



CITY OF NEWBURYPORT
OFFICE OF THE MAYOR
DONNA D. HOLADAY

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To: President and Members of the City Council
From: Donna D. Holaday, Mayor
Date: November 17, 2021
Subject: Fiscal Year 2022 Tax Rate

For Fiscal Year 2022, I recommend establishing a tax rate of **\$12.01 per \$1,000** based on a tax levy of \$63,562,057 and a city-wide valuation of \$5,292,427,743. This tax rate represents a 1.41% increase to the prior year levy limit compared to the 2.5% increase provided by Proposition 2½; this results in a decrease to the tax rate of \$0.63 per \$1,000 compared to the FY2021 tax rate of \$12.64.

Based on the FY2022 valuation, the average single-family home in Newburyport is now assessed at \$702,000, compared to \$640,800 in FY2021. This results in an average single-family tax bill of \$8,431, which represents a 4.1%, or \$331, increase over FY2021's average single-family tax bill. It is worth noting that the change in tax bill for any given household will vary depending on the change in their home's assessed value, including whether or not any improvements were made over the course of the year. For FY2022, approximately 51.8% of homeowners will see an increase less than 4.1%, whereas 48.2% of homeowners will see an increase greater than 4.1%.

Below is a summary of the unappropriated funds totaling \$637,321 that make it possible to tax below the full levy limit:

<u>FY22 Funds Unappropriated</u>	
Budget Reductions	\$372,750
Supplemental Budget #1	(\$120,256)
Supplemental Budget #2	(\$44,000)
New Growth Over Estimate	\$135,194
Budgeted Excess Levy Capacity (0.5%)	\$293,633
Net available to defray tax rate	\$637,321

While I am cognizant of the need for additional revenue to fund important programs and services throughout the City, including investments in infrastructure, streets and sidewalks, education, and more; we are fortunate to have access to an unprecedented level of federal funding to help augment the funding that comes from local property taxes. The proposed increase of 1.41% allows us to meet our obligations and move the City forward, while continuing to be mindful of the impact of the tax burden that is placed on our residents and businesses.

Thank you for your review and consideration.

City of Newburyport Tax Rates FY15-FY22

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
Prior Year Levy Limit	\$44,298,205	\$46,062,191	\$47,847,641	\$49,834,938	\$52,014,405	\$54,300,695	\$56,390,995	\$58,726,600
2 ½ % Increase	\$1,107,455	\$1,151,555	\$1,196,191	\$1,245,873	\$1,300,360	\$1,357,517	\$1,409,775	\$1,468,165
New Growth	\$656,531	\$633,895	\$791,106	\$933,594	\$985,930	\$732,783	\$925,830	\$835,194
Levy Limit	\$46,062,191	\$47,847,641	\$49,834,938	\$52,014,405	\$54,300,696	\$56,390,995	\$58,726,600	\$61,029,959
Excluded Debt	\$2,427,794	\$2,918,868	\$3,192,620	\$3,166,609	\$3,178,737	\$3,165,464	\$3,171,545	\$3,171,735
Total Levy Limit	\$48,489,985	\$50,766,508	\$53,027,558	\$55,181,014	\$57,479,432	\$59,556,459	\$61,898,145	\$64,201,694
Total Assessed Value*	\$3,608,068,142	\$3,765,130,445	\$3,942,342,529	\$4,132,346,602	\$4,369,487,756	\$4,634,824,144	\$4,828,252,824	\$5,292,427,743
Tax Rate	<u>\$13.34</u>	<u>\$13.39</u>	<u>\$13.45</u>	<u>\$13.26</u>	<u>\$13.08</u>	<u>\$12.84</u>	<u>\$12.64</u>	<u>\$12.01</u>
Excess Capacity	\$358,356	\$351,412	\$3,051	\$386,098	\$326,532	\$45,317	\$869,029	\$639,637
Average Single Family Assessment*	\$501,800	\$520,500	\$540,300	\$560,300	\$595,000	\$617,500	\$640,800	\$702,000
Tax Bill	<u>\$6,694</u>	<u>\$6,969</u>	<u>\$7,267</u>	<u>\$7,430</u>	<u>\$7,783</u>	<u>\$7,929</u>	<u>\$8,100</u>	<u>\$8,431</u>
Increase from Prior Yr.	\$372	\$275	\$298	\$163	\$353	\$146	\$171	\$331
% Increase	5.9%	4.1%	4.3%	2.2%	4.8%	1.9%	2.2%	4.1%

