

CITY OF NEWBURYPORT



IN CITY COUNCIL

ORDERED:

November 13, 2023

THAT, the City of Newburyport adopts a **tax rate** of [**\$**] per thousand for the residential and open space (R&O) classes and [**\$**] per thousand for the commercial, industrial and personal property (CIP) classes for **fiscal year 2024**.

Councillor Sharif I. Zeid



CITY OF NEWBURYPORT
OFFICE OF THE MAYOR
SEAN R. REARDON, MAYOR

To: President and Members of the City Council
From: Mayor Sean R. Reardon
Date: November 8, 2023
Subject: FY2024 Tax Rate Recommendation

Establishing the property tax rate is the final stage of our annual budget process, which allocates funds for the expenditures approved by the Mayor and City Council earlier this year. Our budget and forecasts for the upcoming year are based on taxation up to the levy limit provided by the state's Proposition 2½. I am pleased to report that we have a surplus of \$353,568¹, which does not need to be collected through taxes, thanks to City Council budget reductions, additional state aid, and higher-than-estimated new growth.

Recommendations

To fund the FY'24 adopted budget that totaled \$82,885,992 for the general fund, \$68,846,514² must be raised through the tax rate setting process. In order to fund that amount, we recommend that the City Council votes to:

1. Authorize the use of **\$280,978** in free cash to reduce the FY'24 tax rate.
2. Adopt a residential factor of **1.0** (no CIP shift).
3. Adopt a single tax rate of **\$9.97 per thousand dollars** for both the residential and open space classes, as well as the commercial, industrial, and personal property classes.

Why Use Free Cash?

Using \$280,978 in free cash will reduce the amount to be raised through taxes from \$68,846,514 to \$68,565,536. While it's not always possible to rely on free cash for tax funding, there are instances where it's justified. Last year, we had a historic free cash certification due to one-time revenue sources, allowing us to use \$706,177 to mitigate the tax rate. This year, using free cash will help fill the gap left by the significant amount of excess levy capacity for FY2023.

However, it's essential to be mindful that relying on free cash to balance the budget increases the burden on taxpayers in the following year. An increase that would typically be 3.0 to 3.5%

¹ Budgeted excess levy capacity of \$181,829, budget reductions of \$95,000, additional state aid of \$23,061 and higher-than-estimated new growth of \$226,467 less supplemental budget appropriation of \$172,789.

² FY'24 levy limit of \$69,200,082 less \$353,568 in available revenue.

becomes 4.0 to 4.5%, as we need to compensate for the untaxed amount from the prior year. Therefore, while I support using a moderate amount of free cash, I do not recommend larger allocations to set the tax rate, as it could lead to future challenges.

Why No Recommendation for a CIP Shift?

In Massachusetts, properties are grouped into two categories: residential and open space ("RO") and commercial, industrial, and personal property ("CIP"). State law allows for a "CIP shift," where more of the tax burden is shifted from RO to CIP properties. Last year, a 10% CIP shift was recommended to address an 18.3% increase in residential valuations, but it was not adopted by the City Council, leading to reduced tax bills for commercial and industrial properties.

For FY2024, the rate of increase in residential valuations has slowed to 13.6%, while assessments for commercial properties have grown by 6.1% (compared to 2.0% last year), and assessments for industrial properties have grown by 16.3% (compared to 3.9% last year). This means that tax increases are more evenly distributed among the classes, making a CIP shift potentially unfair to certain property classes. For this reason, we do not recommend a CIP shift for FY2024.

Conclusion

I deeply understand the impact of taxes on our community, particularly on those who are facing financial challenges and require support. I am also aware of the resources needed to provide essential public safety, services, and education that our residents expect from local government. It's important to highlight that new tax relief legislation has recently been signed into law by the governor. As a result, we will be actively reviewing these changes and may recommend related adjustments in the near future. I strongly believe that this year's tax rate proposal strikes a balance between supporting taxpayers and ensuring the city's fiscal stability.

Thank you for your time, review, and consideration.



City of Newburyport FY2024 Residential Factor & Tax Rate Proposal

November 2023

FY2024 Recommendations

That the City Council votes to:

1. Authorize the use of **\$280,978** in free cash to reduce the FY'24 tax rate.
2. Adopt a residential factor of **1.0** (no CIP shift).
3. Adopt a single tax rate of **\$9.97** per thousand dollars for both the residential and open space classes, as well as the commercial, industrial, and personal property classes.

FY2024 Total Valuation & Minimum Residential Factor

Class		Assessed Value	% of Total Valuation
Residential	1	6,166,884,624	89.7352%
Open Space	2	323,600	0.0047%
Total Classes 1,2 (R&O)		6,167,208,224	89.7399%
Commercial	3,7,8	386,604,576	5.6255%
Industrial	4	244,691,600	3.5605%
Personal	5	73,810,523	1.0740%
Total Class 3,4,5,7,8 (CIP)		705,106,699	10.2601%
Total All Classes		6,872,314,923	100.0000%

Max. Tax Rate (\$69,200,082 / 6,872,314,923 X 1000)	\$10.06
Recommended Tax Rate	\$9.97
Maximum Share of Levy for CIP (CIP Shift = 1.5)	15.3902%
Minimum Share of Levy for R&O (CIP Shift = 1.5)	84.6099%
Minimum Residential Factor (MRF)	94.2834%

FY2024 Recommended Tax Levy

Recommended Single \$9.97/\$1000 Tax Rate



1.5% Increase (1.0% defrayed)

Proposition 2 ½ Levy Limit Calculation

	FY'24 Levy Limit	FY'24 Recommended	Difference
Prior Year Levy Limit	\$63,454,590	\$63,454,590	\$0
2 ½ % Increase	\$1,586,365	\$951,819	-\$634,546
New Growth	\$976,467	\$976,467	\$0
FY'23 Levy	\$66,017,422	\$65,382,876	-\$634,546
Excluded Debt	\$3,182,660	\$3,182,660	\$0
Total Tax Levy	\$69,200,082	\$68,565,536	-\$634,546



Offset by Available Revenue:

Budgeted Excess Levy Capacity	\$181,829
Budget Reductions	\$95,000
Additional State Aid	\$23,061
Supplemental Budget	-\$172,789
New Growth Over Estimate	\$226,467
Free Cash	\$280,978
Total Available Revenue	\$634,546

Free Cash / Excess Levy Capacity

	Use of Free Cash	Other Available Revenue	Excess Levy Capacity	Excess as a % of Maximum Levy
FY2014	\$320,374	\$29,476	\$349,850	0.7%
FY2015	\$332,237	\$26,119	\$358,356	0.7%
FY2016	\$345,466	\$5,945	\$351,411	0.7%
FY2017	\$0	\$3,051	\$3,051	0.0%
FY2018	\$373,762	\$12,336	\$386,098	0.7%
FY2019	\$0	\$326,531	\$326,531	0.6%
FY2020	\$0	\$45,317	\$45,317	0.1%
FY2021	\$0	\$869,029	\$869,029	1.4%
FY2022	\$0	\$639,637	\$639,637	1.0%
FY2023	\$706,177	\$232,875	\$939,052	1.4%
FY2024	\$280,978	\$353,568	\$634,546	0.9%



