

Town of Danvers
Tax Rate Classification
Fiscal Year 2018

Report to the
Danvers Board of Selectmen

By:
Danvers Board of Assessors

Monday, November 06, 2017

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Purpose

Once property has been classified, the Board of Selectmen call and conduct a public hearing regarding the issue of allocating the percentage of tax levy to be borne by each class of property for the fiscal year. In this report and at the public hearing, the Board of Assessors will provide information and relevant data including the fiscal effects of the available alternatives. The Board of Selectmen will then make decisions and take votes that will apply for FY 2018.

The Board of Selectmen will make tax policy decisions and take votes on the following:

1. Selection of a residential factor
2. Open space discount
3. Residential exemption
4. Small commercial exemption

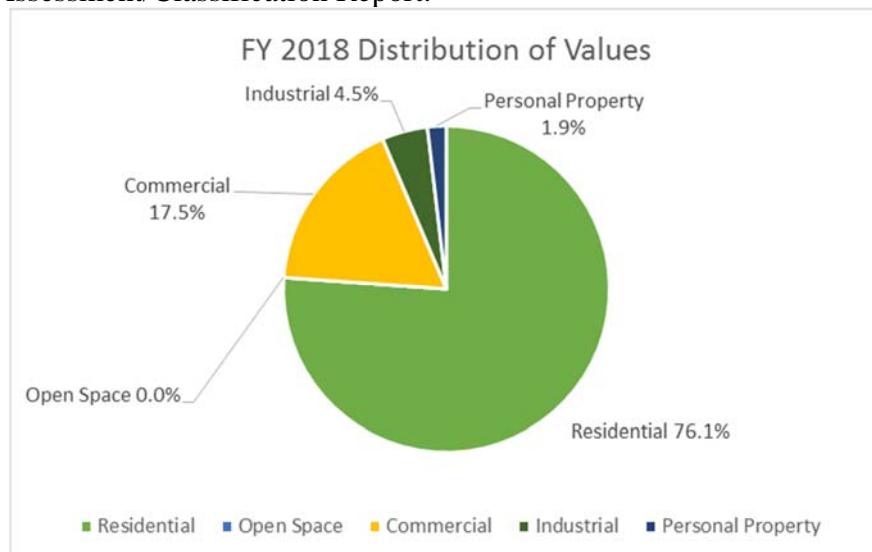
I. Total Assessed Values for Fiscal Year 2018

Distribution of Classes

The Board of Assessors has determined the classification of all real property as of January 1, 2017, for FY2018, in accordance with the definitions set forth in M.G.L. Chapter 59, Section 2A (b):

Class One	Residential
Class Two	Open Space
Class Three	Commercial
Class Four	Industrial
Class Five	Personal Property

The classification or Use Codes are issued in accordance with the Department of Revenue, Bureau of Local Assessment guidelines. A listing of the State Use Classification Codes is attached in Addendum 1 and the total valuation report for FY2018 is attached in Addendum 2, Form LA-4 "Assessment/Classification Report."



Historic Distribution of Values

	Total Value	Res Value	CIP Value	RES	CIP
FY2018	4,905,997,118	3,732,846,022	1,173,151,096	76.1%	23.9%
FY2017	4,526,570,664	3,424,189,783	1,102,380,881	75.6%	24.4%
FY2016	4,391,700,413	3,286,484,018	1,105,216,395	74.8%	25.2%
FY2015	4,056,879,982	3,002,828,568	1,054,051,414	74.0%	26.0%
FY2014	3,934,210,567	2,887,313,241	1,046,897,326	73.4%	26.6%
FY2008	4,363,590,583	3,301,085,963	1,062,504,620	75.7%	24.3%
FY2007	4,556,941,112	3,476,491,992	1,080,449,120	76.3%	23.7%
FY2006	4,126,089,734	3,133,415,989	992,673,745	75.9%	24.1%
FY2005	3,844,150,475	2,859,761,612	984,388,863	74.4%	25.6%
FY2004	3,644,123,457	2,703,232,840	940,890,617	74.2%	25.8%

Total Taxable Value

The total taxable value for FY2018 is \$4,905,997,118. The total town valuation from FY2017 to FY2018 increased by 8.4%. The Residential Class real estate market continues to appreciate. The class increased 9% overall. The commercial and industrial classes also saw a significant increase at 7.2% and 7.9%, respectively.

