



2024-138

CITY OF AMESBURY
IN THE YEAR TWO THOUSAND TWENTY- FOUR

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CITY CLERK

2024 NOV -4 P 3:59

SPONSORED BY: Kassandra Gove CITY OF AMESBURY, MA **BILL No. 2024- 138**
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 **2025**

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.*



Honorable Kassandra Gove
President Scott Mandeville
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 2025**. 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 **.935**. 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.

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AVERAGE VALUE FOR INFORMATION PURPOSES

	# OF PARCELS	FY2025 VALUE	FY2024 VALUE	% CHANGE	\$ DIFFERENCE
RESIDENTIAL CLASS					
SINGLE FAMILY	3531	626,318	582,514	7.52%	43,804
CONDO	1728	403,142	367,269	9.77%	35,873
TWO FAMILY	314	582,176	557,085	4.50%	25,091
THREE FAMILY	66	698,959	686,170	1.86%	12,789
APARTMENT	59	3,232,313	3,181,159	1.61%	51,154
CIP CLASS					
COMMERCIAL	218	824,323	818,796	0.68%	5,527
INDUSTRIAL	84	1,574,009	1,457,196	8.02%	111,813
PERS PROP.	217	488,865	400,627	22.03%	88,238

THE NEW GROWTH IS BROKEN DOWN AS FOLLOWS

RESIDENTIAL TOTALS	\$27,363,900 = \$559,378
C.I.P. TOTALS	<u>\$7,121,152 = \$111,375</u>
GRAND TOTAL	\$670,753

FISCAL YEAR 2025 LEVY CALCULATIONS

FISCAL YEAR 2024 LEVY LIMIT	54,627,342
PLUS 2.5%	1,365,684
PLUS FY25 NEW GROWTH	670,753
TOTAL 2025 LEVY LIMIT	56,663,779
PLUS DEBT EXCLUSION	2,937,772
TOTAL LEVY CAPACITY	59,601,551
ESTIMATED LEVY	59,428,567
EXCESS LEVY CAPACITY	172,984

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 FY25 at \$15.30 per thousand.

FY25 tax rate is pending the Department of Revenue's approval.

	FY 2025	LEVY SHARE 25	FY 2024	LEVY SHARE 24	DIFFERENCE
RESIDENTIAL	3,436,740,666	52,582,132	3,191,005,538	49,907,327	2,674,806
COMMERCIAL	204,387,394	3,127,127	201,489,881	3,151,302	-24,175
INDUSTRIAL	137,463,658	2,103,194	127,649,183	1,996,433	106,761
PERS PROP.	106,083,713	1,623,081	101,759,144	1,591,513	31,568
TOTAL	3,884,675,431	59,435,534	3,621,903,746	56,646,575	2,788,960

AT A FACTOR OF 1

	FY25 AVG VALUE	FY25 RATE	FY24 AVG VALUE	FY24 RATE	FY25 AVERAGE TAX LIABILITY	FY24 AVERAGE TAX LIABILITY	FY25 ANNUAL TAX DIFF BETWEEN FY24 & FY25	FY25 MEDIAN VALUE	FY25 TAX LIABILITY BASED ON MEDIAN VALUE	FY24 MEDIAN VALUE	FY24 TAX LIABILITY BASED ON MEDIAN VALUE	FY25 ANNUAL TAX DIFF BETWEEN FY24 & FY25
SINGLE FAMILY	626,318	15.30	582,514	15.64	9,583	9,111	472	\$579,700	8,869	\$540,400	\$8,452	418
CONDOS	403,142	15.30	367,269	15.64	6,168	5,744	424	\$346,000	5,318	\$324,900	\$5,081	236
TWO FAMILY	582,176	15.30	557,085	15.64	8,907	8,713	194	\$541,700	8,288	\$522,200	\$8,167	121
THREE FAMILY	698,959	15.30	686,170	15.64	10,694	10,732	-38	\$681,750	10,431	\$666,500	\$10,424	7
APARTMENT	3,232,313	15.30	3,181,159	15.64	49,454	49,753	-299	\$820,000	12,546	\$806,100	\$12,607	-61
COMMERCIAL	824,323	15.30	818,796	15.64	12,612	12,806	-194	\$603,300	9,298	\$983,100	\$15,376	-6078
INDUSTRIAL	1,574,009	15.30	1,457,196	15.64	24,082	22,791	1,292	\$1,296,000	20,891	\$186,200	\$2,943	17,948
PERSONAL PROPERTY	488,865	15.30	400,627	15.64	7,480	6,266	1,214	\$13,333	204	\$12,391	\$194	10

GENERAL INFORMATION – FY 2025 AT AN ESTIMATED TAX RATE OF \$15.30 PER THOUSAND

AT A FACTOR OF 1

*The average single family property tax will increase by approximately \$472
The average single family bill will be approximately \$9,583
The average condo bill will be approximately \$6,168*