Recommended Single \$9.97/\$1000 Tax Rate

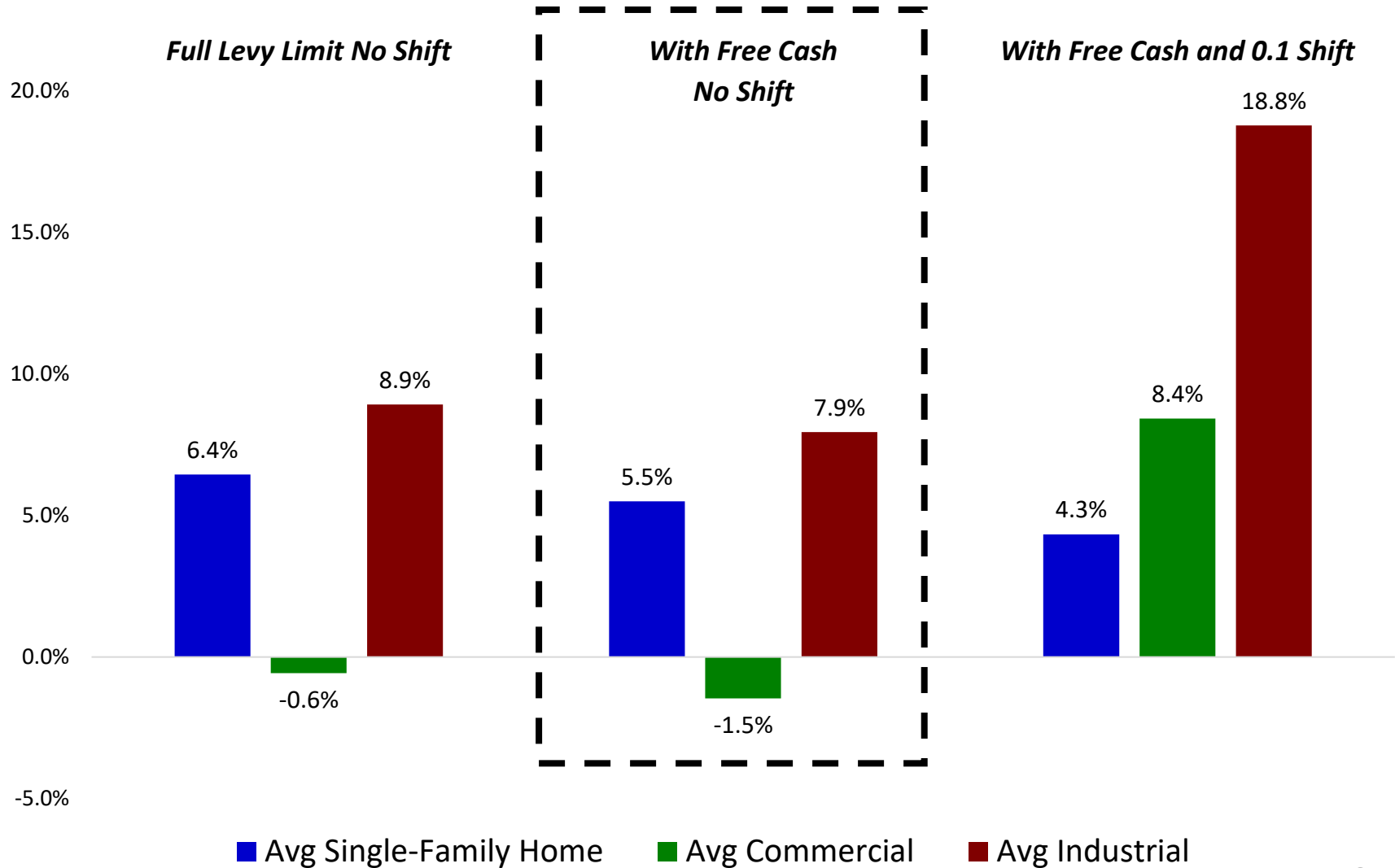
FY2024 Free Cash

7/1/2023 Balance	\$3,384,876
Prior Year Bills	\$21,395
Opioid Stabilization Fund	\$128,485
Fire Boat	\$550,527
Tax Rate	\$280,978
Total Transfers To-Date*	\$981,385
Available Balance	\$2,403,491
OPEB Trust Fund	\$95,000
Stabilization Trust Fund	\$50,000
Cash Capital	\$1,000,000
S&I/Overtime Contingency	\$300,000
Potential Needs	\$1,445,000
Remaining Balance	\$958,491

*Pending Approval

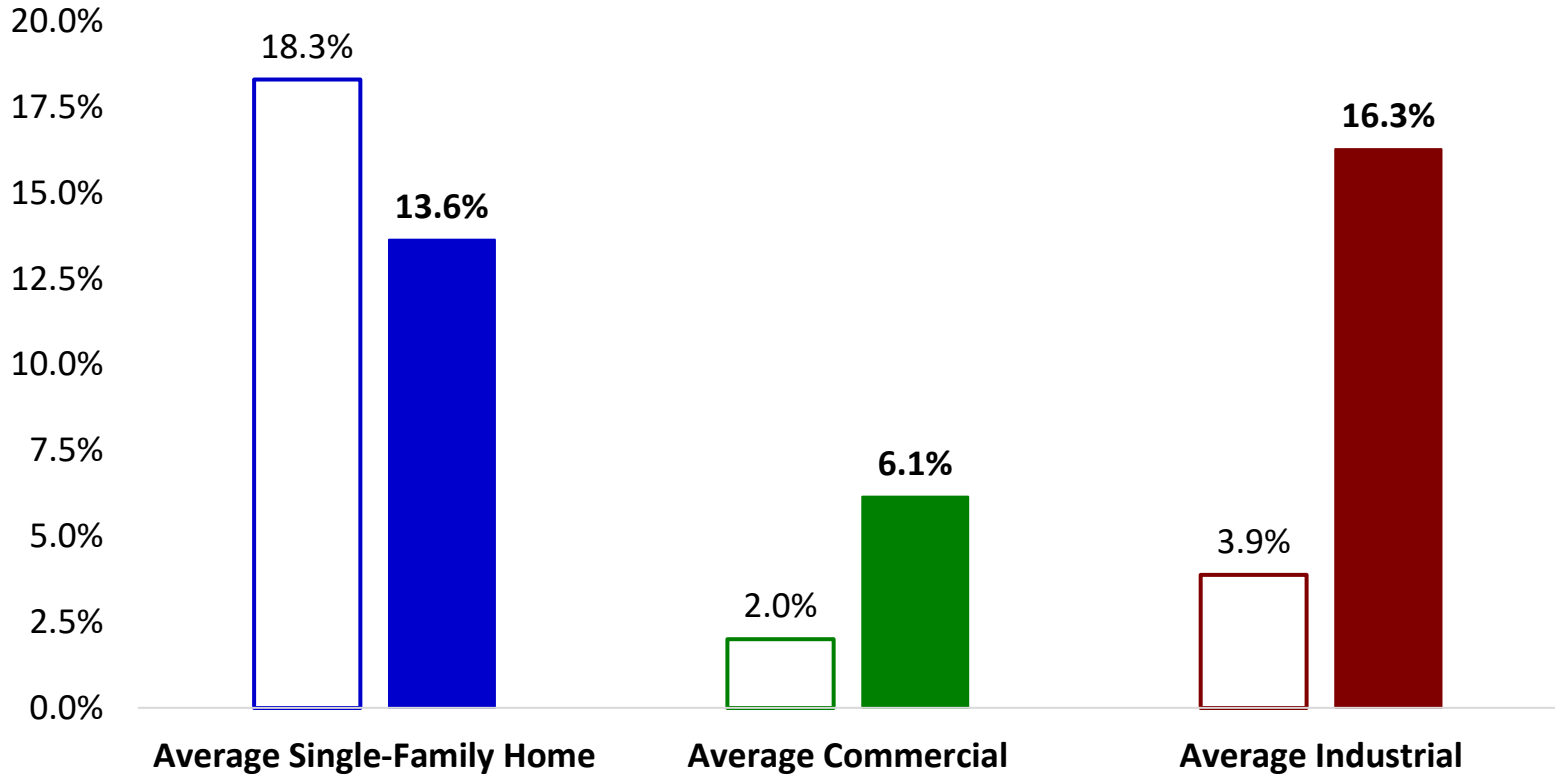
% Change in Tax Bill from FY2023 to FY2024