Changes in Property Valuation

	FY 2017 Value	FY 2018	% Change
Residential	3,424,189,783	3,732,846,022	9.0%
Open Space	0	0	0.0%
Commercial	800,875,033	858,629,391	7.2%
Industrial	206,596,775	223,009,300	7.9%
Personal Property	94,909,073	91,512,405	-3.6%
Total	4,526,570,664	4,905,997,118	8.4%
Overall Percent Change	8.4%		

II. Tax Levy

Levy is the amount the Town raises each year through property tax. The levy can be any amount up to the levy limit defined by Proposition 2 ½. The levy limit is the maximum amount the Town can levy in a given year. The levy limit can grow each year by 2 ½ percent of the prior year's levy

limit plus new growth and any overrides. Excess levy capacity is the difference between the levy limit and the actual levy.

The following illustration compares this year's existing estimations with the prior year's actual:

Levy Comparisons			
	FY 2017		
Prior Year Levy Limit	70,394,408		
2.5% of Prior Year Levy Limit	1,759,860		
New Growth	629,466		
Levy Limit		72,783,734	
Debt Exclusion	0		
Max Allowable Levy		72,783,734	
Actual Levy		72,654,228	
Non-Exempt Levy	72,654,228		
Excluded Debt	0		
"Excess" Levy Capacity		129,507	
Increase: Debt Exclusions	0	0.0%	(% increase over FY-2017 Debt Exclusion)
Increase: Actual Levy	2,703,277	3.7%	(% of FY-2017 Actual Levy)

	FY 2018	
	72,783,734	
	1,819,593	
	912,837	
		75,516,164
	0	
		75,516,164
		75,357,505
	75,357,505	
	0	
		158,659

III. New Growth

New growth is a calculation of the net increase in municipal property values because of new construction, improvements to properties, subdivisions, condo conversions or the return of exempt property to the tax rolls. New growth can be added to the Town's levy limit as defined by Proposition 2 ½, thereby increasing the Town's taxing capacity. Assessors must submit documentation of new growth to the Bureau of Local Assessment annually, and receive approval prior to setting the tax rate.

New growth is calculated by multiplying increases in value, which are not the result of a revaluation or interim adjustment, by the applicable tax rates of the previous fiscal year for each class of property. For example, FY 2018 new growth is determined by multiplying the new growth value for each class of property by the prior fiscal years tax rates.

The total New Growth for FY 2018 is \$49,669,413 in value or \$912,837 in tax dollars.

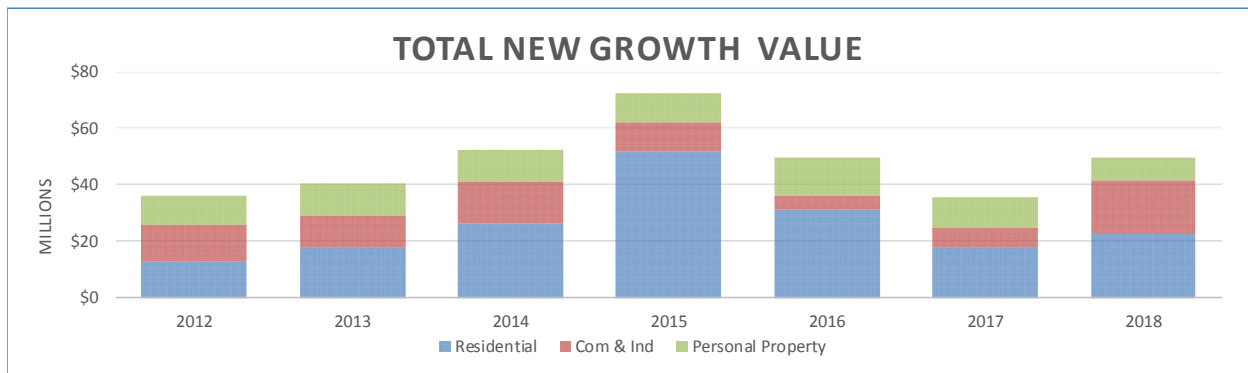
The following two illustrations detail Growth in both Tax Dollars and Valuation:

