CITY OF BROCKTON

CITY COUNCIL

FISCAL YEAR 2027

TAX CLASSIFICATION HEARING

November 23, 2026

Presented by: The Board of Assessors

QUICK REFRENCES

Average Single-Family Tax Contiguous Communities **p.10**

FY2027 New Growth ..... **p. 16-18**

Percent Changes by Class ..... **P. 19**

Shift Factor & What If Scenarios ..... **p. 21-23**

Decision to be made under Classification

1. **RESIDENTIAL FACTOR** REQUIRED TO CHOOSE

A policy decision is needed to determine the percentage of the tax levy which the Residential, Open Space, Commercial, Industrial and Personal Property classes will bare. A Minimum Residential Factor, Open Space, Commercial, Industrial and Personal Property to as much as 175% of what they would pay at the 100% valuation of properties.

2. **RESIDENTIAL EXEMPTION** OPTIONAL (YES OR NO)

A policy decision is needed concerning the allowance of up to a 35% residential exemption. The maximum exemption which may be applied to each principle residence is 35% of the average assessed value of the residential class. Adopting a residential exemption increases the residential rate. The amount of the tax levy paid by the class remains the same, but because of the exempted valuation, it is distributed over less assessed homes. **Brockton has not adopted this previously. This option is typically adopted by resort communities with seasonal rentals, or large cities with many non-owner-occupied properties i.e. apartments and second homes. Previously it has been chosen by 15 out of 351 communities, such as Boston, Brookline, Watertown, Cambridge, Somerville, Everett, Nantucket, Tisbury, Barnstable, Provincetown, Wellfleet, etc.**

3. **SMALL COMMERCIAL EXEMPTION** OPTIONAL (YES OR NO)

A policy decision is needed regarding the small commercial exemption. A small commercial business exemption is an option that can reduce commercial valuation by up to 10 %. However, adopting a small commercial exemption increases the commercial and industrial tax rates. **Brockton has not adopted this previously. This has been previously adopted by 10 out of 351 communities.**

What is the purpose of this hearing?

The purpose of this hearing is to establish the proportion of the tax levy raised by the residential and commercial class of property. This hearing is required under Massachusetts General Laws, Chapter 40, Section 56

What is the Assessor's role in the budget process?

The Assessors' play only a limited role in determining the amount of taxes raised each year, by establishing the amount needed to be reserved for abatements and exemptions in the overlay. In the spring the Mayor presents the City Budget to the City Council, which then conducts budget hearings and approves or reduces recommended appropriations. These decisions determined if the property tax collected for fiscal year 2027 would be higher or lower than the property tax collected for fiscal year 2026.

The Assessors also determine the amount of new growth in property taxation each year. This is done by inspecting all new construction projects and inspecting existing properties with renovations to determine the increase in property value due to the construction and/or renovations. The new growth values proposed are approved by the Massachusetts Commissioner of Revenue.

The Assessors determine the value, based on use, of all taxable property in the City. These assessed values represent the value of the property as of January 1, 2026 for fiscal year 2027. These assessed values determine the proportion of the tax levy that each property owner will pay, if all properties were taxed at a single, uniform rate. The City Council will ultimately determine if instead, whether a proportion of the total levy will be shifted (or not) from residential property owners to commercial, industrial and personal property owners.

What does it mean to adopt the residential factor?

This is the purpose of the classification hearing. The City Council will decide how much of the tax levy the owners of residential properties will pay and how much of the tax levy the owners of commercial, industrial and personal property will pay. This decision is what creates two tax rates (or split tax rates) in the City of Brockton. Note: If there was NO shift there would be a single tax rate and the following would apply:

Class	FY2027 Value	% Value	% Tax
Residential	$ 12,515,697,156	86.0816%	86.0816%
Commercial	$ 1,277,687,240	8.7878%	8.7878%
Industrial	$ 278,756,020	1.9173%	1.9173%
Personal	$ 467,203,060	3.2134%	3.2134%
Total	$ 14,539,343,476	100%	100%

This means the residential property make up 86.0816% of the overall city value and therefore would pay 86.0816% of the overall tax levy. The commercial property makes up 8.7878% of the overall value in the city and therefore would pay 8.7878% of the overall tax levy and so on for industrial and personal property classes.

The Classification Hearing is when the City Council must decide on whether or not to shift more of the tax levy onto the commercial/industrial/personal property owners and less onto the residential property owners. By law, the maximum allowable shift for Brockton is 175% (Note: City Council shifted 175% for fiscal year 2026). In the event City Council decides to shift 175% again this year, the process would be to multiply the (% value) of the commercial, industrial and personal property classes by 175% (1.75) to determine the increased percentage of the tax levy that those various classes will pay. By increasing those percentages, the residential percentage is lowered by 10.439%.

Class	FY2027 Value	% Value	Shift	% Tax
Residential	$ 12,515,697,156	86.0816%	-	75.6426%
Commercial	$ 1,277,687,240	8.7878%	175%	15.3787%
Industrial	$ 278,756,020	1.9173%	175%	3.3553%
Personal	$ 467,203,060	3.2134%	175%	5.6235%
Total	$14,539,343,476	100%		100%

Put another way, once the factor of 175% (1.75) is applied to commercial, industrial and personal property, those classes then become responsible for 24.3574% of the tax levy. That number is then subtracted from 100% to arrive at the residential proportion of 75.6426% of the tax levy.

So, if the City Council decides to shift 175%, the owners of commercial, industrial and personal property, which represents 13.9184% of the taxable value become responsible for 24.3574% of the tax levy. The result of this vote is that the residential property owners, whose property represents 86.0816% of the taxable value, become responsible for 75.6426% of the property tax levy.

The actual vote taken is on what residential factor to adopt. These residential factors result in the intended shift from the residential on to the commercial, industrial and personal property tax payers. This is the ultimate purpose of the classification hearing.

What are the components of Proposition 2 ½?

Proposition 2 ½ has two basic components. First, you cannot increase the prior year levy limit by more than 2.5% (plus new growth) without voter approval and second, your levy limit cannot exceed 2.5% of your total taxable value. Another way of stating the second

component is a community's tax rate cannot exceed $25.00 per $1,000 if the community has a single tax rate.

Does the City Council have to sign something at the end of the classification hearing?

No. The City Clerk must sign the electronic form LA5 on behalf of the City Council. This is the form sent to the Department of Revenue as part of the tax recapitulation (Tax Recap) sheet and approval of the tax rates established at the classification hearing. These tax rates estimated for your review may be adjusted via rounding and subject to change of typically not greater than one to two pennies.

What is "personal property"?

Personal property is the inventory, furniture, machinery, and equipment used while conducting business. This is assessed to business owners. If the business is incorporated, it is exempt from certain personal property taxes (furniture and inventory are exempt for corporations).

Commonly Used Terms

New Growth: Additions to the tax base from new construction and property improvements

Levy: Revenue raised through property taxes

Levy Limit: Maximum dollar amount a City can raise in a fiscal year.

(Prior years Levy + 2 ½%+ New Growth)

Excess Levy Capacity:

Difference between the levy and the levy limit.

CIP: Class that includes Commercial, Industrial, & Personal Property.

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

About the Assessment Process

How does the City determine the value of my house?

The State requires that the City establish the full and fair cash value of all real estate as of January 1st of each year. To determine Fiscal Year 2027 values, the Assessing Department reviewed all valid sales that occurred between January 1, 2025 and December 31, 2025. Assessments represent 100% of market value as required by Massachusetts General Law.

The City of Brockton was required by the Department of Revenue to complete a Five-Year Certification for Fiscal Year 2026. Assessors must annually adjust valuations to reflect changes in the tax base. For Fiscal Year 2027 the City of Brockton completed a valuation program which is referred to as an interim year adjustment. The purpose of yearly revaluation is to distribute the tax burden in an equitable way, not to determine the amount of the tax burden.

Assessors use what are commonly referred to as Mass Appraisal Techniques. Mass Appraisal is a widely accepted tool for the valuation of property for the purpose of taxation. Mass Appraisal relies on math and science but uses observational skills to determine value. Mass Appraisal is the process of valuing a group of properties as of a given date and using common data, standardized methods and statistical testing. To determine a parcel's value, assessors rely upon valuation equations, tables and schedules developed through mathematical analysis of market data. Values for individual properties should not be based solely on the sale price of a property; rather, valuation schedules and models should be consistently applied to property data that are correct, complete and up to date. Mass Appraisal applies the same principles as an individual appraisal, but applies these principles to groups of properties rather than an individual property. Mass Appraisal requires complete and accurate data, effective valuation models and proper management of resources.

Who verifies that the assessing model used by the City and the resulting property values are accurate?

As of each January 1st, the City of Brockton must meet Massachusetts Department of Revenue (DOR) requirements to certify that property values represent full and fair market value. The DOR performs a statistical validation of the City's property values annually, and a comprehensive review was completed this year. For Fiscal Year 2027, the City successfully completed the interim year adjustment. The City began our submission with the DOR on October 28th and the City of Brockton received the notice of our certification on November 3rd.

Why can't the City just lower property values to reduce tax bills?

State law requires the City to assess property at full and fair market value as of January 1st each year. However, lower property values do not necessarily result in lower tax bills. Since a fixed

amount of revenue must be raised each year through property taxes in order to fund the budget, lower overall property values would result in a higher tax rate.

What if I own a two or three-family dwelling and it has a vacant unit. Does that impact my property assessment?