Recommended Single \$9.97/\$1000 Tax Rate



Change in “Average” Assessments

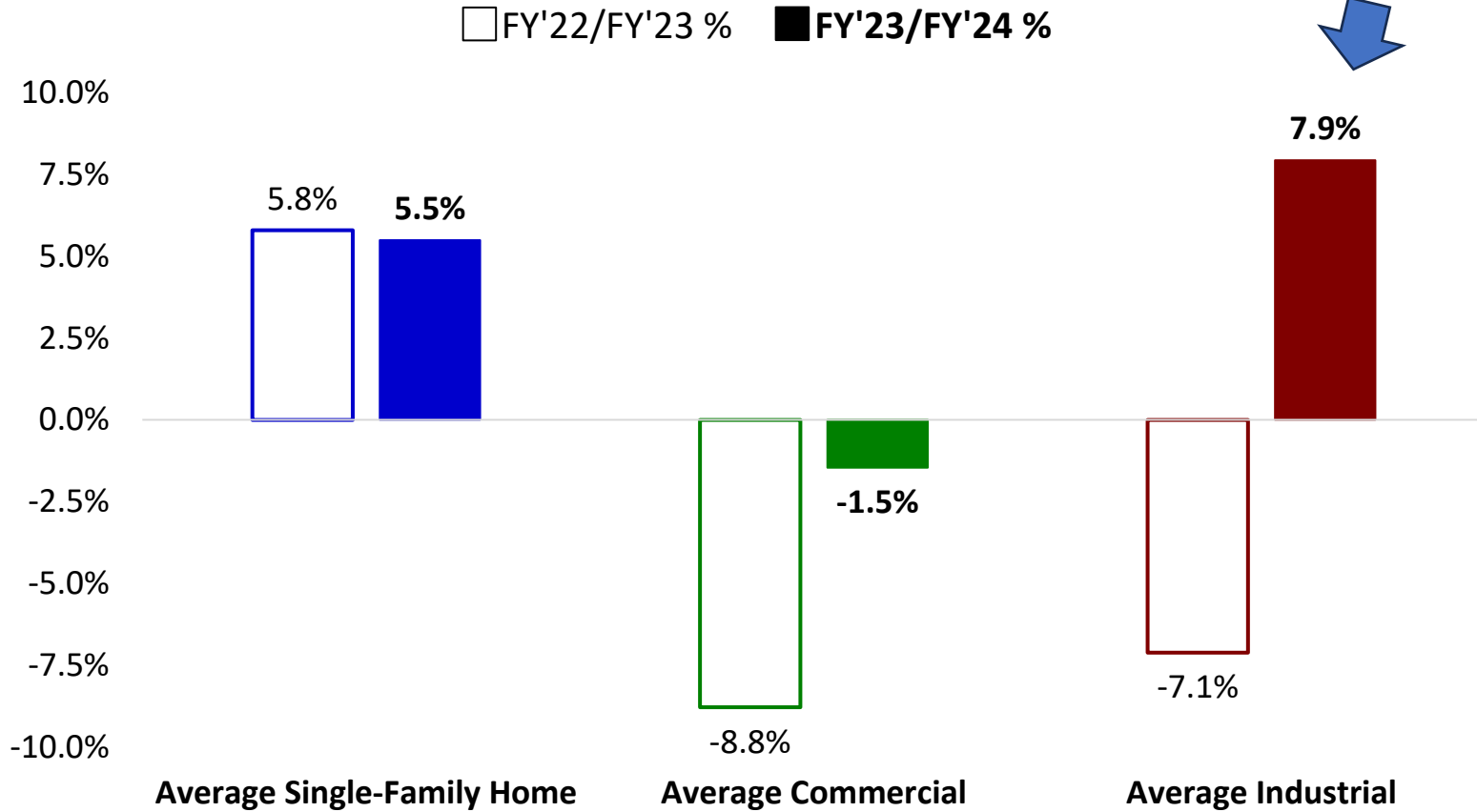
□ FY'22/FY'23 % ■ FY'23/FY'24 %



	FY'23 Assessment	FY'24 Assessment	\$ Change	% Change
■ Average Single-Family Home	830,500	943,800	113,300	13.6%
■ Average Commercial	1,351,300	1,434,400	83,100	6.1%
■ Average Industrial	2,303,300	2,678,200	374,900	16.3%

Change in "Average" Annual Tax Bills

Recommended Single \$9.97/\$1000 Tax Rate



	FY'23 Tax Bill	FY'24 Tax Bill	\$ Change	% Change
■ Average Single-Family Home	8,920	9,410	490	5.5%
■ Average Commercial	14,513	14,301	-212	-1.5%
■ Average Industrial	24,737	26,702	1,964	7.9%

Residential-to-CIP Shift & Use of Free Cash FY2024 Tax Rate (Per Thousand)