New Growth Stated in Value

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Residential	13,032,500	17,955,517	26,154,921	51,861,715	31,130,384	17,717,200	22,440,700
Com & Ind	12,901,980	11,359,605	14,998,084	10,388,946	5,181,350	6,995,000	19,222,400
Personal Property	10,389,099	10,925,777	11,008,215	10,045,843	13,268,831	10,687,847	8,006,313
Total	36,323,579	40,240,899	52,161,220	72,296,504	49,580,565	35,400,047	49,669,413

Statistics

	<u>Average</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Range</u>
Residential	25,756,134	51,861,715	13,032,500	38,829,215
Com & Ind	11,578,195	19,222,400	5,181,350	14,041,050
Personal Property	10,618,846	13,268,831	8,006,313	5,262,518
Annual Totals	47,953,175	72,296,504	35,400,047	36,896,457

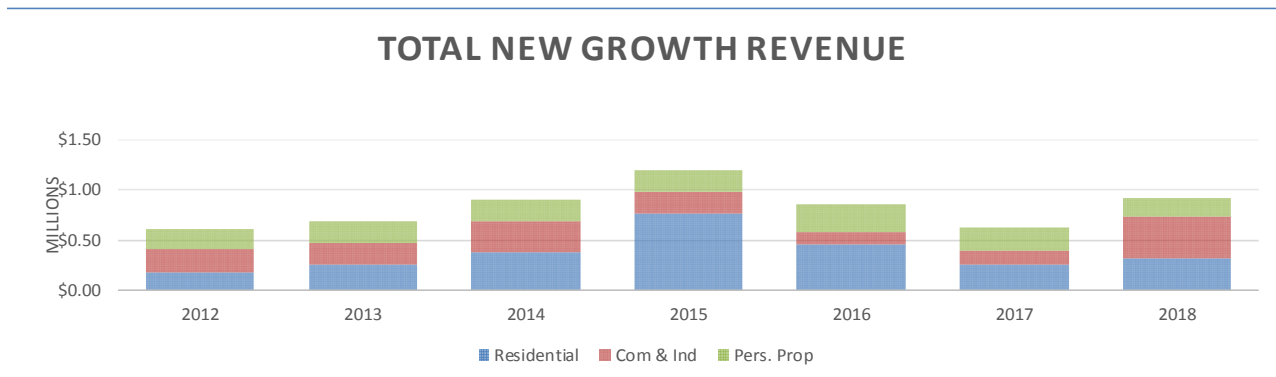


New Growth Stated in Tax Dollars

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Residential	174,636	250,120	380,293	770,146	464,154	251,584	318,434
Com & Ind	240,880	220,149	303,411	217,129	110,985	149,483	419,625
Pers. Prop	193,964	211,742	222,696	209,958	284,218	228,399	174,778
Total	609,480	682,011	906,400	1,197,233	859,357	629,466	912,837

Statistics

	<u>Average</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Range</u>
Residential	372,767	770,146	174,636	595,510
Com & Ind	237,380	419,625	110,985	308,640
Pers. Prop	217,965	284,218	174,778	109,440
Annual Totals	828,112	1,197,233	609,480	587,753



IV. Classification

The public classification hearing is for the Board of Selectmen to determine the allocation of the local property tax to be borne by the four classes of real property, plus personal property for Fiscal Year 2018. In deciding the allocation, the Selectmen must adopt a residential factor which is used to determine the percentage of the tax levy to apply 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). The Selectmen must also vote to adopt a factor for shifting the taxes among residential properties (Residential Exemption), among commercial properties (Small Commercial Exemption), and between residential and open space properties (Open Space Discount).