No. Two and three-family homes are traditionally purchased as primary residences not as investment real estate; therefore, the comparable sales approach also known as market data is the most appropriate method to value the property. The Comparable Sales Approach looks at the market comparable sales in the surrounding area to help determine value, while considering the other components that come into play like, effective age of the property or characteristics of the property.

What if I disagree with my assessment?

You may file an application for abatement with the Assessing Department. The issuance of the third quarter bill (actual) triggers the time limit for the abatement process. If a taxpayer has a dispute with their property's valuation or questions the description of their property, the taxpayer should file an abatement application. The Board of Assessors will require an inspection of the property as part of the abatement application. The abatement application must be filed in the Assessor's Office no later than February 1st or have a United States Postal Service postmark of no later than February 1st. You may obtain an application in the Assessing Department or by downloading the form from the City's website, https://brockton.ma.us/city-departments/assessors/.

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
HISTORICAL TAX RATES

FISCAL YEAR	RESIDENTIAL	COMMERCIAL
2005	$10.62	$21.40
2006	$9.54	$18.89
2007	$9.39	$18.48
2008	$9.60	$19.34
2009	$11.10	$22.84
2010	$13.77	$28.24
2011	$15.29	$29.55
2012	$16.14	$29.96
2013	$16.88	$31.91
2014	$18.13	$33.96
2015	$18.15	$33.88
2016	$17.36	$32.02
2017	$16.10	$32.94
2018	$16.06	$33.23
2019	$15.54	$32.67
2020	$15.15	$30.41
2021	$14.50	$29.64
2022	$13.97	$28.18
2023	$12.98	$26.02
2024	$12.02	$24.05
2025	$12.11	$24.20
2026	**$11.63**	**$23.23**

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
COMMERCIAL TAX RATES

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
BROCKTON	$29.64	$28.18	$26.02	$24.05	$24.20	**$23.23**
STOUGHTON	$25.49	$24.20	$22.63	$21.29	$20.54	$21.10
RANDOLPH	$28.54	$26.35	$23.36	$22.17	$22.15	$22.11
TAUNTON	$28.97	$28.87	$26.30	$24.53	$23.78	$23.73
WEYMOUTH	$18.39	$18.36	$16.50	$16.27	$15.97	$15.85
BRAINTREE	$21.84	$21.63	$21.18	$20.25	$21.28	$21.39
QUINCY	$24.22	$23.86	$22.18	$22.45	$23.01	$23.53
FALL RIVER	$29.70	$27.03	$25.76	$23.94	$23.83	$23.58
NEW BEDFORD	$29.72	$33.51	$29.88	$24.96	$22.85	$21.80
AVON	$31.60	$29.93	$27.00	$27.84	$27.28	$28.21
W BRIDGEWATER	$27.68	$29.06	$27.69	$25.36	$24.55	$24.56

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING

FY 2026 AVERAGE SINGLE FAMILY TAX BILL
Contiguous Communities

	Single Family Values	Single Family Parcels	FY25 AVERAGE TAX BILL	INCREASE	FY26 RESIDENTIAL RATE	FY26 AVERAGE TAX BILL	AVERAGE TAX BILL RANK	SF Tax Bill As % of Value	DOR Income Per Capita	Avg Tax Bill as a % of Income
BROCKTON	**$8,085,314,400**	**16,819**	**$5,381**	**$210**	**$11.63**	**$5,591**	**246**	**1.16%**	**25,348**	**22.06%**
ABINGTON	$2,261,973,000	3,845	$7,513	$23	$12.81	$7,536	138	1.28%	44,933	16.77%
AVON	$740,231,600	1,293	$6,793	$850	$13.35	$7,643	133	1.34%	49,985	15.29%
EAST BRIDGEWATER	$2,110,877,700	3,900	$7,166	$244	$13.69	$7,410	149	1.37%	44,036	16.83%
EASTON	$4,362,983,700	5,818	$8,859	$582	$12.59	$9,441	80	1.26%	64,972	14.55%
HOLBROOK	$1,722,947,700	3,226	$6,405	$63	$12.11	$6,468	193	1.21%	39,033	16.57%
STOUGHTON	$4,070,258,881	6,716	$6,818	$339	$11.81	$7,157	157	1.18%	41,387	17.29%
WEST BRIDGEWATER	$1,178,544,296	2,158	$7,286	$147	$13.61	$7,433	146	1.36%	49,804	14.92%
WHITMAN	$1,789,885,038	3,467	$6,504	$357	$13.29	$6,861	171	1.31%	39,527	17.36%
AND OTHERS										
RANDOLPH	$3,972,230,440	7,269	$6,172	$156	$11.58	$6,328	202	1.16%	33,893	18.67%
QUINCY	$9,581,837,356	13,682	$7,671	$579	$11.78	$8,250	113	1.15%	44,983	18.34%
TAUNTON	$5,459,468,499	10,979	$5,150	$390	$11.14	$5,540	251	1.11%	31,224	17.74%
FALL RIVER	$3,836,502,600	9,469	$4,415	$236	$11.48	$4,651	311	1.15%	22,353	20.81%
NEW BEDFORD	$5,374,807,800	12,649	$4,492	$161	$10.95	$4,653	310	1.10%	22,531	20.65%

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING

ASSESSMENT/
CLASSIFICATION REPORT

as of January 1, 2026

PROPERTY TYPE	PclCnt	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PERSONAL
101	16,852	$ 8,394,774,100			
102	2,123	$ 561,186,000			
Misc,103,109,140	62	$ 40,946,900			
104	2,079	$ 1,401,580,300			
105	1,516	$ 1,172,433,200			
111-125	418	$ 825,743,911			
130-32,106	1,147	$ 55,203,420			
200-231	-				
300-393	1,399		$ 1,231,932,660		
400-452	258			$ 278,756,020	
Chap 61	-				
Chap 61A	13		$ 62,758		
Chap 61B	6		$ 1,942,900		
012-043	123	$ 63,829,325	$ 43,748,922		
501	616				$ 27,787,780
502	866				$ 55,198,480
503	1				$ 14,980.00
504,550-2	4				$ 320,885,140
505	9				$ 42,265,800
506	1				$ 15,163,100
508	4				$ 5,061,060
550	1				$ 826,720
Sub-Total	**27,498**	**$ 12,515,697,156**	**$ 1,277,687,240**	**$ 278,756,020**	**$ 467,203,060**
Real & Personal		**$ 14,539,343,476**			
Exempt Value	**1113**	**$ 2,630,265,000**			

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
TOP 5 PERSONAL PROPERTY TAX LIABILITY

	Owner of Record as of 1/1/2026	PERSONAL PROP ASSESSED VALUE	PERSONAL PROP LIABILITY
1	EVERSOURCE GAS	$ 203,180,310.00	$ 4,719,878.60
2	MASS ELECTRIC	$ 98,126,190.00	$ 2,279,471.39
3	VERIZON	$ 41,637,240.00	$ 967,233.09
4	NEW ENGLAND POWER COMPANY	$ 18,207,260.00	$ 422,954.65
5	COMCAST	$ 16,260,560.00	$ 377,732.81

TOTAL PERSONAL PROPERTY ASSESSED VALUE	$ 377,411,560.00	
TOTAL PERSONAL PROPERTY TAX LIABILITY		$ 8,767,270.54

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
TOP 10 TAX PAYERS

	Owner of Record as od 1/1/2026	RE TAX LIABILITY	PERONAL PROP LIABILITY	TOTAL TAX LIABILITY
1	EVERSOURCE	299,176.85	$ 4,719,878.60	$ 5,019,055.45
2	MASS ELECTRIC & BOSTON EDISON	424,888.32	$ 2,279,471.39	$ 2,704,359.71
3	VERIZON	251,004.80	$ 967,233.09	$ 1,218,237.89
4	BEACON CHATHAM/ PINE GROVE	929,679.94	$ -	$ 929,679.94
5	HAJJAR CHARLES	900,532.30	$ -	$ 900,532.30
6	NEW WESTGATE LLC	638,497.92	$ -	$ 638,497.92
7	ACADIA CRESCENT PLAZA	554,486.16	$ -	$ 554,486.16
8	BATTLES FARM	546,115.15	$ -	$ 546,115.15
9	NEW ENGLAND POWER COMPANY	-	$ 422,954.65	$ 422,954.65
10	PARK 132 CAMPANELLI IND DR	396,998.38	$ -	$ 396,998.38

TOTAL REAL ESTATE LIABILITY	**$ 4,941,379.82**		
TOTAL PERSONAL PROPERTY		**$ 8,389,537.73**	
TOTAL TAX LIABILITY			**$ 13,330,917.55**

CITY OF BROCKTON

FISCAL YEAR 2027

CLASSIFICATION HEARING

PROPERTY VALUES BY CLASS

Residential Property Class

Property Type	Parcel Count	Assessment Value	Percent of Value
Single Family	16,852	$8,394,774,100	57.74%
Condominium	2,123	$561,186,000	3.86%
Miscellaneous	62	$40,946,900	.28%
Two-Family	2,079	$1,401,580,300	9.64%
Three Family	1,516	$1,172,433,200	8.06%
Apartments	418	$825,743,911	5.68%
Vacant Land	1147	$55,203,420	.38%
Mixed Use Residential	123	$63,829,325	.44%
Total Residential	**24,320**	**$12,515,697,156**	**86.08%**