Residential & Open Space (RO) Classes

<u>FY2024 Tax Rate Per Thousand</u>											<u>Recommended Rate</u>
\$ Foregone FY'24 Taxes:	\$158,636	\$317,273	\$475,909	\$634,546	\$793,182	\$951,819	\$1,110,455	\$1,269,092	\$1,427,728	\$1,586,365	
Use of Free Cash:	\$0	\$0	\$122,342	\$280,978	\$439,615	\$598,251	\$756,888	\$915,524	\$1,074,161	\$1,232,797	
% Defrayed											
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%
0.00	\$10.06	\$10.04	\$10.02	\$10.00	\$9.97	\$9.95	\$9.93	\$9.90	\$9.88	\$9.86	\$9.83
0.05	\$10.01	\$9.98	\$9.96	\$9.94	\$9.92	\$9.89	\$9.87	\$9.85	\$9.82	\$9.80	\$9.78
0.10	\$9.95	\$9.93	\$9.90	\$9.88	\$9.86	\$9.84	\$9.81	\$9.79	\$9.77	\$9.74	\$9.72
0.15	\$9.89	\$9.87	\$9.85	\$9.82	\$9.80	\$9.78	\$9.76	\$9.73	\$9.71	\$9.69	\$9.66
0.20	\$9.83	\$9.81	\$9.79	\$9.77	\$9.74	\$9.72	\$9.70	\$9.68	\$9.65	\$9.63	\$9.61
0.25	\$9.78	\$9.75	\$9.73	\$9.71	\$9.69	\$9.66	\$9.64	\$9.62	\$9.60	\$9.57	\$9.55
0.30	\$9.72	\$9.70	\$9.67	\$9.65	\$9.63	\$9.61	\$9.59	\$9.56	\$9.54	\$9.52	\$9.50
0.35	\$9.66	\$9.64	\$9.62	\$9.59	\$9.57	\$9.55	\$9.53	\$9.51	\$9.48	\$9.46	\$9.44
0.40	\$9.60	\$9.58	\$9.56	\$9.54	\$9.52	\$9.49	\$9.47	\$9.45	\$9.43	\$9.41	\$9.38
0.45	\$9.55	\$9.52	\$9.50	\$9.48	\$9.46	\$9.44	\$9.41	\$9.39	\$9.37	\$9.35	\$9.33
0.50	\$9.49	\$9.47	\$9.45	\$9.42	\$9.40	\$9.38	\$9.36	\$9.34	\$9.31	\$9.29	\$9.27

Commercial, Industrial & Personal Property (CIP) Classes

<u>FY2024 Tax Rate Per Thousand</u>											<u>Recommended Rate</u>
\$ Foregone FY'24 Taxes:	\$158,636	\$317,273	\$475,909	\$634,546	\$793,182	\$951,819	\$1,110,455	\$1,269,092	\$1,427,728	\$1,586,365	
Use of Free Cash:	\$0	\$0	\$122,342	\$280,978	\$439,615	\$598,251	\$756,888	\$915,524	\$1,074,161	\$1,232,797	
% Defrayed											
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%
0.00	\$10.06	\$10.04	\$10.02	\$10.00	\$9.97	\$9.95	\$9.93	\$9.90	\$9.88	\$9.86	\$9.83
0.05	\$10.57	\$10.54	\$10.52	\$10.50	\$10.47	\$10.45	\$10.42	\$10.40	\$10.37	\$10.35	\$10.33
0.10	\$11.07	\$11.05	\$11.02	\$11.00	\$10.97	\$10.94	\$10.92	\$10.89	\$10.87	\$10.84	\$10.82
0.15	\$11.57	\$11.55	\$11.52	\$11.50	\$11.47	\$11.44	\$11.42	\$11.39	\$11.36	\$11.34	\$11.31
0.20	\$12.08	\$12.05	\$12.02	\$12.00	\$11.97	\$11.94	\$11.91	\$11.88	\$11.86	\$11.83	\$11.80
0.25	\$12.58	\$12.55	\$12.52	\$12.50	\$12.47	\$12.44	\$12.41	\$12.38	\$12.35	\$12.32	\$12.29
0.30	\$13.09	\$13.06	\$13.03	\$13.00	\$12.97	\$12.94	\$12.91	\$12.88	\$12.85	\$12.82	\$12.79
0.35	\$13.59	\$13.56	\$13.53	\$13.50	\$13.46	\$13.43	\$13.40	\$13.37	\$13.34	\$13.31	\$13.28
0.40	\$14.09	\$14.06	\$14.03	\$14.00	\$13.96	\$13.93	\$13.90	\$13.87	\$13.83	\$13.80	\$13.77
0.45	\$14.60	\$14.56	\$14.53	\$14.50	\$14.46	\$14.43	\$14.39	\$14.36	\$14.33	\$14.29	\$14.26
0.50	\$15.10	\$15.06	\$15.03	\$15.00	\$14.96	\$14.93	\$14.89	\$14.86	\$14.82	\$14.79	\$14.75

Residential-to-CIP Shift & Use of Free Cash FY2024 Average Annual Tax Bill

Residential & Open Space (RO) Classes

AVG SINGLE FAMILY HOME

FY2024 Average Residential Tax Bill				FY'24 Value: \$943,800								Recommended Rate	
\$ Foregone FY'24 Taxes:	\$158,636	\$317,273	\$475,909	\$634,546	\$793,182	\$951,819	\$1,110,455	\$1,269,092	\$1,427,728	\$1,586,365			
Use of Free Cash:	\$0	\$0	\$122,342	\$280,978	\$439,615	\$598,251	\$756,888	\$915,524	\$1,074,161	\$1,232,797			
% Defrayed		<i>Every 0.25% defrayed saves approximately \$22/year for the average single-family home</i>											
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%		
0.00	\$9,495	\$9,476	\$9,457	\$9,438	\$9,410	\$9,391	\$9,372	\$9,344	\$9,325	\$9,306	\$9,278		
0.05	\$9,447	\$9,419	\$9,400	\$9,381	\$9,362	\$9,334	\$9,315	\$9,296	\$9,268	\$9,249	\$9,230		
0.10	\$9,391	\$9,372	\$9,344	\$9,325	\$9,306	\$9,287	\$9,259	\$9,240	\$9,221	\$9,193	\$9,174		
0.15	\$9,334	\$9,315	\$9,296	\$9,268	\$9,249	\$9,230	\$9,211	\$9,183	\$9,164	\$9,145	\$9,117		
0.20	\$9,278	\$9,259	\$9,240	\$9,221	\$9,193	\$9,174	\$9,155	\$9,136	\$9,108	\$9,089	\$9,070		
0.25	\$9,230	\$9,202	\$9,183	\$9,164	\$9,145	\$9,117	\$9,098	\$9,079	\$9,060	\$9,032	\$9,013		
0.30	\$9,174	\$9,155	\$9,127	\$9,108	\$9,089	\$9,070	\$9,051	\$9,023	\$9,004	\$8,985	\$8,966		
0.35	\$9,117	\$9,098	\$9,079	\$9,051	\$9,032	\$9,013	\$8,994	\$8,976	\$8,947	\$8,928	\$8,909		
0.40	\$9,060	\$9,042	\$9,023	\$9,004	\$8,985	\$8,957	\$8,938	\$8,919	\$8,900	\$8,881	\$8,853		
0.45	\$9,013	\$8,985	\$8,966	\$8,947	\$8,928	\$8,909	\$8,881	\$8,862	\$8,843	\$8,825	\$8,806		
0.50	\$8,957	\$8,938	\$8,919	\$8,891	\$8,872	\$8,853	\$8,834	\$8,815	\$8,787	\$8,768	\$8,749		

