP
2011	5,269,139	40%	60%
2012	3,129,311	61%	39%
2013	3,154,571	48%	52%
2014	2,237,413	98%	2%
2015	397,405	295%	-195%
2016	1,242,721	94%	6%
2017	596,577	125%	-25%
2018	2,426,828	99%	1%
2019	2,065,265	77%	23%
2020	3,234,450	91%	9%
2021	3,516,663	37%	63%
2022	3,744,785	98.6%	1.4%