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	FY24 TAXES	TAX INCREASE FY24 to FY25
						ANNUALLY		
SINGLE FAMILY	626,318	1	15.30		9,583		9,111	472
CONDO	403,142				6,168		5,744	424
COMMERICAL	824,323				12,612		12,806	-194
INDUSTRIAL	1,574,009				24,082		22,791	1,291
PERSONAL PROPERTY	488,865				7,480		6,266	1,214
SINGLE FAMILY	626,318	1.05	15.20		9,520	-63	9,111	409
CONDO	403,142				6,128	-40	5,744	384
COMMERICAL	824,323			16.06	13,239	627	12,806	433
INDUSTRIAL	1,574,009				25,279	1,197	22,791	2,488
PERSONAL PROPERTY	488,865				7,851	371	6,266	1,585
SINGLE FAMILY	626,318	1.1	15.10		9,457	-126	9,111	346
CONDO	403,142				6,087	-81	5,744	343
COMMERICAL	824,323			16.83	13,873	1,261	12,806	1067
INDUSTRIAL	1,574,009				26,491	2,409	22,791	3700
PERSONAL PROPERTY	488,865				8,228	748	6,266	1962
SINGLE FAMILY	626,318	1.15	15.00		9,395	-188	9,111	284
CONDO	403,142				6,047	-121	5,744	303
COMMERICAL	824,323			17.59	14,500	1,888	12,806	1,694
INDUSTRIAL	1,574,009				27,687	3,605	22,791	4,896
PERSONAL PROPERTY	488,865				8,599	1,119	6,266	2,333

SINGLE FAMILY	626,318	1.2	14.90		9,332	-251	9,111	221
CONDO	403,142				6,007	-161	5,744	263
COMMERICAL	824,323			18.36	15,135	2,523	12,806	2,329
INDUSTRIAL	1,574,009				28,899	4,817	22,791	6,108
PERSONAL PROPERTY	488,865				8,976	1,496	6,266	2,710
SINGLE FAMILY	626,318	1.25	14.80		9,270	-313	9,111	159
CONDO	403,142				5,967	-201	5,744	223
COMMERICAL	824,323			19.12	15,761	12612	12,806	2,955
INDUSTRIAL	1,574,009				30,095	24082	22,791	7,304
PERSONAL PROPERTY	488,865				9,347	1867	6,266	3,081
SINGLE FAMILY	626,318	1.3	14.70		9,207	-376	9,111	96
CONDO	403,142				5,926	-242	5,744	182
COMMERICAL	824,323			19.89	16,396	3,784	12,806	3,590
INDUSTRIAL	1,574,009				31,307	7,225	22,791	8,516
PERSONAL PROPERTY	488,865				9,724	2,244	6,266	3,458
SINGLE FAMILY	626,318	1.35	14.60		9,144	-439	9,111	33
CONDO	403,142				5,886	-282	5,744	142
COMMERICAL	824,323			20.65	17,022	4,410	12,806	4,216
INDUSTRIAL	1,574,009				32,503	8,421	22,791	9,712
PERSONAL PROPERTY	488,865				10,095	2,615	6,266	3,829
SINGLE FAMILY	626,318	1.4	14.50		9,082	-501	9,111	-29
CONDO	403,142				5,846	-322	5,744	102
COMMERICAL	824,323			21.42	17,657	5,045	12,806	4,851
INDUSTRIAL	1,574,009				33,715	9,633	22,791	10,924
PERSONAL PROPERTY	488,865				10,471	2,991	6,266	4,205
SINGLE FAMILY	626,318	1.45	14.40		9,019	-564	9,111	-92
CONDO	403,142				5,805	-363	5,744	61
COMMERICAL	824,323			22.18	18,283	5,671	12,806	5,477
INDUSTRIAL	1,574,009				34,912	10,830	22,791	12,121
PERSONAL PROPERTY	488,865				10,843	3,363	6,266	4,577
SINGLE FAMILY	626,318	1.5	14.30		8,956	-627	9,111	-155
CONDO	403,142				5,765	-403	5,744	21
COMMERICAL	824,323			22.95	18,918	6,306	12,806	6,112
INDUSTRIAL	1,574,009				36,124	12,042	22,791	13,333
PERSONAL PROPERTY	488,865				11,219	3,739	6,266	4,953

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 2025 is \$566,931. This average includes condos, one family, two family, three family, apartments, miscellaneous residential properties as well as 63 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) \$198,426. 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.

CLASSIFICATION TAX ALLOCATION
Fiscal Year 2025

No. Eligible Com Parcels	0				
Com Exemp % (max 10%)	0.0000	X Total Value of Eligible Parcel	0	= Total Com Value Exempted	0
Tot Com & Indus Value	341,851,052	- Total Com Value Exempted	0	= Com & Ind Val after Exemption	341,851,052

LA-5 Certification

Public Hearing Held on: Date Time at Adopted on Date

The LA-5 excess capacity for the current fiscal year is calculated as 172,934.00

The LA-5 excess capacity for the prior fiscal year is calculated as 276,523.42

If adopting a residential or senior means tested exemption, the Exemption Calculation Worksheet must be uploaded to submit the LA - 5.

Signatures

No signatures to display.

Documents

No documents have been uploaded.