



Amesbury

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Honorable Cassandra Gove
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 **.921**. 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 **2022** is **\$406,021**. This average includes condos, one family, two family, three family, apartments, miscellaneous residential properties as well as **60** 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) **\$142,107**. 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 2022 VALUE	FY 2021 VALUE	% CHANGE
SINGLE FAMILY	3,508	454,107.10	420,916.59	7.89%
CONDO	1,651	261,791.52	255,000.00	2.66%
TWO FAMILY	326	435,048.16	442,263.11	-1.63%
THREE FAMILY	66	550,077.27	519,951.52	5.79%
APARTMENT	59	2,399,455.93	2,321,276.27	3.37%
COMMERCIAL	217	751,036.64	712,274.79	5.44%
INDUSTRIAL	84	1,303,286.90	1,260,879.76	3.36%
PERS PROP.	267	333,989.25	265,712.84	25.70%

THE NEW GROWTH IS BROKEN DOWN AS FOLLOWS

RESIDENTIAL TOTALS	\$16,641,900 = \$303,715
C.I.P. TOTALS	<u>\$7,958,821 = \$145,248</u>
GRAND TOTAL	\$448,963

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	\$17.69	\$17.69
1.05	.9921	\$17.55	\$18.57
1.10	.9842	\$17.41	\$19.46
1.15	.9763	\$17.27	\$20.34
1.20	.9684	\$17.13	\$21.22
1.25	.9605	\$16.99	\$22.11
1.30	.9526	\$16.85	\$22.99
1.35	.9447	\$16.71	\$23.88
1.40	.9368	\$16.57	\$24.76
1.45	.9289	\$16.43	\$25.65
1.50	.9210	\$16.29	\$26.53

AT A FACTOR OF 1

The average single family property tax will increase by approximately \$351.42

At a factor of 1.00 the average Residential property tax will increase by approximately \$173.69

The average single family bill will be \$8,033.15

The average condo bill will be \$4,631.09

GENERAL INFORMATION – FY 2022 AT A TAX RATE OF \$17.69 PER THOUSAND

	FY 2022	LEVY SHARE 22	FY 2021	LEVY SHARE 21	DIFFERENCE
RESIDENTIAL	2,430,439,839	44,112,483	2,267,787,037	41,160,335	2,952,148
COMMERCIAL	180,794,247	3,281,416	172,343,258	3,128,030	153,386
INDUSTRIAL	114,106,425	2,071,032	111,301,550	2,020,123	50,909
PERS PROP.	89,264,009	1,620,142	69,351,050	1,258,722	361,420
TOTAL	2,814,604,520	51,085,072	2,620,782,895	47,567,210	3,517,862

FISCAL YEAR 2022 LEVY CALCULATIONS

PLUS 2.5%	1,226,392
PLUS FY22 NEW GROWTH	448,963
TOTAL 2022 LEVY LIMIT	50,731,043
PLUS DEBT EXCLUSION	2,330,756
TOTAL LEVY CAPACITY	53,061,799
ESTIMATED LEVY	50,208,785
EXCESS LEVY CAPACITY	2,853,014