Commercial/Industrial/Personal Property Class

Property Type	Parcel Count	Assessment Value	Percent of Value
Commercial	1399	$1,231,932,660	8.48%
Industrial	258	$278,756,020	1.92%
Ch 61A (Agriculture)	13	$62,758	
Ch 61B (Golf Courses)	6	$1,942,900	.01%
Mixed Use Commercial		$43,748,922	.30%
Personal Prop (501)	616	$27,787,780	.19%
Personal Prop (502)	866	$55,198,480	.38%
Personal Prop (504-508)	19	$383,390,080	2.64%
Personal Prop (550)	1	$826,720	
Total C/I/P	**3,178**	**$2,023,646,320**	**13.92%**

Total Value: $14,539,343,476

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING

TOTAL TAXABLE VALUE

YEAR	TOTAL VALUE	PCT. CHANGE
2010	$5,868,201,889.00	-18.20%
2011	$5,629,195,195.00	-4.07%
2012	$5,634,634,091.00	0.10%
2013	$5,486,239,872.00	-2.63%
2014	$5,362,178,891.00	2.26%
2015	$5,462,968,131.00	1.88%
2016	$6,104,303,935.00	11.74%
2017	$6,688,597,389.00	9.57%
2018	$7,172,980,786.00	7.24%
2019	$7,843,495,461.00	9.35%
2020	$8,426,282,008.00	7.43%
2021	$9,153,271,727.00	8.63%
2022	$9,968,596,510.00	8.90%
2023	$11,221,180,414.00	12.56%
2024	$12,601,493,444.00	12.30%
2025	$12,986,040,505.00	3.05%
2026	$14,051,958,370.00	8.21%
2027	**$14,539,343,476.00**	**3.47%**

FY 2027 New Growth

CATEGORY	NEW GROWTH VALUATION	TAX LEVY GROWTH
Residential	$39,167,653	$455,520
Commercial	$8,366,297	$194,349
Industrial	$37,350	$868
Personal Property	$46,694,860	$1,084,722
Total All Classes	$94,266,160	$1,735,459

MASSACHUSETTS DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES
BUREAU OF ACCOUNTS

Brockton
CITY

Levy Limit
Fiscal Year 2027

FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY 2026 LEVY LIMIT				
A.	FY 2025 Levy Limit	179,674,766		
A1.	Amended FY 2025 Growth	0		
B.	ADD (IA + IA1)*2.5%	4,491,869		
C.	ADD FY 2026 New Growth	2,421,975		
C1.	ADD FY 2026 New Growth Adjustment	0		
D.	ADD FY 2026 Override	0		
E.	FY 2026 Subtotal	***186,588,610***		
F.	FY 2026 Levy Ceiling	351,298,959	I.	***186,588,610***
				FY 2026 Levy Limit
II. TO CALCULATE THE FY 2027 LEVY LIMIT				
A.	FY 2026 Levy Limit from I	186,588,610		
A1.	Amended FY 2026 Growth	0		
B.	ADD (IIA + IIA1)*2.5%	4,664,715		
C.	ADD FY 2027 New Growth	1,735,459		
C1.	ADD FY 2027 New Growth Adjustment	0		
D.	ADD FY 2027 Override	0		
E.	ADD FY 2027 Subtotal	***192,988,784***		
F.	FY 2027 Levy Ceiling	363,483,587	II.	***192,988,784***
				FY 2027 Levy Limit
III. TO CALCULATE THE FY 2027 MAXIMUM ALLOWABLE LEVY				
A.	FY 2027 Levy Limit from II.	192,988,784		
B.	FY 2027 Debt Exclusion(s)	0		
C.	FY 2027 Capital Expenditure Exclusion(s)	0		
D.	FY 2027 Stabilization Fund Override	0		
E.	FY 2027 Other Adjustment :	0		
F.	FY 2027 Water/Sewer	0		
G.	FY 2027 Maximum Allowable Levy	***192,988,784***		

Signatures

No signatures to display.

Documents

No documents have been uploaded.

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
TAX BASE ANALYSIS

FISCAL YEAR	PREVIOUS LEVY LIMIT	2.5% INCREASE	NEW GROWTH	NEW LEVY LIMIT	ACTUAL LEVY	UNUSED LEVY
2010	$96,443,017	$2,411,075	$1,010,677	$99,864,769	$99,864,769	$0
2011	$99,864,769	$2,496,619	$980,659	$103,342,047	$103,342,047	$0
2012	$103,342,047	$2,583,551	$2,336,369	$108,261,967	$108,261,967	$0
2013	$108,261,967	$2,706,549	$1,537,658	$112,506,174	$112,506,174	$0
2014	$112,506,174	$2,812,654	$1,425,808	$116,744,636	$116,744,636	$0
2015	$116,744,636	$2,918,616	$1,416,742	$121,079,995	$118,661,379	$2,418,618
2016	$121,079,995	$3,027,000	$2,938,438	$127,045,434	$124,534,892	$2,510,542
2017	$127,045,434	$3,176,136	$2,259,383	$132,480,953	$129,575,166	$2,905,427
2018	$132,480,593	$3,312,024	$2,066,974	$137,859,951	$137,859,951	$0
2019	$137,859,951	$3,446,499	$2,368,313	$143,674,763	$143,674,763	$0
2020	$143,674,763	$3,591,869	$1,769,849	$149,036,481	$149,036,481	$0
2021	$149,036,481	$3,725,912	$2,331,089	$155,093,482	$155,093,482	$0
2022	$155,093,482	$3,877,337	$1,658,306	$160,629,125	$160,629,125	$0
2023	$160,629,125	$4,015,728	$2,204,294	$166,849,147	$166,849,147	$0
2024	166,849,147	$4,171,229	$2,224,694	$173,245,070	$173,245,070	$0
2025	$173,245,070	$4,331,127	$2,098,569	$179,674,766	$179,674,766	$0
2026	$179,674,766	$4,491,869	$2,421,975	$186,588,610	$186,588,610	$0
2027	**$186,588,610**	**4,664,715**	**$1,735,459**	**$192,988,784**	**$192,988,784**	**$0**

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
PERCENT CHANGES

Fiscal 2026-2027

Property Class	*FY26*	*FY27*	*% CHANGE*
Residential	$12,063,176,887	$12,515,697,156	**3.75**
Commercial	$1,261,584,233	$1,277,687,240	**1.28**
Industrial	$276,352,170	$278,756,020	**0.87**
Personal Property	$450,845,080	$467,203,060	**3.63**
Total:	$14,051,958,370	$14,539,343,476	**3.47**

Fiscal 2026-2027 percent change by Property Type

Property Type	*FY26*	*FY26*	*% Change*
(101) Single Family	$8,085,314,400	$8,394,774,100	**3.83**
(102) Condominium	$538,859,200	$561,186,000	**4.14**
(104) Two Family	$1,344,672,800	$1,401,580,300	**4.23**
(105) Three Family	$1,127,619,300	$1,172,433,200	**3.97**
(111-125) Apartment	$802,128,440	$825,743,911	**2.94**
300's Commercial	$1,218,997,865	$1,231,932,660	**1.06**
400's Industrial	$276,352,170	$278,756,020	**0.87**

Percentage increase by Class

Property Type	*FY21*	*FY22*	*FY23*	*FY24*	*FY25*	*FY26*	*FY27*
(101) Single Family	6.78%	10.00%	14.22%	10.61%	3.47%	**8.26%**	**3.83%**
(102) Condominium	9.79%	7.50%	12.66%	14.81%	3.18%	**8.43%**	**4.14%**
(104) Two Family	19.96%	12.10%	11.11%	16.98%	3.55%	**7.50%**	**4.23%**
(105) Three Family	17.14%	11.10%	12.70%	14.97%	3.08%	**5.82%**	**3.97%**
(111-125) Apartment	7.91%	12.80%	9.39%	18.99%	0.74%	**13.11%**	**2.94%**
300's Commercial	2.13%	0.84%	7.48%	10.42%	0.50%	**6.12%**	**1.06%**
400's Industrial	8.10%	3.86%	14.04%	10.48%	0.97%	**13.59%**	**0.87%**