Commercial, Industrial & Personal Property (CIP) Classes

AVG COMMERCIAL

FY2024 Average Commercial Tax Bill				FY'24 Commercial Value: \$1,434,400								Recommended Rate	
% Defrayed													
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%		
0.00	\$14,430	\$14,401	\$14,373	\$14,344	\$14,301	\$14,272	\$14,244	\$14,201	\$14,172	\$14,143	\$14,100		
0.05	\$15,162	\$15,119	\$15,090	\$15,061	\$15,018	\$14,989	\$14,946	\$14,918	\$14,875	\$14,846	\$14,817		
0.10	\$15,879	\$15,850	\$15,807	\$15,778	\$15,735	\$15,692	\$15,664	\$15,621	\$15,592	\$15,549	\$15,520		
0.15	\$16,596	\$16,567	\$16,524	\$16,496	\$16,453	\$16,410	\$16,381	\$16,338	\$16,295	\$16,266	\$16,223		
0.20	\$17,328	\$17,285	\$17,241	\$17,213	\$17,170	\$17,127	\$17,084	\$17,041	\$17,012	\$16,969	\$16,926		

AVG INDUSTRIAL

FY2024 Average Industrial Tax Bill				FY'24 Industrial Value: \$2,678,200								Recommended Rate	
% Defrayed													
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%		
0.00	\$26,943	\$26,889	\$26,836	\$26,782	\$26,702	\$26,648	\$26,595	\$26,514	\$26,461	\$26,407	\$26,327		
0.05	\$28,309	\$28,228	\$28,175	\$28,121	\$28,041	\$27,987	\$27,907	\$27,853	\$27,773	\$27,719	\$27,666		
0.10	\$29,648	\$29,594	\$29,514	\$29,460	\$29,380	\$29,300	\$29,246	\$29,166	\$29,112	\$29,032	\$28,978		
0.15	\$30,987	\$30,933	\$30,853	\$30,799	\$30,719	\$30,639	\$30,585	\$30,505	\$30,424	\$30,371	\$30,290		
0.20	\$32,353	\$32,272	\$32,192	\$32,138	\$32,058	\$31,978	\$31,897	\$31,817	\$31,763	\$31,683	\$31,603		

Residential-to-CIP Shift & Use of Free Cash \$ Change in Annual Tax Bill From FY2023

Residential & Open Space (RO) Classes

AVG SINGLE FAMILY HOME

<u>\$ Change in Tax Bill from FY2023</u>		FY'23 Value: \$830,500										<u>Recommended Rate</u>
		FY'23 Tax Bill: \$8,920										
\$ Foregone FY'24 Taxes:	\$158,636	\$317,273	\$475,909	\$634,546	\$793,182	\$951,819	\$1,110,455	\$1,269,092	\$1,427,728	\$1,586,365		
Use of Free Cash:	\$0	\$0	\$122,342	\$280,978	\$439,615	\$598,251	\$756,888	\$915,524	\$1,074,161	\$1,232,797		
% Defrayed	<i>Defraying 1.0% saves \$85/year for the average single-family home compared to the maximum tax rate</i>											
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	
0.00	\$575	\$556	\$537	\$518	\$490	\$471	\$452	\$424	\$405	\$386	\$358	
0.05	\$528	\$500	\$481	\$462	\$443	\$415	\$396	\$377	\$349	\$330	\$311	
0.10	\$471	\$452	\$424	\$405	\$386	\$367	\$339	\$320	\$301	\$273	\$254	
0.15	\$415	\$396	\$377	\$349	\$330	\$311	\$292	\$264	\$245	\$226	\$198	
0.20	\$358	\$339	\$320	\$301	\$273	\$254	\$235	\$216	\$188	\$169	\$150	
0.25	\$311	\$282	\$264	\$245	\$226	\$198	\$179	\$160	\$141	\$113	\$94	
0.30	\$254	\$235	\$207	\$188	\$169	\$150	\$131	\$103	\$84	\$65	\$47	
0.35	\$198	\$179	\$160	\$131	\$113	\$94	\$75	\$56	\$28	\$9	-\$10	
0.40	\$141	\$122	\$103	\$84	\$65	\$37	\$18	-\$1	-\$20	-\$38	-\$67	
0.45	\$94	\$65	\$47	\$28	\$9	-\$10	-\$38	-\$57	-\$76	-\$95	-\$114	
0.50	\$37	\$18	-\$1	-\$29	-\$48	-\$67	-\$86	-\$104	-\$133	-\$152	-\$171	

Commercial, Industrial & Personal Property (CIP) Classes

AVG COMMERCIAL

<u>\$ Change in Tax Bill from FY2023</u>		FY'23 Commercial Value: \$1,351,300										<u>Recommended Rate</u>
		FY'23 Commercial Tax Bill: \$14,513										
% Defrayed												
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	
0.00	-\$83	-\$112	-\$140	-\$169	-\$212	-\$241	-\$269	-\$312	-\$341	-\$370	-\$413	
0.05	\$649	\$606	\$577	\$548	\$505	\$477	\$433	\$405	\$362	\$333	\$304	
0.10	\$1,366	\$1,337	\$1,294	\$1,265	\$1,222	\$1,179	\$1,151	\$1,108	\$1,079	\$1,036	\$1,007	
0.15	\$2,083	\$2,054	\$2,011	\$1,983	\$1,940	\$1,897	\$1,868	\$1,825	\$1,782	\$1,753	\$1,710	
0.20	\$2,815	\$2,772	\$2,729	\$2,700	\$2,657	\$2,614	\$2,571	\$2,528	\$2,499	\$2,456	\$2,413	

AVG INDUSTRIAL

<u>\$ Change in Tax Bill from FY2023</u>		FY'23 Industrial Value: \$2,303,300										<u>Recommended Rate</u>
		FY'23 Industrial Tax Bill: \$24,737										
% Defrayed												
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	
0.00	\$2,205	\$2,152	\$2,098	\$2,045	\$1,964	\$1,911	\$1,857	\$1,777	\$1,723	\$1,670	\$1,589	
0.05	\$3,571	\$3,491	\$3,437	\$3,384	\$3,303	\$3,250	\$3,169	\$3,116	\$3,035	\$2,982	\$2,928	
0.10	\$4,910	\$4,857	\$4,776	\$4,723	\$4,642	\$4,562	\$4,509	\$4,428	\$4,375	\$4,294	\$4,241	
0.15	\$6,249	\$6,196	\$6,115	\$6,062	\$5,982	\$5,901	\$5,848	\$5,767	\$5,687	\$5,633	\$5,553	
0.20	\$7,615	\$7,535	\$7,455	\$7,401	\$7,321	\$7,240	\$7,160	\$7,080	\$7,026	\$6,946	\$6,865	

