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CITY OF AMESBURY, MA

**CITY OF AMESBURY
IN THE YEAR TWO THOUSAND TWENTY-THREE**

SPONSORED BY: *Kassandra Gove* **BILL No. 2023-102**
Kassandra Gove, Mayor

An Order to request the City Council vote to hold the annual Classification Hearing to vote on four (4) separate items in order to establish the tax burdens for each class of property.

Summary: On an annual basis, the City Council must vote on the issue of selecting a residential factor which will determine the percentage of the burden to be borne by each class of property.

Be it Ordered by the City Council of the City of Amesbury assembled, and by the authority of the same as follows:

That the City Council vote on the issue of selecting a residential factor which will determine the percentage of tax burden to be borne by each class of property; vote open space discount; vote residential exemption; vote commercial exemption for fiscal year **2024**

1.The Selection of a Residential Factor:

A vote for a factor of one (1) establishes a single rate.

2.An Open Space Discount:

At this time, our community does not have any properties classified as such.

3.Residential Exemption:

This would allow a reduction in value to qualifying parcels of up to 35% of the average residential value, however, the cost must be borne within the residential class.

*The Mayor has opted for **NO** exemption.*

4.Commercial Exemption:

This is similar to the above exemption, in that qualifying parcels would receive a discount of up to 10%, again the cost must be borne with the Commercial, Industrial and Personal Property classes.

*The Mayor has opted for **NO** exemption.*



Amesbury

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November 6, 2023

Honorable Kassandra Gove
President Nicholas Wheeler
Members of the City Council
Amesbury, MA 01913

Dear City Officials:

The purpose of the classification hearing is to determine the allocation for the local property tax to be borne by the four classes of real property and (Class five) personal property for **Fiscal Year 2024**. In deciding the allocation, a residential factor must be adopted by the City Council and the Mayor. The residential factor is used to determine the percentage of the tax levy that is applied 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).

It is the responsibility of the Assessors to provide the Mayor and City Council with relevant information, and to discuss the fiscal effects of possible alternatives.

At the completion of this 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 **93.2482**. 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.

AVERAGE VALUE FOR INFORMATION PURPOSES

	#OF PARCELS	FY24 Value	FY2023 VALUE	%CHANGE	\$ DIFFERENCE
SINGLE FAMILY	3528	582,514	520,389	11.94%	62,125
CONDO	1698	367,269	310,802	18.17%	56,467
TWO FAMILY	317	557,085	529,024	5.30%	28,061
THREE FAMILY	67	686,170	656,171	4.57%	29,999
APARTMENT	59	3,181,159	2,691,918	18.17%	489,241
CIP CLASS					
COMMERCIAL	220	818,796	771,482	6.13%	47,314
INDUSTRIAL	84	1,457,196	1,342,429	8.55%	114,767
PERS PROP.	254	400,627	359,812	11.34%	40,815

THE NEW GROWTH IS BROKEN DOWN AS FOLLOWS

RESIDENTIAL TOTALS \$27,363,900 = \$447,127

C.I.P. TOTALS \$7,195,125 = \$117,568

GRAND TOTAL \$564,695

FISCAL YEAR 2024 LEVY CALCULATIONS

FISCAL YEAR 2023 LEVY LIMIT	52,744,046
PLUS 2.5%	1,318,601
PLUS FY24 NEW GROWTH	564,695
TOTAL 2024 LEVY LIMIT	54,627,342
PLUS DEBT EXCLUSION	2,295,756
TOTAL LEVY CAPACITY	56,923,098
ESTIMATED LEVY	56,682,794
EXCESS LEVY CAPACITY	240,304

The tax rate is the tax levy divided by the city's taxable valuation.

This is known as the *Uniform (or Single) Tax Rate*.

Under this rate each class of property pays a share of the levy *equal* to its share of the total city value. The tax rate used in this report is estimated for FY24 at \$15.65 per thousand.

FY24 tax rate is pending the Department of Revenue's approval.