MassDOR - Massachusetts Department of Revenue									
Division of Local Services									
LA4 Comparison Report for FY 2027									
Brockton - 044									
Property Type		**FY 2026 Parcel Count**	**FY 2026 Assessed Value**	**FY 2027 Parcel Count**	**FY 2027 Assessed Value**	**Parcel Diff**	**Parcel % Diff**	**Assessed Value Diff**	**Assessed Value % Diff**
101	Single Family	16,819	8,085,314,400	16,852	8,394,774,100	33	0.2%	309,459,700	3.8%
102	Condominiums	2,107	538,859,200	2,123	561,186,000	16	0.8%	22,326,800	4.1%
MISC 103,109	Miscellaneous Residential	62	40,814,200	62	40,946,900	0		132,700	0.3%
104	Two - Family	2,070	1,344,672,800	2,079	1,401,580,300	9	0.4%	56,907,500	4.2%
105	Three - Family	1,512	1,127,619,300	1,516	1,172,433,200	4	0.3%	44,813,900	4.0%
111-125	Apartment	416	802,128,440	418	825,743,911	2	0.5%	23,615,471	2.9%
130-32,106	Vacant / Accessory Land	1,182	61,719,820	1,147	55,203,420	-35	-3.0%	-6,516,400	-10.6%
200-231	Open Space	0	0	0	0	0		0	
300-393	Commercial	1,406	1,218,997,865	1,399	1,231,932,660	-19	-1.3%	12,934,795	1.1%
400-442	Industrial	262	276,352,170	258	278,756,020	-4	-1.5%	2,403,850	0.9%
450-452	Industrial Power Plant	0	0	0	0	0		0	
CH 61 LAND	Forest	0	0	0	0	0		0	
CH 61A LAND	Agriculture	13	54,800	13	62,758	0		-45,713	-45.5%
CH 61B LAND	Recreational	6	1,766,200	6	1,942,900	0		137,925	8.5%
012-043	Multi-use - Residential	121	62,048,727	123	63,829,325	2	1.7%	6,755,641	12.2%
012-043	Multi-use - Commercial	0	40,765,368	0	43,748,922	0		5,100,854	14.3%
501	Individuals / Partnerships / Associations / Trusts / LLC	636	25,790,100	616	27,787,780	-20	-3.1%	1,997,680	7.7%
502	Corporations	887	55,907,310	866	55,198,480	-21	-2.4%	-708,830	-1.3%
503	Manufacturing	0	0	1	14,980	1	100.0%	14,980	100.0%
504	Public Utilities	4	308,235,760	4	320,885,140	0		12,649,380	4.1%
505	Centrally Valued Telephone	9	39,233,600	9	42,265,800	0		3,032,200	7.7%
506	Centrally Valued Pipelines	1	15,771,600	1	15,163,100	0		-608,500	-3.9%
508	Wireless Telephone	4	5,079,990	4	5,061,060	0		-18,930	-0.4%
550-552	Electric Generating Plant	1	826,720	1	826,700	0		0	
900-990	Exempt Property	1,123	2,470,391,800	1,113	2,630,265,000	-10	-0.9%	159,873,200	6.5%
Total Class 1	TOTAL RESIDENTIAL	24,289	12,063,176,887	24,320	12,515,697,156	31	0.1%	452,520,269	3.8%
Total Class 2	TOTAL OPEN SPACE	0	0	0	0	0		0	
Total Class 3	TOTAL COMMERCIAL	1,425	1,261,584,233	1,418	1,277,687,240	-7	-0.5%	16,103,007	1.3%
Total Class 4	TOTAL INDUSTRIAL	262	276,352,170	258	278,756,020	-4	-1.5%	2,403,850	0.9%
Total Class 5	TOTAL PERSONAL PROPERTY	1,542	450,845,080	1,502	467,203,060	-40	-2.6%	16,357,980	3.6%
Total Taxable	**TOTAL REAL & PERSONAL**	**27,518**	**14,015,958,370**	**27,498**	**14,539,343,476**	**-20**	**-0.1%**	**487,385,106**	**3.5%**

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING

SHIFT FACTOR AND AVERAGE RESIDENTIAL AND COMMERCIAL CHANGES

FISCAL YEAR	SHIFT FACTOR	AVG. SINGLE FAM. CHANGE	AVG. COM CHANGE
2005	1.72	$98.70	$406.37
2006	1.70	$94.22	$69.25
2007	1.70	$84.28	$357.15
2008	1.70	-$80.48	-$166.89
2009	1.70	-$22.43	$321.80
2010	1.66	$51.97	$969.47
2011	1.61	$227.98	-$23.00
2012	1.56	$150.58	$172.03
2013	1.57	-$3.59	$451.81
2014	1.56	$137.73	$393.92
2015	1.56	$37.87	$59.14
2016	1.57	$228.60	-$321.70
2017	1.70	$100.48	$371.70
2018	1.73	$300.00	$723.45
2019	1.73	$285.96	-$346.43
2020	1.72	$209.58	$166.09
2021	1.75	$93.00	-$428.23
2022	1.75	$267.00	-$821.55
2023	1.75	$283.96	-$131.00
2024	1.75	$115.28	$528.22
2025	1.75	$211.00	$272.84
2026	**1.75**	**$210.00**	**$879.75**

CLASS	Percent of Value	FY 2026 Tax Shift CHOSEN	Percent of Tax
Residential	85.85		75.24
Commercial	8.98	**175**	15.71
Industrial	1.97	**175**	3.45
Personal	3.20	**175**	5.60
	100.00		100.00

CLASS	Percent of Value	FY 2026 Tax Shift WHAT IF	Percent of Tax
Residential	86.08		76.20
Commercial	8.79	171	15.03
Industrial	1.92	171	3.28
Personal	3.21	171	5.49
	100.00		100.00
Residential	86.08		76.06
Commercial	8.79	172	15.12
Industrial	1.92	172	3.30
Personal	3.21	172	5.52
	100.00		100.00
Residential	86.08		75.92
Commercial	8.79	173	15.21
Industrial	1.92	173	3.32
Personal	3.21	173	5.55
	100.00		100.00
Residential	86.08		75.79
Commercial	8.79	174	15.29
Industrial	1.92	174	3.34
Personal	3.21	174	5.58
	100.00		100.00
Residential	86.08		75.57
Commercial	8.79	175	15.38
Industrial	1.92	175	3.45
Personal	3.21	175	5.60
	100.00		100.00

MassDOR - Massachusetts Department of Revenue
Division of Local Services
What If ... Scenario Worksheet for FY 2027

Brockton - 044

CLASS	VALUE	%	
Residential	12,515,697,156	86.0816	R & O %
Open Space	0	0.0000	86.0816
Commercial	1,277,687,240	8.7878	
Industrial	278,756,020	1.9173	C I P %
Personal Property	467,203,060	3.2134	13.9184
Total	14,539,343,476	100.0000	

CLASSIFICATION OPTIONS

RESIDENTIAL/SENIOR MEANS TESTED EXEMPTION

Res # of Eligible Parcels	0.000000
Res Parcel Count	0
Res Exemption %	0.0000
Res Value Exempted	0
Senior # Eligble Parcels	0
Senior Value Exempted	0
Total Res Value Net of Exemption	12,515,697,156

SMALL COMMERCIAL EXEMPTION

# of Eligible Parcels	0
Total Value of Eligible Parcels	0
Comm Exemption %	0.0000
Total C & I Value Net of Exemption	1,556,443,260

ENTER A LEVY (ESTIMATED IF NECESSARY)

Levy	192,988,784
Single Tax Rate	13.27

ENTER CIP SHIFT RANGE

Shift Range	1.65	1.75
Shift Increment %		1.00
Max Shift Allowed		1.75

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

		Share Percentages					Levy Amounts				Estimated Tax Rates			
CIP Shift	Res Factor	Res SP	Comm SP	Ind SP	PP SP	Total SP	Res LA	Comm LA	Ind LA	PP LA	Total LA	Res ET	Comm ET	Ind ET	PP ET
1.6500	0.8949	77.0346	14.4999	3.1635	5.3021	100.0000	148,668,164	27,983,097	6,105,138	10,232,386	192,988,784	11.88	21.90	21.90	21.90
1.6600	0.8933	76.8954	14.5877	3.1826	5.3342	100.0000	148,399,554	28,152,691	6,142,139	10,294,400	192,988,784	11.86	22.03	22.03	22.03
1.6700	0.8917	76.7562	14.6756	3.2018	5.3663	100.0000	148,130,944	28,322,286	6,179,139	10,356,414	192,988,784	11.84	22.17	22.17	22.17
1.6800	0.8901	76.6171	14.7635	3.2210	5.3985	100.0000	147,862,334	28,491,880	6,216,140	10,418,429	192,988,784	11.81	22.30	22.30	22.30
1.6900	0.8884	76.4779	14.8514	3.2402	5.4306	100.0000	147,593,725	28,661,475	6,253,141	10,480,443	192,988,784	11.79	22.43	22.43	22.43
1.7000	0.8868	76.3387	14.9392	3.2593	5.4627	100.0000	147,325,115	28,831,069	6,290,142	10,542,458	192,988,784	11.77	22.57	22.57	22.57
1.7100	0.8852	76.1995	15.0271	3.2785	5.4949	100.0000	147,056,505	29,000,664	6,327,143	10,604,472	192,988,784	11.75	22.70	22.70	22.70
1.7200	0.8836	76.0603	15.1150	3.2977	5.5270	100.0000	146,787,895	29,170,259	6,364,144	10,666,487	192,988,784	11.73	22.83	22.83	22.83
1.7300	0.8820	75.9211	15.2029	3.3168	5.5591	100.0000	146,519,285	29,339,853	6,401,145	10,728,501	192,988,784	11.71	22.96	22.96	22.96
1.7400	0.8804	75.7820	15.2908	3.3360	5.5913	100.0000	146,250,675	29,509,448	6,438,145	10,790,516	192,988,784	11.69	23.10	23.10	23.10
1.7500	0.8787	75.6428	15.3786	3.3552	5.6234	100.0000	145,982,066	29,679,042	6,475,146	10,852,530	192,988,784	11.66	23.23	23.23	23.23

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
IMPACT CALCULATIONS ON VARIOUS PROPERTY CLASSES USING AVERAGE AND MEDIAN VALUES

AVERAGES	SINGLE FAMILY	TWO FAMILY	THREE FAMILY	COMMERCIAL	INDUSTRIAL
FY 2026 Value	$480,725.00	$649,600.00	$745,780.00	$866,997.00	$1,054,779.00
FY 2026 Tax Rate	$11.63	$11.63	$11.63	$23.23	$23.23
FY 2026 Tax Bill	$5,590.83	$7,554.85	$8,673.42	$20,140.34	$24,502.52
FY 2027 Value	**$498,147.00**	**$674,161.00**	**$773,373.00**	**$880,581.00**	**$1,080,450.00**