Tax Rate

The tax rate, in its simplest form, is the tax levy divided by the town's taxable valuation. This is called the Uniform Tax Rate. Under this rate each class of property pays a share of the tax levy **equal** to its share of the total town value. For illustration purposes only, using the **preliminary** tax levy, the Uniform Tax Rate calculation for the Town of Danvers for FY 2018 would be:

$$\$75,357,505.00 / \$4,905,997,118 = 0.01536$$

Or

\$15.36 per thousand dollars of assessed valuation

A. Residential Factor

The residential factor adopted by a community governs the percentage of the tax levy that is to be paid by the residential property owners. A residential factor of "1" will result in the taxation of all property at the same rate, the Uniform Tax Rate. The Uniform Tax Rate with a residential factor of "1" is calculated to be \$15.36 for FY2018.

Allowable tax shift for FY18

As previously stated, a residential factor of 1 will result in the taxation of all property at the same rate. However, state law permits the town to adopt a residential factor of less than 1 and a CIP factor greater than 1, which would have the effect of increasing the commercial, industrial, and personal property tax rates and decreasing the residential tax rate.

The following illustrates the past 10 years of CIP Shifts and the percentage of the Tax levy shared between the residential and CIP classes.

	RES TAX LEVY	CIP TAX LEVY	TOTAL TAX LEVY	RES	CIP	CIP SHIFT
FY2017	48,589,253.02	24,064,974.63	72,654,227.65	66.9%	33.1%	1.36
FY2016	46,668,073.06	23,618,474.36	70,286,547.42	66.4%	33.6%	1.335
FY2015	44,772,173.95	22,577,781.29	67,349,955.24	66.5%	33.5%	1.29
FY2014	42,876,601.63	21,880,154.11	64,756,755.74	66.2%	33.8%	1.27
FY2013	41,563,368.76	20,963,411.14	62,526,779.90	66.5%	33.5%	1.26
FY2012	41,563,368.76	20,963,411.14	62,526,779.90	66.5%	33.5%	1.26
FY2011	38,484,156.76	20,963,411.14	58,243,194.46	66.1%	33.9%	1.31
FY2010	37,272,131.66	20,963,411.14	56,031,976.05	66.5%	33.5%	1.32
FY2009	35,924,009.46	20,963,411.14	53,984,592.76	66.5%	33.5%	1.36
FY2008	34,331,294.02	20,963,411.14	51,331,367.94	66.9%	33.1%	1.42
FY2007	32,400,905.00	20,963,411.14	48,845,340.97	66.3%	33.7%	1.40

Using current estimates, and the FY17 Shift of 1.36, FY18 would look like this:

1.3600 CIP Shift				Effect on Tax Bill						
Levy to be Raised =		75,357,505.00		FY 2017		FY 2018		%		
Classification Rate =		1.3600		Single Family Average		\$407,400		\$445,000	9.2%	
Open Space Discount =		-		Residential Tax Rate		\$14.19		\$13.62		
				Property Tax Bill		\$5,781.01		\$6,060.90	4.84%	
Tax Rates				Condo Average		\$260,100		\$275,900		6.1%
	FY 2017	FY 2018		Residential Tax Rate		\$14.19		\$13.62		
Residential	\$14.19	\$13.62		Property Tax Bill		\$3,690.82		\$3,757.76		1.8%
Open Space	\$14.19	\$13.62		Com/Ind Average		\$1,379,800		\$1,484,100		7.6%
Commercial	\$21.83	\$20.89		Commercial Tax Rate		\$21.83		\$20.89		
Industrial	\$21.83	\$20.89		Property Tax Bill		\$30,121.03		\$31,002.85		2.9%
Personal Property	\$21.83	\$20.89								
[Uniform Tax Rate]	\$16.05	\$15.36								
Tax Levy Shift										
	FY 2017		FY 2018							
	Value	% Of Total	Value	% Of Total						
Residential	48,589,253	66.88%	50,841,363	67.47%						
Open Space										
Commercial										
Industrial	24,064,975	33.12%	24,507,126	32.53%						
Personal Property										
Total	72,654,228		75,348,489							