	FY2024	LEVY SHARE 24	FY 2023	LEVY SHARE 23	DIFFERENCE
RESIDENTIAL	3,191,005,538	49,939,237	2,816,128,760	46,015,544	3,923,693
COMMERCIAL	201,489,881	3,153,317	189,286,790	3,092,946	60,370
INDUSTRIAL	127,649,183	1,997,710	117,885,083	1,926,242	71,467
PERS PROP.	101,759,144	1,592,531	93,910,958	1,534,505	58,026
TOTAL	3,621,903,746	56,682,794	3,217,211,591	52,569,237	4,113,556

ATA FACTOR OF 1

GENERAL INFORMATION-FY 2024 AT AN ESTIMATED TAX RATE OF \$15.65 PER THOUSAND

	FY24 AVG VALUE	FY24 ESTIMATED RATE	FY23 AVG VALUE	FY23 RATE	FY24 AVERAGE TAX LIABILITY	FY23 AVERAGE TAX LIABILITY	FY2024 ANNUAL TAX DIFF BETWEEN FY24 & FY23
SINGLE FAMILY	582,514	15.65	520,389	16.34	9,116	8,503	\$613
CONDOS	367,269	15.65	310,803	16.34	5,748	5,079	\$669
TWO FAMILY	557,085	15.65	529,025	16.34	8,718	8,644	\$74
THREE FAMILY	686,170	15.65	656,171	16.34	10,739	10,722	\$17
APARTMENT	3,181,159	15.65	2,691,919	16.34	49,785	43,986	\$5,799
COMMERCIAL	818,796	15.65	771,482	16.34	12,814	12,606	\$208
INDUSTRIAL	1,457,196	15.65	1,342,430	16.34	22,805	21,935	\$870
PERSONAL PROPERTY	400,627	15.65	359,812	16.34	6,270	5,879	\$391

ATA FACTOR OF 1

*The average single family property tax will increase by approximately \$613
The average single family bill will be approximately \$9116
The average condo bill will be approximately \$5,748*

SPLITTING THE TAX RATE

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

THIS TABLE IS FOR PLANNING PURPOSES ONLY.

ALL NUMBERS ARE PROJECTED AND MAY CHANGE DURING CERTIFICATION.

ACTUAL CALCULATIONS MAY DIFFER SLIGHTLY DUE TO ROUNDING UNTIL TAX RECAP IS COMPLETED

	AVG VALUE	SHIFT	RES RATE	CIP RATE	TAX LIABILITY	\$ DIFF IN TAXES ANNUALLY	FY23 TAXES	TAX INCREASE FY23 to FY24
SINGLE FAMILY	582,514	1	15.65		9,116		8,503	613
CONDO	367,269				5,748		5,079	669
COMMERICAL	818,796				12,814		12,606	208
INDUSTRIAL	1,457,196				22,805		21,935	870
PERSONAL PROPERTY	400,627				6,270		5,879	391
SINGLE FAMILY	582,514	1.05	15.54		9,052	-64	8,503	549
CONDO	367,269				5,707	-40	5,079	628
COMMERICAL	818,796			16.43	13,453	639	12,606	847
INDUSTRIAL	1,457,196				23,942	1,137	21,935	2,007
PERSONAL PROPERTY	400,627				6,582	312	5,879	703
SINGLE FAMILY	582,514	1.1	15.44		8,994	-122	8,503	491
CONDO	367,269				5,671	-77	5,079	592
COMMERICAL	818,796			17.21	14,091	1,277	12,606	1,485
INDUSTRIAL	1,457,196				25,078	2,273	21,935	3,143
PERSONAL PROPERTY	400,627				6,895	625	5,879	1,016
SINGLE FAMILY	582,514	1.15	15.33		8,930	-186	8,503	427
CONDO	367,269				5,630	-118	5,079	551
COMMERICAL	818,796			18.00	14,738	1,924	12,606	2,132
INDUST-RIAL	1,457,196				26,230	3,424	21,935	4,295
PERSONAL PROPERTY	400,627				7,211	941	5,879	1,332