Proposed Tax Rate

Historical Comparison for Average Single Family Home

Fiscal Year	Average Value	Tax Rate	Tax Bill	YoY Increase \$	YoY Increase %	FY22 Funds Unappropriated
2012	\$445,226	\$12.80	\$5,699	\$188	3.4%	Budget Reductions \$372,750.16
2013	\$438,272	\$13.32	\$5,838	\$139	2.4%	Supplemental Budget #1 (\$120,255.76)
2014	\$446,524	\$14.16	\$6,323	\$485	8.3%	Supplemental Budget #2 (\$44,000.00)
2015	\$501,800	\$13.34	\$6,694	\$372	5.9%	New Growth Over Estimate \$135,194.00
2016	\$520,500	\$13.39	\$6,969	\$275	4.1%	Budgeted Excess Levy Capacity (0.5%) \$293,633.00
2017	\$540,300	\$13.45	\$7,267	\$298	4.3%	Net available to defray tax rate \$637,321.40
2018	\$560,300	\$13.26	\$7,430	\$163	2.2%	
2019	\$595,000	\$13.08	\$7,783	\$353	4.8%	
2020	\$617,500	\$12.84	\$7,929	\$146	1.9%	
2021	\$640,800	\$12.64	\$8,100	\$171	2.2%	
2022	\$702,000	\$12.01	\$8,431	\$331	4.1%	

Maximum Prop. 2½ Tax Rate

FY22 Tax Rates Using Less Than Full Levy Capacity

For Average Single Family Home Assessed at \$702,000

% Increase	\$ Increase	Amount Defrayed	Tax Rate	Average Tax Bill	Savings	\$ Incr. From PY	% Incr. From PY	Excess Levy Capacity
2.50%	\$1,468,165	\$0	\$12.13	\$8,515	\$0	\$416	5.1%	\$4,545
2.25%	\$1,321,349	\$146,817	\$12.10	\$8,494	\$21	\$394	4.9%	\$163,318
2.00%	\$1,174,532	\$293,633	\$12.07	\$8,473	\$42	\$373	4.6%	\$322,091
1.75%	\$1,027,716	\$440,450	\$12.04	\$8,452	\$63	\$352	4.4%	\$480,864
1.41%	\$830,844	\$637,321	\$12.01	\$8,431	\$84	\$331	4.1%	\$639,637