Further options illustrated below to help explore the impact of different shifts on the Tax bill averages to prior year. Current shift highlighted in yellow. (Full list of option ranging from 1-1.5 are attached separately)

Single Family					Condo				Commercial/Industrial					
	FY17		FY18			FY17		FY18		FY17		FY18		
Single Family Average	\$ 407,400		\$445,000		Condo Average	\$ 260,100		\$ 275,900		Com/Ind Average	\$ 1,379,800		\$ 1,484,100	
Residential Tax Rate	\$ 14.19				Residential Tax Rate	\$ 14.19				Commercial Tax Rate	\$ 21.83			
Property Tax Bill	\$ 5,781.01				Property Tax Bill	\$ 3,690.82				Property Tax Bill	\$ 30,121.03			
CIP Shift	Rate	Tax Bill	Difference	% Change	Rate	Tax Bill	Difference	% Change	Rate	Tax Bill	Difference	% Change	Res SP	
1.3540	13.65	\$ 6,074.25	\$ 293.24	5.07%	13.65	\$ 3,766.04	\$ 75.21	2.04%	20.80	\$ 30,869.28	\$ 748.25	2.48%	67.6223	
1.3550	13.65	\$ 6,074.25	\$ 293.24	5.07%	13.65	\$ 3,766.04	\$ 75.21	2.04%	20.81	\$ 30,884.12	\$ 763.09	2.53%	67.5984	
1.3560	13.64	\$ 6,069.80	\$ 288.79	5.00%	13.64	\$ 3,763.28	\$ 72.46	1.96%	20.83	\$ 30,913.80	\$ 792.77	2.63%	67.5745	
1.3570	13.64	\$ 6,069.80	\$ 288.79	5.00%	13.64	\$ 3,763.28	\$ 72.46	1.96%	20.84	\$ 30,928.64	\$ 807.61	2.68%	67.5506	
1.3580	13.63	\$ 6,065.35	\$ 284.34	4.92%	13.63	\$ 3,760.52	\$ 69.70	1.89%	20.86	\$ 30,958.33	\$ 837.30	2.78%	67.5267	
1.3590	13.63	\$ 6,065.35	\$ 284.34	4.92%	13.63	\$ 3,760.52	\$ 69.70	1.89%	20.87	\$ 30,973.17	\$ 852.14	2.83%	67.5028	
1.3600	13.62	\$ 6,060.90	\$ 279.89	4.84%	13.62	\$ 3,757.76	\$ 66.94	1.81%	20.89	\$ 31,002.85	\$ 881.82	2.93%	67.4789	
1.3610	13.62	\$ 6,060.90	\$ 279.89	4.84%	13.62	\$ 3,757.76	\$ 66.94	1.81%	20.91	\$ 31,032.53	\$ 911.50	3.03%	67.4550	
1.3620	13.61	\$ 6,056.45	\$ 275.44	4.76%	13.61	\$ 3,755.00	\$ 64.18	1.74%	20.92	\$ 31,047.37	\$ 926.34	3.08%	67.4310	
1.3630	13.61	\$ 6,056.45	\$ 275.44	4.76%	13.61	\$ 3,755.00	\$ 64.18	1.74%	20.94	\$ 31,077.05	\$ 956.02	3.17%	67.4071	
1.3640	13.60	\$ 6,052.00	\$ 270.99	4.69%	13.60	\$ 3,752.24	\$ 61.42	1.66%	20.95	\$ 31,091.90	\$ 970.86	3.22%	67.3832	
1.3650	13.60	\$ 6,052.00	\$ 270.99	4.69%	13.60	\$ 3,752.24	\$ 61.42	1.66%	20.97	\$ 31,121.58	\$ 1,000.55	3.32%	67.3593	