Shift Percent Selected	Tax Dollars Single Family	Tax Dollars Two Family	Tax Dollars Three Family	Tax Dollars Commercial	Tax Dollars Industrial	Res. Tax Rate	Comm. Tax Rate
100%	$1,024.56	$1,398.01	$1,596.97	-$8,446.22	-$10,154.14	$13.28	$13.28
165%	$317.19	$440.70	$498.78	-$846.81	-$829.86	$11.86	$21.91
166%	$302.25	$420.48	$475.58	-$732.34	-$689.40	$11.83	$22.04
167%	$292.28	$406.99	$460.11	-$609.05	-$538.14	$11.81	$22.18
168%	$282.32	$393.51	$444.65	-$494.58	-$397.68	$11.79	$22.31
169%	$272.36	$380.03	$429.18	-$380.10	-$257.22	$11.77	$22.44
170%	$262.40	$366.54	$413.71	-$265.63	-$116.76	$11.75	$22.57
171%	$247.45	$346.32	$390.51	-$142.35	$34.50	$11.72	$22.71
172%	$237.49	$332.84	$375.04	-$27.87	$174.96	$11.70	$22.84
173%	$227.53	$319.35	$359.58	$86.61	$315.42	$11.68	$22.97
174%	$217.56	$305.87	$344.11	$201.08	$455.88	$11.66	$23.10
175%	**$207.60**	**$292.39**	**$328.64**	**$297.94**	**$574.73**	**$11.64**	**$23.21**

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
IMPACT CALCULATIONS ON VARIOUS PROPERTY CLASSES USING AVERAGE AND MEDIAN VALUES

MEDIANS	SINGLE FAMILY	TWO FAMILY	THREE FAMILY	COMMERCIAL	INDUSTRIAL
FY 2026 Value	$461,600.00	$640,150.00	$742,500.00	$382,750.00	$380,350.00
FY 2026 Tax Rate	$11.63	$11.63	$11.63	$23.23	$23.23
FY 2026 Tax Bill	$5,368.41	$7,444.94	$8,635.28	$8,891.28	$8,835.53
FY 2027 Value	**$479,300.00**	**$669,300.00**	**$772,500.00**	**$404,800.00**	**$377,250.00**

Shift Percent Selected	Tax Dollars Single Family	Tax Dollars Two Family	Tax Dollars Three Family	Tax Dollars Commercial	Tax Dollars Industrial	Res. Tax Rate	Comm. Tax Rate
100%	$996.70	$1,443.36	$1,623.53	-$3,515.54	-$3,825.65	$13.28	$13.28
165%	$316.09	$492.95	$526.57	-$22.11	-$569.98	$11.86	$21.91
166%	$301.71	$472.87	$503.40	$30.51	-$520.94	$11.83	$22.04
167%	$292.13	$459.49	$487.95	$87.18	-$468.13	$11.81	$22.18
168%	$282.54	$446.10	$472.50	$139.81	-$419.08	$11.79	$22.31
169%	$272.95	$432.72	$457.05	$192.43	-$370.04	$11.77	$22.44
170%	$263.37	$419.33	$441.60	$245.05	-$321.00	$11.75	$22.57
171%	$248.99	$399.25	$418.42	$301.73	-$268.18	$11.72	$22.71
172%	$239.40	$385.87	$402.97	$354.35	-$219.14	$11.70	$22.84
173%	$229.82	$372.48	$387.52	$406.97	-$170.10	$11.68	$22.97
174%	$220.23	$359.09	$372.07	$459.60	-$121.06	$11.66	$23.10
175%	**$210.64**	**$345.71**	**$356.62**	**$504.13**	**-$79.56**	**$11.64**	**$23.21**

City of Brockton
Fiscal Year 2027
Classification Hearing
Shift % Comparison

DOR Code	Municipality	Fiscal Year	Total Value	Max CIP Shift Allowed	CIP Shift
044	Brockton	2021	9,153,271,727	1.750000	1.75000
044	Brockton	2022	9,968,596,510	1.750000	1.75001
044	Brockton	2023	11,221,180,414	1.750000	1.75000
044	Brockton	2024	12,601,493,444	1.750000	1.75000
044	Brockton	2025	12,986,040,505	1.750000	1.75000
044	Brockton	2026	14,051,958,370	1.750000	1.74999
095	Fall River	2021	6,577,915,122	1.750000	1.75000
095	Fall River	2022	7,626,349,348	1.750000	1.74997
095	Fall River	2023	8,609,122,793	1.750000	1.74990
095	Fall River	2024	9,734,326,731	1.750000	1.75000
095	Fall River	2025	10,469,386,728	1.750000	1.75000
095	Fall River	2026	11,030,617,844	1.750000	1.74978
149	Lawrence	2021	5,251,039,912	1.750000	1.74995
149	Lawrence	2022	5,874,453,622	1.750000	1.75000
149	Lawrence	2023	6,864,844,122	1.750000	1.74981
149	Lawrence	2024	7,629,261,062	1.750000	1.75000
149	Lawrence	2025	8,401,670,520	1.750000	1.75000
149	Lawrence	2026	8,987,132,220	1.750000	1.75000
160	Lowell	2021	9,453,614,944	1.750000	1.75000
160	Lowell	2022	10,673,762,655	1.750000	1.75001
160	Lowell	2023	11,810,625,279	1.750000	1.75000
160	Lowell	2024	12,957,100,095	1.750000	1.74874
160	Lowell	2025	13,989,322,091	1.750000	1.75000
160	Lowell	2026	14,948,781,799	1.750000	1.75000
163	Lynn	2021	9,918,669,040	1.750000	1.75001
163	Lynn	2022	10,922,353,650	1.750000	1.75001
163	Lynn	2023	12,668,481,530	1.750000	1.75000
163	Lynn	2024	13,975,076,000	1.750000	1.75000
163	Lynn	2025	14,808,477,083	1.750000	1.75000
163	Lynn	2026	15,627,098,562	1.750000	1.74998
201	New Bedford	2021	7,090,489,291	1.750000	1.73007
201	New Bedford	2022	7,388,364,609	1.750000	1.74987
201	New Bedford	2023	8,600,484,058	1.750000	1.75000
201	New Bedford	2024	10,574,289,999	1.750000	1.73012
201	New Bedford	2025	11,753,066,737	1.750000	1.72999
201	New Bedford	2026	12,596,779,802	1.750000	1.72024
243	Quincy	2021	17,929,393,575	1.750000	1.75000
243	Quincy	2022	18,912,237,937	1.750000	1.75000
243	Quincy	2023	20,858,040,181	1.750000	1.75000
243	Quincy	2024	22,680,112,532	1.750000	1.75000
243	Quincy	2025	23,750,892,826	1.750000	1.75000
243	Quincy	2026	24,907,807,126	1.750000	1.75000
293	Taunton	2021	6,359,584,672	1.642755	1.63984
293	Taunton	2022	7,057,996,125	1.750000	1.73817
293	Taunton	2023	8,113,678,873	1.750000	1.74590
293	Taunton	2024	9,114,552,753	1.750000	1.74503
293	Taunton	2025	10,097,695,403	1.750000	1.75000
293	Taunton	2026	10,527,271,574	1.750000	1.75000
348	Worcester	2021	15,824,756,745	1.750000	1.73184
348	Worcester	2022	17,934,338,240	1.750000	1.72462
348	Worcester	2023	20,313,766,643	1.750000	1.74937
348	Worcester	2024	22,228,700,212	1.750000	1.74928
348	Worcester	2025	24,328,752,608	1.750000	1.74062
348	Worcester	2026	25,339,278,209	1.750000	1.74880

CITY OF BROCKTON
FISCAL YEAR 2027
CLASSIFICATION HEARING
HISTORICAL LEVY AMOUNTS AND LEVY LIMITS

FISCAL YEAR		LEVY	INCREASE	PERCENT	RES. SHARE	COMM. SHARE
2005		$83,169,795.00	$3,059,539.00	3.7%	71.00%	29.00%
2006		$86,241,428.00	$3,071,633.00	3.6%	71.40%	28.60%
2007		$89,559,914.00	$3,318,486.00	3.7%	72.30%	27.70%
2008		$92,776,521.00	$3,216,607.00	3.5%	69.04%	30.96%
2009		$96,443,017.00	$3,666,496.00	3.8%	66.20%	33.80%
2010		$99,864,769.00	$3,421,782.00	3.4%	62.81%	37.19%
2011		$103,342,047.00	$3,477,278.00	3.4%	65.37%	34.03%
2012		$108,261,967.00	$4,919,920.00	4.5%	65.39%	34.61%
2013		$112,506,174.00	$4,244,207.00	3.9%	64.03%	35.97%
2014		$116,744,636.00	$4,238,462.00	3.8%	64.12%	35.88%
2015		$118,661,379.00	$1,916,743.00	1.6%	64.60%	35.40%
2016		$124,534,892.00	$5,873,516.00	4.9%	67.49%	32.51%
2017		$129,575,166.00	$5,040,274.00	4.0%	66.93%	33.07%
2018		$137,859,951.00	$8,284,785.00	6.3%	68.27%	31.73%
2019		$143,674,763.00	$5,814,812.00	4.2%	70.30%	29.70%
2020		$149,036,481.00	$5,361,718.00	3.7%	71.50%	28.50%
2021		$155,093,482.00	$6,057,001.00	4.0%	71.84%	28.16%
2022		$160,629,125.00	$5,535,643.00	3.6%	73.74%	26.26%
2023		$166,849,147.00	$6,220,022.00	3.9%	74.65%	25.35%
2024		$173,245,070.00	$6,395,923.00	3.8%	74.93%	25.07%
2025		$179,674,766.00	$6,429,696.00	3.7%	75.12%	24.88%
2026		$186,588,610.00	$6,913,844.00	**3.8%**	75.23%	27.77%
2027		**$192,988,784.00**	**$6,400,171.00**	**3.4%**		

LEVY LIMITS: A PRIMER ON PROPOSITION 2 ½

DLS

DIVISION OF LOCAL SERVICES

MA DEPARTMENT OF REVENUE

Introduction

The Division of Local Services has developed this primer to guide local officials through the mechanics of Proposition 2½. Proposition 2½ revolutionized property tax administration and is a fundamental feature of the Massachusetts municipal fiscal landscape. Yet there is still some confusion about its meaning for cities and towns, particularly because the law is complex and has undergone a number of changes since Proposition 2½ was enacted in 1980.