Residential-to-CIP Shift & Use of Free Cash % Change in Tax Bill from FY2023

Residential & Open Space (RO) Classes

AVG SINGLE FAMILY HOME

<u>% Change in Tax Bill from FY2023</u>											<u>Recommended Rate</u>	
\$ Foregone FY'24 Taxes:	\$158,636	\$317,273	\$475,909	\$634,546	\$793,182	\$951,819	\$1,110,455	\$1,269,092	\$1,427,728	\$1,586,365		
Use of Free Cash:	\$0	\$0	\$122,342	\$280,978	\$439,615	\$598,251	\$756,888	\$915,524	\$1,074,161	\$1,232,797		
	% Defrayed											
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	
0.00	6.4%	6.2%	6.0%	5.8%	5.5%	5.3%	5.1%	4.8%	4.5%	4.3%	4.0%	
0.05	5.9%	5.6%	5.4%	5.2%	5.0%	4.6%	4.4%	4.2%	3.9%	3.7%	3.5%	
0.10	5.3%	5.1%	4.8%	4.5%	4.3%	4.1%	3.8%	3.6%	3.4%	3.1%	2.8%	
0.15	4.6%	4.4%	4.2%	3.9%	3.7%	3.5%	3.3%	3.0%	2.7%	2.5%	2.2%	
0.20	4.0%	3.8%	3.6%	3.4%	3.1%	2.8%	2.6%	2.4%	2.1%	1.9%	1.7%	
0.25	3.5%	3.2%	3.0%	2.7%	2.5%	2.2%	2.0%	1.8%	1.6%	1.3%	1.1%	
0.30	2.8%	2.6%	2.3%	2.1%	1.9%	1.7%	1.5%	1.2%	0.9%	0.7%	0.5%	
0.35	2.2%	2.0%	1.8%	1.5%	1.3%	1.1%	0.8%	0.6%	0.3%	0.1%	-0.1%	
0.40	1.6%	1.4%	1.2%	0.9%	0.7%	0.4%	0.2%	0.0%	-0.2%	-0.4%	-0.7%	
0.45	1.1%	0.7%	0.5%	0.3%	0.1%	-0.1%	-0.4%	-0.6%	-0.9%	-1.1%	-1.3%	
0.50	0.4%	0.2%	0.0%	-0.3%	-0.5%	-0.7%	-1.0%	-1.2%	-1.5%	-1.7%	-1.9%	

Commercial, Industrial & Personal Property (CIP) Classes

AVG COMMERCIAL

<u>% Change in Tax Bill from FY2023</u>											<u>Recommended Rate</u>	
	% Defrayed											
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	
0.00	-0.6%	-0.8%	-1.0%	-1.2%	-1.5%	-1.7%	-1.9%	-2.2%	-2.4%	-2.5%	-2.8%	
0.05	4.5%	4.2%	4.0%	3.8%	3.5%	3.3%	3.0%	2.8%	2.5%	2.3%	2.1%	
0.10	9.4%	9.2%	8.9%	8.7%	8.4%	8.1%	7.9%	7.6%	7.4%	7.1%	6.9%	
0.15	14.4%	14.2%	13.9%	13.7%	13.4%	13.1%	12.9%	12.6%	12.3%	12.1%	11.8%	
0.20	19.4%	19.1%	18.8%	18.6%	18.3%	18.0%	17.7%	17.4%	17.2%	16.9%	16.6%	

AVG INDUSTRIAL

<u>% Change in Tax Bill from FY2023</u>											<u>Recommended Rate</u>	
	% Defrayed											
CIP Shift	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	
0.00	8.9%	8.7%	8.5%	8.3%	7.9%	7.7%	7.5%	7.2%	7.0%	6.7%	6.4%	
0.05	14.4%	14.1%	13.9%	13.7%	13.4%	13.1%	12.8%	12.6%	12.3%	12.1%	11.8%	
0.10	19.8%	19.6%	19.3%	19.1%	18.8%	18.4%	18.2%	17.9%	17.7%	17.4%	17.1%	
0.15	25.3%	25.0%	24.7%	24.5%	24.2%	23.9%	23.6%	23.3%	23.0%	22.8%	22.4%	
0.20	30.8%	30.5%	30.1%	29.9%	29.6%	29.3%	28.9%	28.6%	28.4%	28.1%	27.8%	

FY2017-FY2024 Historical Levy Limit & Annual Tax Rate

	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
Prior Year Levy Limit	\$47,847,641	\$49,834,938	\$52,014,405	\$54,300,695	\$56,390,995	\$58,726,600	\$61,029,959	\$63,454,590
2 ½ % Increase	\$1,196,191	\$1,245,873	\$1,300,360	\$1,357,517	\$1,409,775	\$1,468,165	\$1,525,749	\$1,586,365
New Growth	\$791,106	\$933,594	\$985,930	\$732,783	\$925,830	\$835,194	\$898,882	\$976,467
Levy Limit	\$49,834,938	\$52,014,405	\$54,300,696	\$56,390,995	\$58,726,600	\$61,029,959	\$63,454,590	\$66,017,422
Excluded Debt	\$3,192,620	\$3,166,609	\$3,178,737	\$3,165,464	\$3,171,545	\$3,171,735	\$3,167,680	\$3,182,660
Total Levy Limit	\$53,027,558	\$55,181,014	\$57,479,432	\$59,556,459	\$61,898,145	\$64,201,694	\$66,622,270	\$69,200,082
Total Assessed Value	\$3,942,342,529	\$4,132,346,602	\$4,369,487,756	\$4,634,824,144	\$4,828,252,824	\$5,292,427,743	\$6,115,755,868	\$6,872,314,923
Tax Rate	<u>\$13.45</u>	<u>\$13.26</u>	<u>\$13.08</u>	<u>\$12.84</u>	<u>\$12.64</u>	<u>\$12.01</u>	<u>\$10.74</u>	<u>\$10.06</u>
Excess Capacity*	\$3,051	\$386,098	\$326,532	\$45,317	\$869,029	\$639,637	\$939,052	\$64,594
Average Single Family Assessment	\$540,300	\$560,300	\$595,000	\$617,500	\$640,800	\$702,000	\$830,500	\$943,800
Tax Bill	<u>\$7,267</u>	<u>\$7,430</u>	<u>\$7,783</u>	<u>\$7,929</u>	<u>\$8,100</u>	<u>\$8,431</u>	<u>\$8,920</u>	<u>\$9,495</u>
Increase from Prior Y	\$298	\$163	\$353	\$146	\$171	\$331	\$489	\$575
% Increase	4.3%	2.2%	4.8%	1.9%	2.2%	4.1%	5.8%	6.4%

Maximum Prop. 2½ Tax Rate

*Excess levy capacity is never truly \$0 since the tax rate is rounded to two decimals

Historical Comparison for Average Single Family Home

Fiscal Year	Average Value	Tax Rate	Tax Bill	YoY Increase \$	YoY Increase %
2012	\$445,226	\$12.80	\$5,699	\$188	3.4%
2013	\$438,272	\$13.32	\$5,838	\$139	2.4%
2014	\$446,524	\$14.16	\$6,323	\$485	8.3%
2015	\$501,800	\$13.34	\$6,694	\$372	5.9%
2016	\$520,500	\$13.39	\$6,969	\$275	4.1%
2017	\$540,300	\$13.45	\$7,267	\$298	4.3%
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%
2023	\$830,500	\$10.74	\$8,920	\$489	5.8%
2024	\$943,800	\$10.06	\$9,495	\$575	6.4%