1.3660	13.59	\$ 6,047.55	\$ 266.54	4.61%	13.59	\$ 3,749.48	\$ 58.66	1.59%	20.98	\$ 31,136.42	\$ 1,015.39	3.37%	67.3354	
1.3670	13.59	\$ 6,047.55	\$ 266.54	4.61%	13.59	\$ 3,749.48	\$ 58.66	1.59%	21.00	\$ 31,166.10	\$ 1,045.07	3.47%	67.3115	
1.3680	13.58	\$ 6,043.10	\$ 262.09	4.53%	13.58	\$ 3,746.72	\$ 55.90	1.51%	21.01	\$ 31,180.94	\$ 1,059.91	3.52%	67.2876	
1.3690	13.58	\$ 6,043.10	\$ 262.09	4.53%	13.58	\$ 3,746.72	\$ 55.90	1.51%	21.03	\$ 31,210.62	\$ 1,089.59	3.62%	67.2637	
1.3700	13.57	\$ 6,038.65	\$ 257.64	4.46%	13.57	\$ 3,743.96	\$ 53.14	1.44%	21.04	\$ 31,225.46	\$ 1,104.43	3.67%	67.2397	
1.3710	13.57	\$ 6,038.65	\$ 257.64	4.46%	13.57	\$ 3,743.96	\$ 53.14	1.44%	21.06	\$ 31,255.15	\$ 1,134.12	3.77%	67.2158	
1.3720	13.56	\$ 6,034.20	\$ 253.19	4.38%	13.56	\$ 3,741.20	\$ 50.38	1.37%	21.07	\$ 31,269.99	\$ 1,148.96	3.81%	67.1919	
1.3730	13.56	\$ 6,034.20	\$ 253.19	4.38%	13.56	\$ 3,741.20	\$ 50.38	1.37%	21.09	\$ 31,299.67	\$ 1,178.64	3.91%	67.1680	
1.3740	13.55	\$ 6,029.75	\$ 248.74	4.30%	13.55	\$ 3,738.45	\$ 47.62	1.29%	21.11	\$ 31,329.35	\$ 1,208.32	4.01%	67.1441	
1.3750	13.55	\$ 6,029.75	\$ 248.74	4.30%	13.55	\$ 3,738.45	\$ 47.62	1.29%	21.12	\$ 31,344.19	\$ 1,223.16	4.06%	67.1202	
1.3760	13.55	\$ 6,029.75	\$ 248.74	4.30%	13.55	\$ 3,738.45	\$ 47.62	1.29%	21.14	\$ 31,373.87	\$ 1,252.84	4.16%	67.0963	
1.3770	13.54	\$ 6,025.30	\$ 244.29	4.23%	13.54	\$ 3,735.69	\$ 44.87	1.22%	21.15	\$ 31,388.72	\$ 1,267.69	4.21%	67.0724	
1.3780	13.54	\$ 6,025.30	\$ 244.29	4.23%	13.54	\$ 3,735.69	\$ 44.87	1.22%	21.17	\$ 31,418.40	\$ 1,297.37	4.31%	67.0484	
1.3790	13.53	\$ 6,020.85	\$ 239.84	4.15%	13.53	\$ 3,732.93	\$ 42.11	1.14%	21.18	\$ 31,433.24	\$ 1,312.21	4.36%	67.0245	
1.3800	13.53	\$ 6,020.85	\$ 239.84	4.15%	13.53	\$ 3,732.93	\$ 42.11	1.14%	21.20	\$ 31,462.92	\$ 1,341.89	4.45%	67.0006	
1.3810	13.52	\$ 6,016.40	\$ 235.39	4.07%	13.52	\$ 3,730.17	\$ 39.35	1.07%	21.21	\$ 31,477.76	\$ 1,356.73	4.50%	66.9767	
1.3820	13.52	\$ 6,016.40	\$ 235.39	4.07%	13.52	\$ 3,730.17	\$ 39.35	1.07%	21.23	\$ 31,507.44	\$ 1,386.41	4.60%	66.9528	
1.3830	13.51	\$ 6,011.95	\$ 230.94	3.99%	13.51	\$ 3,727.41	\$ 36.59	0.99%	21.24	\$ 31,522.28	\$ 1,401.25	4.65%	66.9289	