The purpose of this primer is to explain, as simply as possible, the basic provisions of Proposition 2½. We focus in particular on those aspects of the law that we have found to cause the most confusion, for example: the ways in which Proposition 2½ limits the property tax, how the levy limit is calculated, how an override differs from a debt exclusion or capital outlay expenditure exclusion, and how new growth works.

With the help of this primer, a local official should be able to understand the fundamentals of Proposition 2½. However, this primer is not intended as a substitute for legal guidance on a community's options and obligations under the law. If you have any questions, please refer to the Resources section included in this primer and contact the Division of Local Services for assistance and information.

We hope this primer will help you grasp the basic concepts of Proposition 2½ and act on behalf of your community with a better understanding of the law. We welcome questions and comments on this publication.

What is a Levy?

The property tax levy is the revenue a community can raise through real and personal property taxes. We will refer to the property tax levy simply as the **levy**. In Massachusetts, municipal revenues to support local spending for schools, public safety and other public services are raised through the property tax levy, state aid, local receipts and other sources. The property tax levy is the largest source of revenue for most cities and towns.

What is a Levy Ceiling? What is a Levy Limit?

Proposition 2½ places constraints on the amount of the levy raised by a city or town and on how much the levy can be increased from year to year.

A levy limit is a restriction on the amount of property taxes a community can levy. Proposition 2½ established two types of levy limits:

First, a community cannot levy more than 2.5 percent of the total full and fair cash value of all taxable real and personal property in the community. In this primer we will refer to the full and fair cash value limit as the **levy ceiling**.

Second, a community's levy is also constrained in that it can only increase by a certain amount from year to year. We will refer to the maximum amount a community can levy in a given year as the **levy limit**. The levy limit will always be below, or at most, equal to the levy ceiling. The levy limit may not exceed the levy ceiling.

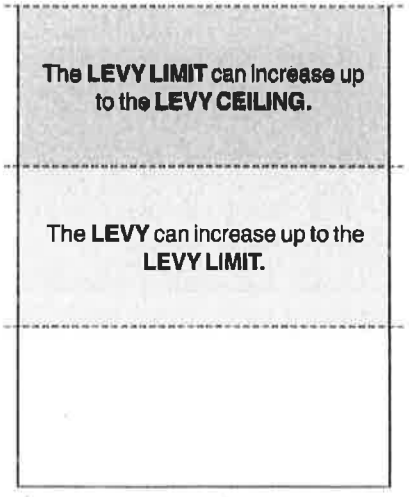
Proposition 2½ does provide communities with some flexibility. It is possible for a community to levy above its levy limit or its levy ceiling on a temporary basis, as well as to increase its levy limit on a permanent basis. These options are discussed in more detail in other sections of this primer. The concepts of levy ceiling and levy limit are illustrated in *Figure 1*.

How is a Levy Ceiling Calculated?

The levy ceiling is determined by calculating 2.5 percent of the total full and fair cash value of taxable real and personal property in the community:

Full and Fair Cash Value x 2.5% = LEVY CEILING
Full and Fair Cash Value = $100,000,000
$100,000,000 x 2.5% = $2,500,000

In this example, the levy ceiling is $2,500,000.



LEVY CEILING: The maximum the levy limit can be. The ceiling equals 2.5 percent of the community's full and fair cash value.

LEVY LIMIT: The maximum the levy can be in a given year. The limit is based on the previous year's limit plus certain allowable increases.

LEVY: The amount the community can raise through the property tax. The levy can be any amount up to the levy limit.

Figure 1

How is a Levy Ceiling Changed?

The total full and fair cash value of taxable real and personal property in a community usually changes each year as properties are added or removed from the tax roll and market values increase or decrease. This also changes the levy ceiling. See *Figure 2*.

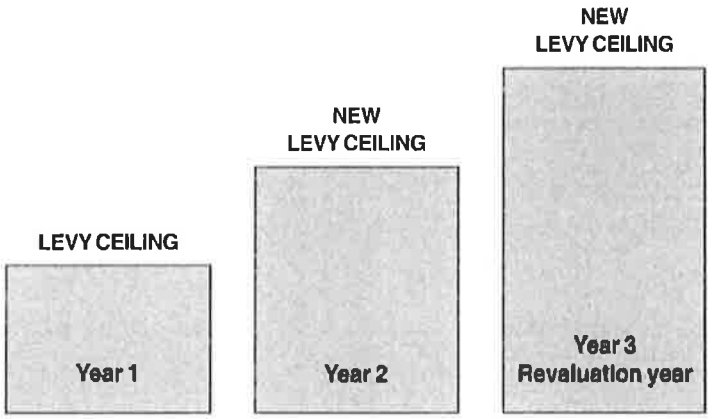


Figure 2

How is a Levy Limit Calculated?

A levy limit for each community is calculated annually by the Department of Revenue. It is important to note that a community's levy limit is based on the previous year's levy limit and not on the previous year's actual levy.

Each step in the example below is detailed in other sections of this primer. A levy limit is calculated by:

Taking the previous year's levy limit and increasing it by 2.5%:		
A. FY2007 Levy Limit		**$1,000,000**
B. (A) x 2.5%	**+**	**$25,000**
Adding to the levy limit amounts of certified new growth added to the community's property tax base:		
C. FY2008 New Growth	**+**	**$15,000**
Adding to the levy limit amounts authorized by override votes:		
D. FY2008 Override	**+**	**$100,000**
E. FY2008 Subtotal (A+B+C+D)	**=**	**$1,140,000**
Comparing the FY2008 levy limit to the FY2008 levy ceiling and applying the lesser number (compare E and F):		
F. FY2008 Levy Ceiling		**$2,500,000**
$1,140,000 **Applicable FY2008 Levy Limit (Lesser of E and F)**		

This community's levy limit, the maximum amount in real and personal property taxes it can levy, is $1,140,000 for FY2008. How much of this amount the community actually wants to use — that is, the amount of the levy — is up to the discretion of local officials. The community can levy up to or at any level below the entire levy limit amount, regardless of what its levy was in the previous year. Levy increases are discussed on page 13.

How is a Levy Limit Increased?

The levy limit is increased from year to year as long as it remains below the levy ceiling. Permanent increases in the levy limit result from the following:

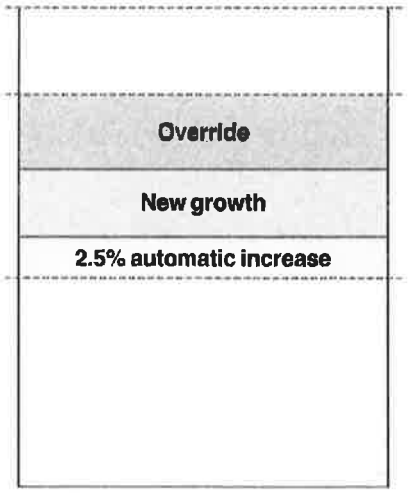
Automatic 2.5 percent increase. Each year, a community's levy limit automatically increases by 2.5 percent over the previous year's levy limit. This does not require any action on the part of local officials; the Department of Revenue calculates this increase automatically.

New Growth. A community is able to increase its levy limit each year to reflect new growth in the tax base. Assessors are required to submit information on growth in the tax base for approval by the Department of Revenue as part of the tax rate setting process. New growth is discussed on page 8.

Overrides. A community can permanently increase its levy limit by successfully voting an override. The amount of the override becomes a permanent part of the levy limit base. Overrides are discussed on page 9.

Please note: Debt exclusions, capital outlay expenditure exclusions and overrides are all often referred to as "overrides" and enable a community either to permanently increase its levy limit or temporarily levy above its levy limit or levy ceiling. This primer makes a distinction between an override and a debt or capital outlay expenditure exclusion, because there is a significant difference in the impact of each on a community's levy limit. An override enables a community to permanently increase its levy limit, while an exclusion only allows for a temporary increase in taxes over a community's levy limit. Overrides, debt exclusions and capital outlay expenditure exclusions are discussed in greater detail in other sections of this primer.

In summary, the levy limit can increase from year to year in these ways: automatic 2.5 percent increase, new growth and overrides. Once the levy limit is increased in any of these ways, the increased levy limit amount becomes the base upon which levy limits are calculated for future years. See *Figure 3*.



LEVY CEILING

NEW LEVY LIMIT (becomes the base for next year's limit)

LEVY LIMIT BASE = previous year's levy limit

Figure 3

How Can a Community Levy Taxes in Excess of its Levy Limit or Levy Ceiling?

A community can assess taxes in excess of its levy limit or levy ceiling by successfully voting a debt exclusion or capital outlay expenditure exclusion. The amount of the exclusion does not become a permanent part of the levy limit base, but allows a community to assess taxes for a certain period of time in excess of its levy limit or levy ceiling for the payment of certain debt service costs or for the payment of certain capital outlay expenditures. See *Figures 4a and 4b.*

In *Figure 4a* the debt exclusion or capital outlay expenditure exclusion gives the community temporary additional taxing capacity over and above its levy limit, but below its levy ceiling.