FY'24 Funds Unappropriated	
Available Revenue	\$299,890.00
Supplemental Budget #1	(\$172,789.00)
New Growth Over Estimate	\$226,467.00
Net available to defray tax rate	\$353,568.00

Maximum Prop. 2½ Tax Rate

Use of Free Cash to Defray Tax Increase (Before Shift)

For Average Single Family Home Assessed at \$943,800

% Increase	\$ Increase	Use of Free Cash	Tax Rate	Average Tax Bill	Savings	\$ Incr. From PY	% Incr. From PY	Foregone Taxes
2.50%	\$2,577,812	\$0	<u>\$10.06</u>	\$9,495	\$0	\$1,064	12.6%	\$0
2.00%	\$2,260,539	\$0	\$10.02	\$9,457	\$38	\$1,026	12.2%	\$317,273
1.50%	\$1,943,266	\$280,978	\$9.97	\$9,410	\$85	\$979	11.6%	\$634,546
1.00%	\$1,625,993	\$598,251	\$9.93	\$9,372	\$123	\$941	11.2%	\$951,819
0.50%	\$1,308,720	\$915,524	\$9.88	\$9,325	\$170	\$894	10.6%	\$1,269,092
0.00%	\$991,447	\$1,232,797	\$9.83	\$9,278	\$217	\$847	10.0%	\$1,586,365

Massachusetts Department of Revenue Division of Local Services

LA-4 Comparison Report for FY2024

Property Type	Description	FY 2023	FY 2023	FY 2024	FY 2024	Parcel Diff	Parcel % Diff	Assessed Value	Assessed Value
		Parcel Count	Assessed Value	Parcel Count	Assessed Value			Diff	% Diff
101	Single Family	4,447	3,693,325,900	4,453	4,202,902,000	6	0.1%	509,576,100	13.8%
102	Condominiums	2,371	1,246,400,800	2,409	1,397,240,000	38	1.6%	150,839,200	12.1%
MISC 103,109	Miscellaneous Residential	20	35,606,100	22	35,781,600	2	10.0%	175,500	0.5%
104	Two - Family	271	235,152,700	270	247,875,400	-1	-0.4%	12,722,700	5.4%
105	Three - Family	53	47,372,200	50	49,617,100	-3	-5.7%	2,244,900	4.7%
111-125	Apartment	84	141,085,800	81	166,009,300	-3	-3.6%	24,923,500	17.7%
130-32,106	Vacant / Accessory Land	335	22,159,600	329	24,817,700	-6	-1.8%	2,658,100	12.0%
200-231	Open Space	10	274,300	10	323,600	0		49,300	18.0%
300-393	Commercial	365	325,191,700	375	346,799,900	10	2.7%	21,608,200	6.6%
400-442	Industrial	221	223,592,200	220	244,691,600	-1	-0.5%	21,099,400	9.4%
450-452	Industrial Power Plant	0	0	0	0	0		0	
CH 61 LAND	Forest	0	0	0	0	0		0	
CH 61A LAND	Agriculture	0	77,700	14	84,800	0		7,100	9.1%
CH 61B LAND	Recreational	0	0	0	0	0		0	
012-043	Multi-use - Residential	79	38,815,669	78	42,641,524	-1	-1.3%	3,825,855	9.9%
012-043	Multi-use - Open Space	0	0	0	0	0		0	
012-043	Multi-use - Commercial	0	37,991,431	0	39,719,876	0		1,728,445	4.5%
012-043	Multi-use - Industrial	0	0	0	0	0		0	
501	Individuals / Partnerships / Associ	420	6,116,741	435	6,914,166	15	3.6%	797,425	13.0%
502	Corporations	246	12,712,605	244	12,800,941	-2	-0.8%	88,336	0.7%
503	Manufacturing	0	0	0	0	0		0	
504	Public Utilities	2	42,683,274	2	44,975,180	0		2,291,906	5.4%
505	Centrally Valued Telephone	4	6,065,700	4	7,931,800	0		1,866,100	30.8%
506	Centrally Valued Pipelines	0	0	0	0	0		0	
508	Wireless Telephone	4	1,131,448	3	1,188,436	-1	-25.0%	56,988	5.0%
550-552	Electric Generating Plant	0	0	0	0	0		0	
EXEMPT VALUE	Exempt Property	241	461,741,600	240	510,406,000	-1	-0.4%	48,664,400	10.5%
Total Class 1	TOTAL RESIDENTIAL	7,660	5,459,918,769	7,692	6,166,884,624	32	0.4%	706,965,855	12.9%
Total Class 2	TOTAL OPEN SPACE	10	274,300	10	323,600	0		49,300	18.0%
Total Class 3	TOTAL COMMERCIAL	379	363,260,831	389	386,604,576	10	2.6%	23,343,745	6.4%
Total Class 4	TOTAL INDUSTRIAL	221	223,592,200	220	244,691,600	-1	-0.5%	21,099,400	9.4%
Total Class 5	TOTAL PERSONAL PROPERTY	676	68,709,768	688	73,810,523	12	1.8%	5,100,755	7.4%
Total Taxable	TOTAL REAL & PERSONAL	8,946	6,115,755,868	8,999	6,872,314,923	53	0.6%	756,559,055	12.4%