Proposed Tax Rate

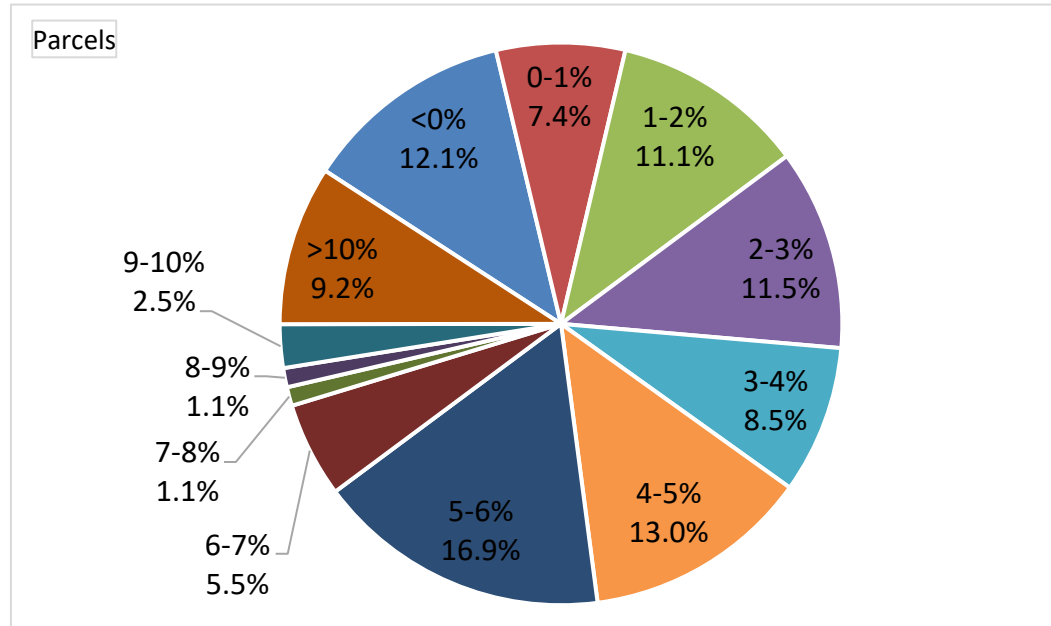
FY2022 Median Assessments & Tax Bills

Single Family Homes

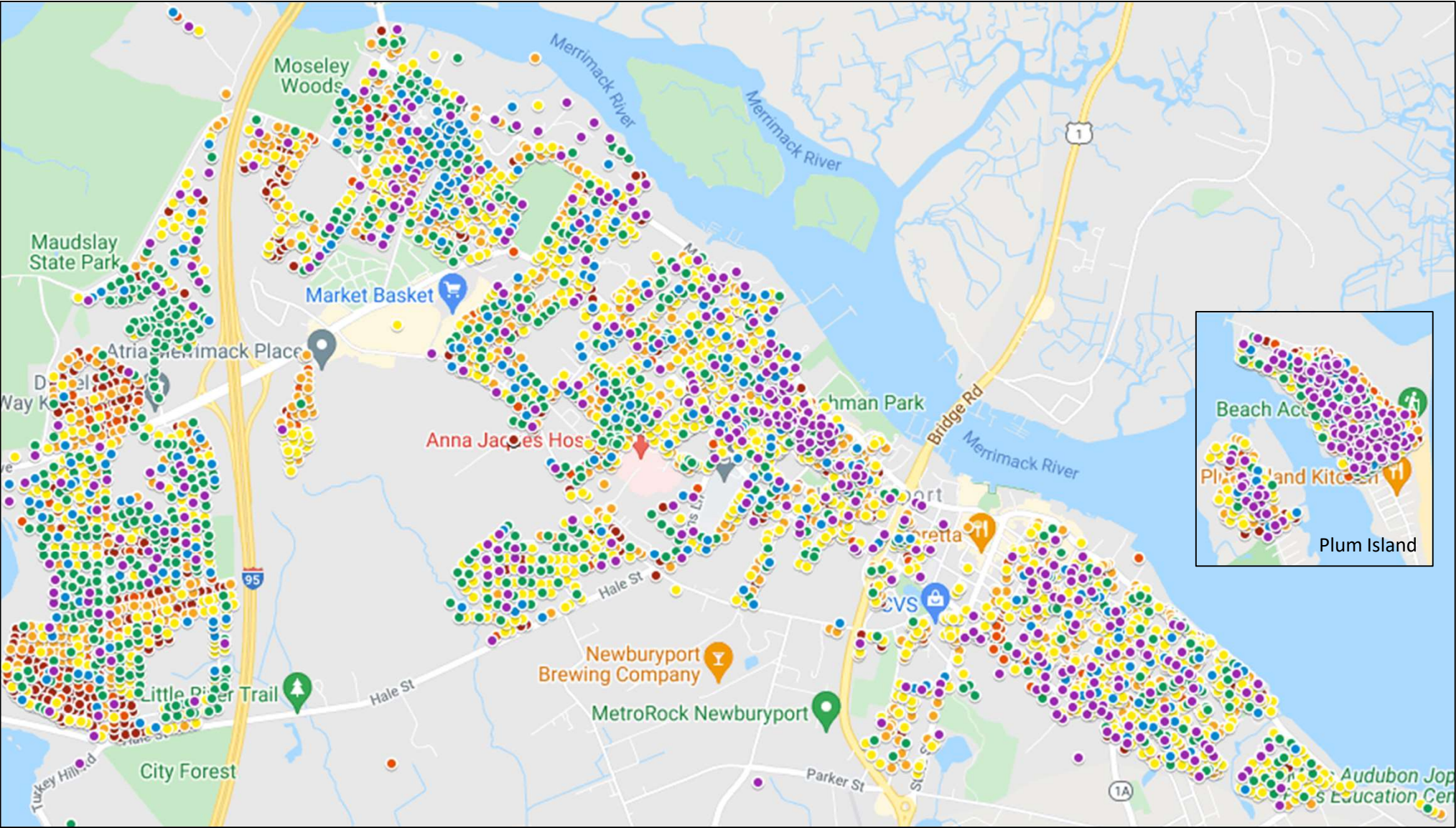
Median Assessment				Median Tax Bill			
<u>FY2021</u>	<u>FY2022</u>	<u>\$ Change</u>	<u>% Change</u>	<u>FY2021</u>	<u>FY2022</u>	<u>\$ Change</u>	<u>% Change</u>
\$577,050	\$632,950	\$55,900	9.7%	\$7,316	\$7,602	\$286	3.9%