In *Figure 4b* the debt exclusion or capital outlay expenditure exclusion gives the community temporary additional taxing capacity that is over and above not only its levy limit, but also its levy ceiling.

For more information on debt exclusions and capital outlay expenditure exclusions, see page 10.

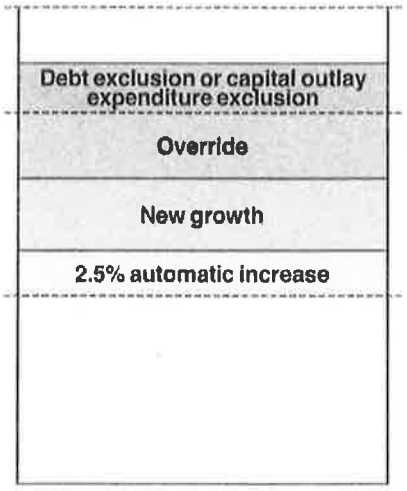


Figure 4a

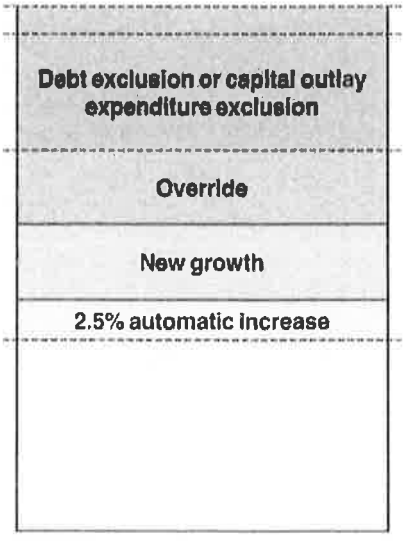


Figure 4b

What is New Growth?

Proposition 2½ allows a community to increase its levy limit annually by an amount based on the increased value of new development and other growth in the tax base that is **not** the result of revaluation. The purpose of this provision is to recognize that new development results in additional municipal costs; for instance, the construction of a new housing development may result in increased school enrollment, public safety costs, and so on. New growth under this provision includes:

- Properties that have increased in assessed valuation since the prior year because of development or other changes.
- Exempt real property returned to the tax roll and new personal property.
- New subdivision parcels and condominium conversions.

New growth is calculated by multiplying the increase in the assessed valuation of qualifying property by the prior year's tax rate for the appropriate class of property. **Any increase in property valuation due to revaluation is not included in the calculation.**

Below we highlight how new growth is calculated:

Increases in Assessed Valuation
x Prior Year's Tax Rate for Particular Class of Property
= New Growth Addition to Levy Limit

For example, for a community that applies the same tax rate to all classes of property:

Increases in Assessed Valuation = $1,000,000
Prior Year's Tax Rate = $15.00/1000
$1,000,000 x ($15.00/1000) = $15,000
New Growth Addition to Levy Limit = $15,000

Below we highlight where the addition of new growth occurs in the calculation of the levy limit:

Taking the previous year's levy limit and increasing it by 2.5%:		
A. FY2007 Levy Limit		**$1,000,000**
B. (A) x 2.5%	**+**	**$25,000**
Adding to the levy limit amounts of certified new growth added to the community's property tax base:		
C. FY2008 New Growth	**+**	**$15,000**
Adding to the levy limit amounts authorized by override votes:		
D. FY2008 Override	**+**	**$100,000**
E. FY2008 Subtotal (A+B+C+D)	**=**	**$1,140,000**
Comparing the FY2008 levy limit to the FY2008 levy ceiling and applying the lesser number (compare E and F):		
F. FY2008 Levy Ceiling		**$2,500,000**
$1,140,000 **Applicable FY2008 Levy Limit (Lesser of E and F)**		

New growth becomes part of the levy limit base, and thus increases at the rate of 2.5 percent each year as the levy limit increases. Reporting of new growth provides a community with an opportunity to increase its levy limit, which can provide for added budget flexibility in the future. Boards of Assessors are required to report new growth each year as a part of setting the tax rate.

What is an Override?

Proposition 2½ allows a community to assess taxes in excess of the automatic annual 2.5 percent increase and any increase due to new growth by passing an **override**. A community may take this action as long as it is below its levy ceiling, or 2.5 percent of full and fair cash value. An override cannot increase a community's levy limit above the level of the community's levy ceiling.

When an override is passed, the levy limit for the year is calculated by including the amount of the override. The override results in a permanent increase in the levy limit of a community, which as part of the levy limit base, increases at the rate of 2.5 percent each year.

A majority vote of a community's selectmen, or town or city council (with the mayor's approval if required by law) allows an override question to be placed on the ballot. Override questions must be presented in dollar terms and must specify the purpose of the override. Overrides require a majority vote of approval by the electorate.

Below we highlight where the amount of an override is added in the calculation of the levy limit:

Taking the previous year's levy limit and increasing it by 2.5%:		
A. FY2007 Levy Limit		**$1,000,000**
B. (A) x 2.5%	**+**	**$25,000**
Adding to the levy limit amounts of certified new growth added to the community's property tax base:		
C. FY2008 New Growth	**+**	**$15,000**
Adding to the levy limit amounts authorized by override votes:		
D. FY2008 Override	**+**	**$100,000**
E. FY2008 Subtotal (A+B+C+D)	**=**	**$1,140,000**
Comparing the FY2008 levy limit to the FY2008 levy ceiling and applying the lesser number (compare E and F):		
F. FY2008 Levy Ceiling		**$2,500,000**
$1,140,000		
Applicable FY2008 Levy Limit (Lesser of E and F)		

The community can levy up to its levy limit of $1,140,000 in FY2008.

What is a Debt Exclusion? What is a Capital Outlay Expenditure Exclusion?

Proposition 2½ allows a community to raise funds for certain purposes above the amount of its levy limit or levy ceiling. A community can assess taxes in excess of its levy limit or levy ceiling for the payment of certain capital projects and for the payment of specified debt service costs. An exclusion for the purpose of raising funds for debt service costs is referred to as a **debt exclusion,** and an exclusion for the purpose of raising funds for capital project costs is referred to as a **capital outlay expenditure exclusion**. Both exclusions require voter approval with very limited exceptions. These exceptions are explained on page 12.

The additional amount for the payment of debt service is added to the levy limit or levy ceiling for the life of the debt only. The additional amount for the payment of the capital project cost is added to the levy limit or levy ceiling only for the year in which the project is being undertaken. Unlike overrides, exclusions do not become part of the base upon which the levy limit is calculated for future years.

Reimbursements such as state reimbursements for school building construction are subtracted from the amount of the exclusion.

A capital outlay expenditure exclusion or debt exclusion is effective even in the rare case when the exclusion would bring the community's levy above its levy ceiling.

Both of these exclusions require a two-thirds vote of the community's selectmen, or town or city council (with the mayor's approval if required by law) in order to be presented to the voters. A majority vote of approval by the electorate is required for both types of exclusion.

Questions presented to exclude a debt obligation must state the purpose or purposes for which the monies from the debt issue will be used. Questions presented to exclude a capital outlay expenditure exclusion must state the amounts and purposes of the expenditures.

Below we highlight how exclusions are added to the levy limit:

Taking the previous year's levy limit and increasing it by 2.5%:

A. FY2007 Levy Limit	**$**	**1,000,000**
B. (A) x 2.5%	**+**	**$25,000**

Adding to the levy limit amounts of certified new growth added to the community's property tax base:

C. FY2008 New Growth	**+**	**$15,000**

Adding to the levy limit amounts authorized by override votes:

D. FY2008 Override	**+**	**$100,000**
E. FY2008 Subtotal (A+B+C+D)	**=**	**$1,140,000**

Comparing the FY2008 levy limit to the FY2008 levy ceiling and applying the lesser number (compare E and F):

F. FY2008 Levy Ceiling	**$2,500,000**

$1,140,000
Applicable FY2008 Levy Limit
(Lesser of E and F)

Calculating FY2008 levy limit with debt exclusion or capital outlay expenditure exclusion:

H. FY2008 Levy Limit	**$**	**1,140,000**
I. Add FY2008 Debt Exclusion or Capital Outlay Expenditure Exclusion	**+**	**$50,000**

$1,190,000
Applicable FY2008 Levy Limit with Debt Exclusion or Capital Outlay Expenditure Exclusion

In FY2008, this community can levy up to $1,190,000, its applicable levy limit with this debt exclusion or capital outlay expenditure exclusion.

What is a Special Exclusion?

For a few limited capital purposes, a community may assess taxes above the amount of its levy limit or levy ceiling without voter approval. Otherwise, special debt and capital outlay expenditure exclusions are like voter approved exclusions. The amount of the special exclusion is only added to the levy limit or ceiling for a temporary period of time, and does not become part of the base upon which the levy limit is calculated for future years.

One special debt exclusion allows a community to add water and sewer project debt service costs to its levy limit or levy ceiling for the life of the debt, as long as it reduces water and sewer rates by the same amount. The water and sewer debt exclusion is adopted by a majority vote of the community's selectmen, or town or city council (with the mayor's approval if required by law) and may include all or part of existing and subsequently authorized water and sewer debt or just the residential share of that debt.

Another special debt or capital outlay expenditure exclusion applies if a community has a program to assist homeowners to repair or replace faulty septic systems, remove underground fuel storage tanks or remove dangerous levels of lead paint in order to meet public health and safety code requirements. Under the program, the board of health and the homeowner agree that the board may contract with third parties to perform the work, and the homeowner will repay the community for all project costs. Homeowners may make the repayment by having a portion of the repair costs, with interest, added to their property tax bills for up to 20 years. The community may automatically add to its levy limit or levy ceiling the amount appropriated, or the amount of the debt service costs on any borrowing for the program.