FY2024 Residential Assessments & Change in Tax Bill

Recommended Single \$9.97/\$1000 Tax Rate

Single Family Homes

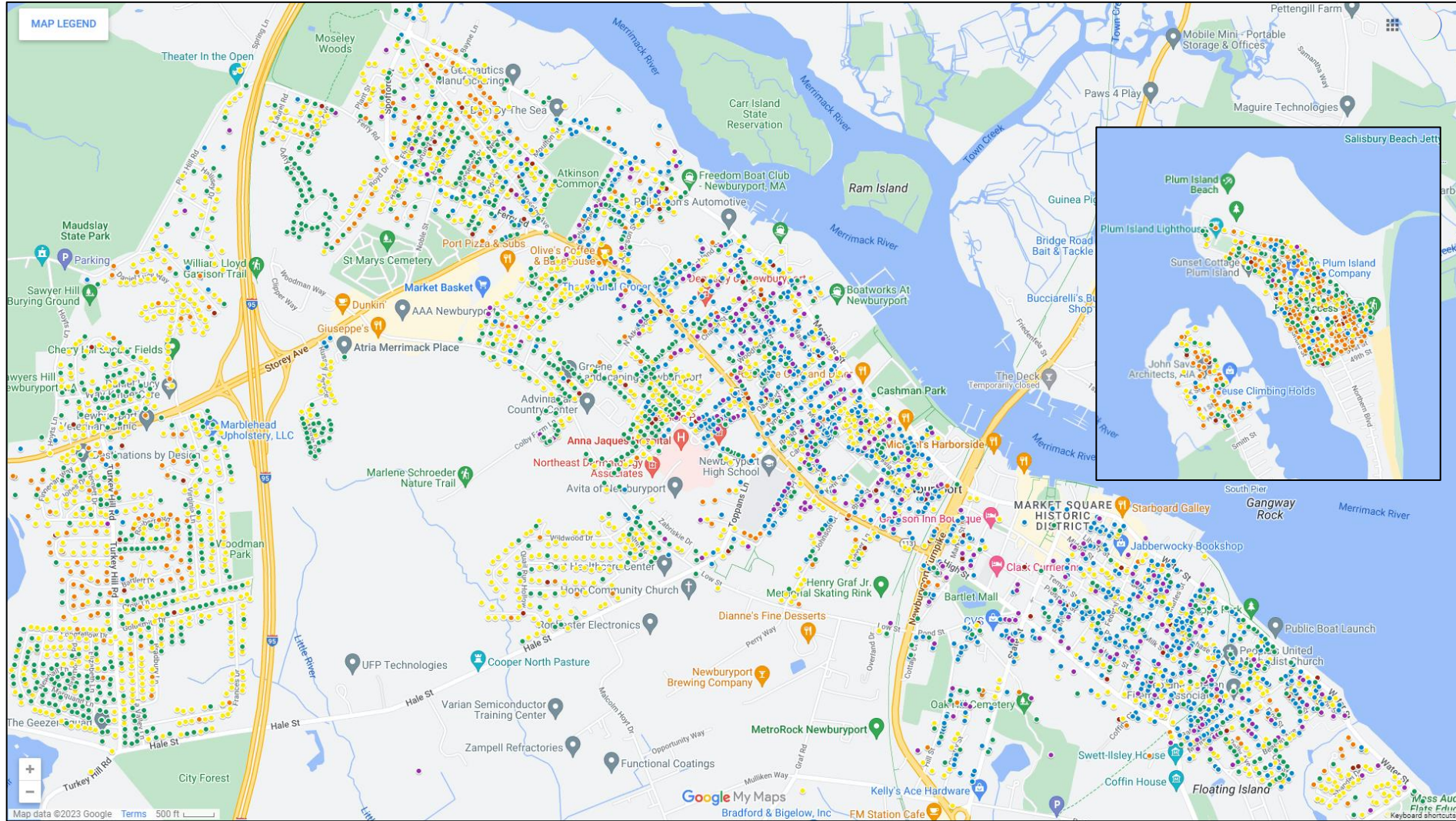


FY'24 Assessment	Count	Percentage	Avg % Chg Assessment	Avg % Chg Tax Bill
0-500K	61	1.4%	14.8%	6.6%
500K-750K	1,554	35.7%	13.4%	5.2%
750K-1M	1,374	31.6%	13.4%	5.3%
1M-1.25M	767	17.6%	14.1%	5.9%
1.25M-1.5M	297	6.8%	14.0%	5.8%
1.5M+	296	6.8%	14.7%	6.5%
Total	4,349	100.0%	13.8%	5.5%

Condos

FY'24 Assessment	Count	Percentage	Avg % Chg Assessment	Avg % Chg Tax Bill
0-500K	1,041	43.2%	10.5%	2.6%
500K-750K	834	34.6%	10.5%	2.5%
750K-1M	352	14.6%	14.1%	5.9%
1M-1.25M	109	4.5%	8.9%	1.1%
1.25M-1.5M	41	1.7%	12.2%	4.2%
1.5M+	32	1.3%	42.3%	32.1%
Total	2,409	100.0%	12.1%	4.1%

Change in Assessed Values (Single Family Homes) – FY2023 to FY2024



● <5% ● 5 to 10% ● 10 to 15% ● 15 to 20% ● 20 to 25% ● >25%

Interactive Map: <https://bit.ly/3UMn0CK>

New Tax Reform Legislation

- \$1 billion tax reform package signed into law by Governor Healey on October 4, 2023:
 - Expands the Child & Family Tax Credit
 - Increases to Rental Deduction, Senior Circuit Breaker Tax Credit and Housing Development Incentive Program
 - Changes to the Estate Tax and Short-Term Capital Gains Tax
- Sections 2 and 3 of the Act relate to property taxes:
 - Section 2: Increases the maximum senior work off abatement program amount from \$1,500 to \$2,000
 - Section 3: Creates a new local option property tax exemption for residential unit owners who rent their units year-round to income qualifying persons at an affordable rate

Pending issuance of Informational Guideline Release (IGR). Both sections can take effect starting in FY2025.

Programs to Assist Senior Newburyport Homeowners Pay their Property Taxes exempt carrie/All exmpts

FY 2024						
PROPERTY TAX RELIEF					WORK PROGRAMS	CPA
PROGRAM NAME	Surviving Spouse and Elderly Exemption Clause 17D	Exemption for the Blind Clause 37A	Elderly Exemption Clause 41C	Property Tax Deferral Clause 41A	Municipal Employment <small>Senior Property Tax Work Program</small>	Community Preservation Act
ASSISTANCE TYPE	Reduces local property tax liability for homeowner who meets qualifications	Reduces local property tax liability for homeowners who are Legally Blind.	Reduces local property tax liability of senior homeowner	Delays property tax liability by entering into a deferral & recovery agreement with the city	Provides supplemental income to help senior pay property tax	Removes local CPA liability for homeowner who meets qualifications
ELIGIBLE AGE	Surviving spouse: (any age), Senior 70 & older, minor children (less than 18)	All	<u>65</u> & older	<u>65</u> & older	<u>60</u>	Over <u>60</u> by # in household
INCOME LIMIT	none	none	Single: \$37,846 Married: \$56,770 <small>(Includes SS Income Deduction)</small>	\$64,000	Individual \$64,000 Head of household \$80,000 Married: \$96,000	1 Person: 104,500 2 Persons: 119,450 <small>Possible medical deduction</small>
ASSET LIMIT	\$67,538	none	Single: \$64,382 Married: \$88,513	A 3% annual interest & one time recording fee will be charged until passing or sale	none	none
ASSISTANCE AMOUNT	\$296 up to \$592	\$500 up to \$1,000	\$1,000 up to \$2,000	some or all of the tax	Total # of hours worked (up to 100) x state minimum wage = Tax Credit	Total
APPLICATION PROCEDURE	Senior files application at Assessor's Office, 978-465-4403	Senior files application at Assessor's Office, 978-465-4403	Senior files application at Assessor's Office, 978-465-4403	Senior files application at Assessor's Office, 978-465-4403	Senior files application at Council On Aging office, 978-462-0430	Senior files application at Assessor's Office, 978-465-4403
WHEN TO FILE	January - April 1st	January - April 1st	January - April 1st	January - April 1st	Apply @ Senior Center	January - April 1st
ADDITIONAL INFORMATION	Applicants aged 70+ must have owned and occupied the property for 5 years.	Applicant must be registered with the Massachusetts Commission for the Blind as of July 1 of the tax year. 1-800-392-6450	Applicant must have resided in Mass for the preceeding 10 years & owned and occupied the property for 5 years. Own & occupy July 1st	Applicant must have resided in Mass for the preceeding 10 years and owned and occupied the property for 5 years. Own & occupy July 1st	Applicants are expected to be the owner of the property for which they pay taxes, and be experiencing difficulty making the property tax payments due to limited financial resources.	Applicants must own & occupy, age & income as of January 1st
No corps or business'						