SINGLE FAMILY	582,514	1.2	15.23		8,872	-245	8,503	369
CONDO	367,269				5,594	-154	5,079	515
COMMERICAL	818,796			18.78	15,377	2,563	12,606	2,771
INDUSTRIAL	1,457,196				27,366	4,561	21,935	5,431
PERSONAL PROPERTY	400,627				7,524	1,254	5,879	1,645
SINGLE FAMILY	582,514	1.25	15.12		8,808	-309	8,503	305
CONDO	367,269				5,553	-195	5,079	474
COMMERICAL	818,796			19.56	16,016	3,201	12,606	3,410
INDUSTRIAL	1,457,196				28,503	5,698	21,935	6,568
PERSONAL PROPERTY	400,627				7,836	1,566	5,879	1,957
SINGLE FAMILY	582,514	1.3	15.02		8,749	-367	8,503	246
CONDO	367,269				5,516	-231	5,079	437
COMMERICAL	818,796			20.35	16,662	3,848	12,606	4,056
INDUSTRIAL	1,457,196				29,654	6,839	21,935	7,719
PERSONAL PROPERTY	400,627				8,153	1,883	5,879	2,274
SINGLE FAMILY	582,514	1.35	14.91		8,685	-431	8,503	182
CONDO	367,269				5,476	-272	5,079	397
COMMERICAL	818,796			21.13	17,301	4,487	12,606	4,695
INDUSTRIAL	1,457,196				30,791	7,985	21,935	8,856
PERSONAL PROPERTY	400,627				8,465	2,195	5,879	2,586
SINGLE FAMILY	582,514	1.4	14.80		8,621	-495	8,503	118
CONDO	367,269				5,436	-312	5,079	357
COMMERICAL	818,796			21.91	17,940	5,126	12,606	5,334
INDUSTRIAL	1,457,196				31,927	9,122	21,935	9,992
PERSONAL PROPERTY	400,627				8,778	2,508	5,879	2,899
SINGLE FAMILY	582,514	1.45	14.70		8,563	-553	8,503	60
CONDO	367,269				5,399	-349	5,079	320
COMMERICAL	818,796			22.69	18,578	5,764	12,606	5,972
INDUSTRIAL	1,457,196				33,064	10,259	21,935	11,129
PERSONAL PROPERTY	400,627				9,090	2,820	5,879	3,211
SINGLE FAMILY	582,514	1.5	14.59		8,499	-617	8,503	-4
CONDO	367,269				5,358	-389	5,079	279
COMMERICAL	818,796			23.48	19,225	6,411	12,606	6,619
INDUSTRIAL	1,457,196				34,215	11,410	21,935	12,280
PERSONAL PROPERTY	400,627				9,407	3,137	5,879	3,528

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 2024 is **\$529,364**. This average includes condos, one family, two family, three family, apartments, miscellaneous residential properties as well as **62** 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) **\$185,277**. Because the adoption of such a factor is to be home 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 51, 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.

ASSESSMENT/CLASSIFICATION REPORT as of January 1, 2023
Fiscal Year 2024

Property Type	Parcel Count	Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	ClassS Pers Prop
101	3,528	2,055,111,028				
102	1,698	623,622,644				
MISC 103,109	32	23,874,700				
104	317	176,596,100				
105	67	45,973,400				
111-125	59	187,688,400				
130-32,106	265	25,887,100				
200-231	0		0			
300-393	220			180,135,050		
400-442	84				122,404,500	
450-452					3,982,708	
CH 61 LAND	2		0	3,320		
CH 61A LAND	34	37	0	389,664		
CH 61B LAND	2	6	0	1,981,840		
012-043	62	52,252,166	0	18,980,007	1,261,975	
501	154					5,627,261
502	87					6,155,798
503	0					0
504	3					80,612,832
505	5					4,427,800
506	0					0
508	4					1,064,647
550-552						3,870,806
TOTALS	6,669	3,191,005,538	0	201,489,881	127,649,183	101,759,144
Real and Personal Property Total Value						3,621,903,746
Exempt Parcel Count & Value					368	258,293,200

For CH 61, 61A and 61B Land: enter the mixed use parcel count in the left-hand box, and enter the 100% Chapter land parcel count in the right-hand box.

Signatures

Board of Assessors

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