



RECEIVED  
19 NOV 20 AM 11:04

2019-081  
Revised

Amesbury

Jason DiScipio, Chief Assessor  
City Hall, 62 Friend Street  
Amesbury, MA 01913

AMESBURY CITY CLERK

Tel: (978) 388-8102  
Email: [discipioj@amesburyma.gov](mailto:discipioj@amesburyma.gov)

Honorable Ken Gray  
President Mathew Einson  
Members of the City Council  
Amesbury, MA 01913

Dear City Officials:

Chapter 369 of the Acts of 1982 requires that the decision to shift the property tax burden from one class to another be determined by the City Council and the Mayor after a public hearing is held. At the completion of such a hearing, the City Council shall vote on four separate items in order to establish the tax burdens for each class of property.

1) **THE SELECTION OF A RESIDENTIAL FACTOR**

The minimum residential factor is **.9203**. This factor is calculated at 150%. A vote for a factor of 1 will establish a single tax rate for all classes of property.

Chapter 200 of the Acts of 1988 allows certain communities at local option to shift just as much of the tax burden to commercial, industrial and personal properties so as to maintain the most favored residential share since the City's adoption of a classified tax system.

2) **OPEN SPACE DISCOUNT**

The establishment of this class of property is the responsibility of the Assessors. At this time, our community does not have any properties classified as such.

3) **RESIDENTIAL EXEMPTION**

The average residential valuation for Fiscal Year 2020 is **\$367,567**. This average includes condos, one family, two family, three family, apartments, miscellaneous residential properties as well as **61** mixed use parcels and vacant land.

This exemption would allow a reduction in valuation of each qualifying residential parcel of up to (35% of average residential valuation) **\$128,648**. Because the adoption of such a factor is to be borne within the residential class, the net effect of the Residential Exemption is to lower tax bills for all residential property valued less than the average valuation and **increase tax bills** for all residential property valued greater than the average valuation.

Such an exemption is difficult to apply due to the legal requirement that the exemption be applied only to the principal residence of the taxpayer.

**The Board of Assessors does not recommend this exemption.**

4) COMMERCIAL EXEMPTION

This legislation adds an option, the small commercial exemption, to the property tax classification law. Under General Laws Chapter 59, Section 5I, the Mayor, with the approval of the City Council, may now decide annually to exempt up to 10 percent (10 %), of the value of Class 3, Commercial, parcels that are occupied by businesses with an average employment of no more than ten people at all locations during the previous calendar year, as certified by the commissioner of the Department of Employment & Training, and valuations of less than a million dollars. Similar to the residential exemption it results in reducing property taxes on properties occupied by small businesses and shifting those taxes onto other commercial and industrial properties.

This exemption is based on a percentage of an eligible parcel's valuation, rather than a fixed dollar amount. If this exemption is granted our office must determine the eligible parcels, reduce their valuation by the selected percentage and set the tax rate using the reduced value. This exemption will result in a higher rate for the Commercial and Industrial classes than for Personal Property.

**The Board of Assessors does not recommend this exemption.**

AVERAGE VALUE FOR INFORMATION PURPOSES

	# OF PARCELS	FY 2020 VALUE	FY 2019 VALUE	% CHANGE
SINGLE FAMILY	3,489	402,729.18	374,757.00	7.46%
CONDO	1,564	241,530.63	220,724.00	9.43%
TWO FAMILY	329	423,726.14	339,051.00	24.97%
THREE FAMILY	67	467,571.64	363,263.00	28.71%
APARTMENT	60	2,246,761.67	1,688,679.00	33.05%
COMMERCIAL	217	696,923.82	666,827.92	4.51%
INDUSTRIAL	84	1,259,139.29	1,192,540.00	5.58%
PERS PROP.	297	234,625.25	225,836.00	3.89%

THE NEW GROWTH IS BROKEN DOWN AS FOLLOWS

RESIDENTIAL TOTALS	\$17,625,400 = \$323,779
C.I.P. TOTALS	<u>\$6,801,260 = \$124,939</u>
GRAND TOTAL	\$448,718

The following data is submitted in order to exemplify the **ESTIMATED TAX RATES** for the Residential vs. Commercial, Industrial and Personal Property (CIP) with the use of different tax factors.

---

CIP TAX FACTOR	RESIDENTIAL FACTOR	RESIDENTIAL RATE	CIP RATE
1.00	1.0000	\$17.18	\$17.18
1.05	.9920	\$17.05	\$18.04
1.10	.9841	\$16.91	\$18.90
1.15	.9761	\$16.77	\$19.76
1.20	.9681	\$16.64	\$20.62
1.25	.9602	\$16.50	\$21.48
1.30	.9522	\$16.36	\$22.34
1.35	.9442	\$16.23	\$23.20
1.40	.9363	\$16.09	\$24.06
1.45	.9283	\$15.95	\$24.92
1.50	.9203	\$15.81	\$25.78

---

**AT A FACTOR OF 1**

**The average single family property tax will increase by approximately \$34.65**

**At a factor of 1.00 the average Residential property tax will increase by approximately \$188.88**

**GENERAL INFORMATION – FY 2020 AT A TAX RATE OF \$17.18 PER THOUSAND**

	<b>FY 2020</b>	<b>LEVY SHARE 20</b>	<b>FY 2019</b>	<b>LEVY SHARE 19</b>	<b>DIFFERENCE</b>
RESIDENTIAL	2,164,600,164	37,187,831	1,952,488,785	35,867,219	1,320,612
COMMERCIAL	168,640,851	2,897,250	161,382,686	2,964,600	-67,350
INDUSTRIAL	106,577,075	1,830,994	102,141,025	1,876,331	-45,336
PERS PROP.	69,683,699	1,197,166	69,557,588	1,277,773	-80,607
TOTAL	2,509,501,789	43,113,241	2,285,570,084	41,985,922	1,127,318

---

**FISCAL YEAR 2020 LEVY CALCULATIONS**

FISCAL YEAR 2019 LEVY LIMIT	45,766,634
PLUS 2.5%	1,144,166
PLUS FY20 NEW GROWTH	448,718
TOTAL 2020 LEVY LIMIT	47,359,518
PLUS DEBT EXCLUSION	542,200
TOTAL LEVY CAPACITY	47,901,718
ESTIMATED LEVY	43,122,598
EXCESS LEVY CAPACITY	4,779,120

---