What is an Underride?

Proposition 2½ allows a community to reduce its levy limit by passing an **underride**. When an underride is passed, the levy limit for the year is calculated by subtracting the amount of the underride. The underride results in a permanent decrease in the levy limit of a community because it reduces the base upon which levy limits are calculated for future years.

A majority vote of a community's selectmen, or town or city council (with the mayor's approval if required by law) allows an underride question to be placed on the ballot. An underride question may also be placed on the ballot by the people using a local initiative procedure, if one is provided by law. Underride questions must state a dollar amount and require a majority vote of approval by the electorate.

Below we highlight where the amount of an underride is subtracted in the calculation of the levy limit:

Taking the previous year's levy limit and increasing it by 2.5%:		
A. FY2007 Levy Limit		**$1,000,000**
B. (A) x 2.5%	**+**	**$25,000**
Adding to the levy limit amounts of certified new growth added to the community's property tax base:		
C. FY2008 New Growth	**+**	**$15,000**
Subtracting from the levy limit amounts authorized by underride votes:		
D. FY2008 Underride	–	$ 40,000
E. FY2008 Subtotal (A+B+C–D)	=	$1,000,000
$1,000,000		
Applicable FY2008 Levy Limit		

The community can levy up to its levy limit of $1,000,000 in FY2008.

Levy Increases

Once a community's levy limit is established for a particular year, the community can determine what its levy will be. The community may set its levy at any amount up to the levy limit. (Or, if it has voted a debt exclusion or capital outlay expenditure exclusion, it may levy up to the levy limit plus the additional temporary capacity resulting from the exclusion.)

It is important to note that as long as a community levies no more than its levy limit, there is no restriction on the dollar increase or percentage increase in its levy from year to year. Proposition 2½ restricts increases in the levy limit, not the levy. A community is permitted to tax up to its levy limit, even if it must raise its levy by a large percentage over the previous year's levy.

For example, a community could decide to increase its levy between FY2007 and FY2008 because the people of the community feel that the town should respond to some unmet local needs. Below we highlight the community's FY2007 and FY2008 levy limits and levies:

FY2007 Levy Limit = $1,000,000
FY2007 Levy = $900,000

FY2008 Levy Limit = $1,025,000
FY2008 Levy = $1,025,000

Percentage Change In Levy Limit = 2.5%
Percentage Change In Levy = 13.8%

From FY2007 to FY2008, the community's levy limit only increases by the allowed 2.5 percent. (In this example assume the community has no new growth and has not voted an override.) The community's levy increases from the FY2007 amount of $900,000 up to its FY2008 levy limit of $1,025,000. This is a total dollar increase in the actual levy of $125,000 — and a percentage increase in the actual levy of 13.8 percent. From FY2007 to FY2008, the actual levy increases by 13.8 percent while the levy limit only increases by the allowed 2.5 percent.

It is important to note that the 13.8 percent increase described here is allowable under the provisions of Proposition 2½. As long as the levy limit only increases each year by the amount allowed under Proposition 2½, the actual levy can increase or decrease within the levy limit established each year, as decided by the community. The community may increase its levy up to its new levy limit regardless of the percentage increase in the levy. This concept is illustrated in *Figure 5*.

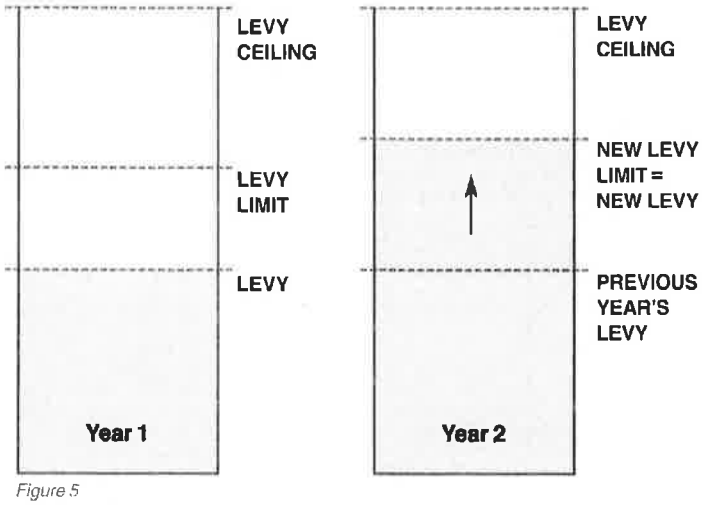


Figure 5

In Year 1, the community levies well below its levy limit.

In Year 2, the community's levy limit increases by the amount permitted under Proposition 2½. The community decides to levy all the way up to its new levy limit. The increase in the levy in Year 2 over Year 1 is indicated by the arrow. This increase is permissible under Proposition 2½.

Excess Levy Capacity

As discussed in the previous section, a community may choose to set its levy at any amount below or equal to its levy limit. 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.

Levy Limit – Levy = Excess Levy Capacity

The concept of excess levy capacity is not a part of the Proposition 2½ law, as are the levy limit and levy ceiling. However, excess levy capacity is an important factor in municipal finance, and local officials should understand this concept.

There are two common misconceptions about excess levy capacity. The first misconception is that if a community has excess levy capacity in one year, then its ability to levy up to its levy limit in succeeding years is negatively affected. This misconception is based on the fact that Proposition 2½ limits the amount a community can increase its property taxes from year to year. Many think this means that a community cannot raise its levy all the way up to the levy limit to use all its excess capacity in just one year.

This is not true. As we have already seen, Proposition 2½ limits increases from year to year in the levy limit, not the levy. Before the tax rate is set, the full amount of the levy limit is always available to the community, **regardless** of how much of the limit the community has chosen to levy in previous years. It is within the law under Proposition 2½ for a community to have excess levy capacity in one year and, in the following year, to levy right up to the full amount of its new levy limit. This is true no matter what the percentage increase in the levy would be in order to achieve this result.

The second misconception about excess levy capacity is that a community is able to go back and "capture" excess levy capacity from a previous year. This is also not true. Once the community sets its tax rate for a given year, any revenues foregone because of excess levy capacity in that year are lost forever. This is only a one-time loss, however. In the following year, the community may levy up to its new levy limit, regardless of its levy in the previous year. See the example below:

FY2007 Levy Limit = $1,000,000
FY2007 Levy = $900,000
FY2007 Excess Levy Capacity = $100,000

FY2008 Levy Limit = $1,025,000
FY2008 Levy = $1,025,000
FY2008 Excess Levy Capacity = $0

Increase In Levy Limit = $25,000
Increase In Levy = $125,000

In FY2007, the town levies only $900,000 of its levy limit of $1,000,000, foregoing $100,000 of tax revenue it could have collected. In FY2008, the town's levy limit increases by the automatic 2.5 percent allowed by Proposition 2½, or up by $25,000 to $1,025,000. The town decides to levy all the way up to its new levy limit, so it has no excess capacity in FY2008. Its FY2008 levy is $125,000 higher than its FY2007 levy. The town cannot also levy an additional amount to capture the $100,000 foregone in FY2007. In other words, it cannot levy up to $1,125,000 for a total levy increase of $225,000. The $100,000 foregone in FY2007 is lost forever. This is a one-time loss, since the community can, in FY2008, levy all the way up to its new levy limit. This is highlighted in *Figure 6*.

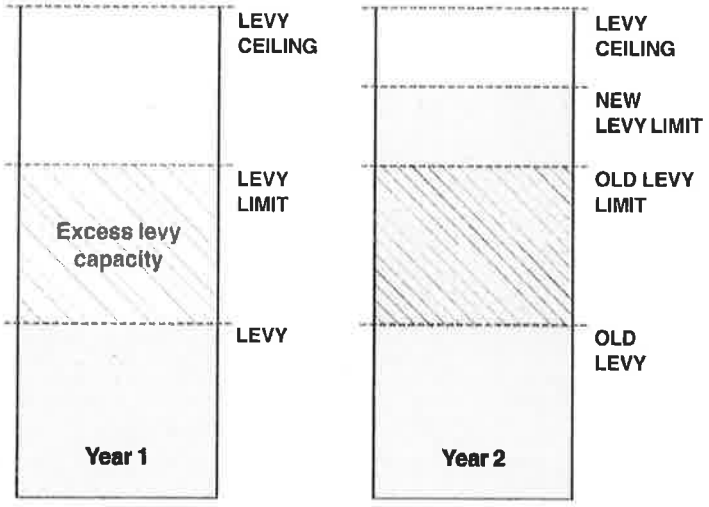


Figure 6

In Year 1, the community levies below its levy limit and as a result has excess levy capacity, represented by the area indicated.

In Year 2, the community may levy all the way up to its new levy limit. By levying up over its "old" levy limit (that is, its levy limit in Year 1), the community "uses" the excess capacity accrued in Year 1, shown by the area indicated. The community may increase its levy up to the new levy limit regardless of the percentage increase in the levy that is required to do so.

However, in Year 2 the community may not go back and recover the actual dollars of excess levy capacity foregone in Year 1 (the area indicated in the Year 1 diagram). That tax revenue is lost forever. It is only a one-time loss since the community can tax up to or above that level in Year 2.

Resources

For information on levy limits, levy ceilings, new growth and ballot questions (overrides, debt exclusions and capital outlay expenditure exclusions), contact DOR's Division of Local Services at:

- (617) 626-2300 by phone;
- (617) 626-2330 by fax; or
- the DLS website at **www.mass.gov/dls**.