Change in Tax Bill - FY2021 to FY2022

% Change	Parcels
<0%	12.1%
0-1%	7.4%
1-2%	11.1%
2-3%	11.5%
3-4%	8.5%
4-5%	13.0%
5-6%	16.9%
6-7%	5.5%
7-8%	1.1%
8-9%	1.1%
9-10%	2.5%
>10%	9.2%
Grand Total	100.0%



Change in Tax Bills (Single Family Homes) – FY2021 to FY2022



Interactive Map: <https://www.cityofnewburyport.com/fy22taxbillvisualization>

CITY OF NEWBURYPORT FISCAL YEAR 2022 CLASSIFICATION



November 29, 2021

MINIMUM RESIDENTIAL FACTOR

- A Residential Factor of 1 and raising the levy by 1.50% would yield a single tax rate of \$12.01 per thousand dollars of value.
- Tax Levy: $\$12.01 \times 5,292,427,743 / 1000 = \$63,562,057$.
- Chapter 200 allows Newburyport to select a factor less than 1 for the residential class, thereby shifting more of the tax burden onto the CIP classes of properties.
- Since 1918 Newburyport has chosen to adopt a MRF of 1 except for Fiscal Year 1986 when a shift to 1.50 of the CIP class was adopted.

AVG TAX BILL FY 2021 – FY 2022

	FY2021	FY2022	Change
Avg. Single Family Assessment	\$640,800	\$702,000	+9.5%
Res Tax Rate	\$12.64	\$12.01	-\$0.63
Avg. Res Tax Bill	\$8,099.71	\$8,431.02	+\$331.31 or +4.1%
Avg. Commercial Value	\$1,271,500	\$1,324,800	+4.2%
CIP Tax Rate	\$12.64	\$12.01	-\$0.63
Avg. Commercial Tax Bill	\$16,071.76	\$15,910.84	-\$160.92 or -1.0%

TAX LEVY BY CLASS OF PROPERTY

CLASS	VALUE	%	
Residential	4,652,574,162	87.9100	R & O %
Open Space	260,500	0.0049	87.9149
Commercial	355,977,538	6.7262	
Industrial	215,433,200	4.0706	C I P %
Personal Property	68,182,343	1.2883	12.0851
Total	5,292,427,743	100.0000	

Levy	63,562,057
Single Tax Rate	12.01

CIP Shift	Residential/OS	Commercial	Industrial	Personal Property
1.0000	12.01	12.01	12.01	12.01
1.0500	11.93	12.61	12.61	12.61
1.1000	11.85	13.21	13.21	13.21
1.1500	11.76	13.81	13.81	13.81
1.2000	11.68	14.41	14.41	14.41
1.2500	11.60	15.01	15.01	15.01
1.3000	11.51	15.61	15.61	15.61
1.3500	11.43	16.21	16.21	16.21
1.4000	11.35	16.81	16.81	16.81
1.4500	11.27	17.41	17.41	17.41
1.5000	11.18	18.02	18.02	18.02