1.3840	13.51	\$ 6,011.95	\$ 230.94	3.99%	13.51	\$ 3,727.41	\$ 36.59	0.99%	21.26	\$ 31,551.97	\$ 1,430.94	4.75%	66.9050	
1.3850	13.50	\$ 6,007.50	\$ 226.49	3.92%	13.50	\$ 3,724.65	\$ 33.83	0.92%	21.27	\$ 31,566.81	\$ 1,445.78	4.80%	66.8811	
1.3860	13.50	\$ 6,007.50	\$ 226.49	3.92%	13.50	\$ 3,724.65	\$ 33.83	0.92%	21.29	\$ 31,596.49	\$ 1,475.46	4.90%	66.8571	
1.3870	13.49	\$ 6,003.05	\$ 222.04	3.84%	13.49	\$ 3,721.89	\$ 31.07	0.84%	21.30	\$ 31,611.33	\$ 1,490.30	4.95%	66.8332	
1.3880	13.49	\$ 6,003.05	\$ 222.04	3.84%	13.49	\$ 3,721.89	\$ 31.07	0.84%	21.32	\$ 31,641.01	\$ 1,519.98	5.05%	66.8093	
1.3890	13.48	\$ 5,998.60	\$ 217.59	3.76%	13.48	\$ 3,719.13	\$ 28.31	0.77%	21.34	\$ 31,670.69	\$ 1,549.66	5.14%	66.7854	
1.3900	13.48	\$ 5,998.60	\$ 217.59	3.76%	13.48	\$ 3,719.13	\$ 28.31	0.77%	21.35	\$ 31,685.54	\$ 1,564.51	5.19%	66.7615	
1.3910	13.47	\$ 5,994.15	\$ 213.14	3.69%	13.47	\$ 3,716.37	\$ 25.55	0.69%	21.37	\$ 31,715.22	\$ 1,594.19	5.29%	66.7376	
1.3920	13.47	\$ 5,994.15	\$ 213.14	3.69%	13.47	\$ 3,716.37	\$ 25.55	0.69%	21.38	\$ 31,730.06	\$ 1,609.03	5.34%	66.7137	
1.3930	13.46	\$ 5,989.70	\$ 208.69	3.61%	13.46	\$ 3,713.61	\$ 22.79	0.62%	21.40	\$ 31,759.74	\$ 1,638.71	5.44%	66.6898	
1.3940	13.46	\$ 5,989.70	\$ 208.69	3.61%	13.46	\$ 3,713.61	\$ 22.79	0.62%	21.41	\$ 31,774.58	\$ 1,653.55	5.49%	66.6658	

View addenda # 3 - Full list of option ranging from 1.00 - 1.50

As the Board of Selectman reviews these illustrations and makes their decision - it should keep in mind that the maximum allowable shift in FY18 is 1.50 or a minimum residential factor of 83.1854

B. Open Space Discount

Open Space is defined in M.G.L. Chapter 59, Section 2A as:

“...land which is not otherwise classified and which is not taxable under the provisions of chapters sixty-one, sixty-one A or sixty-one B, or taxable under a permanent conservation restriction, and which land is not held for the production of income but is maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public.” [Recently the law was changed to allow the inclusion of chapter land.]

State law allows properties classified as Open Space to be taxed at a rate discounted up to 25% from the Uniform Tax Rate. The tax dollars lost by the discount are shifted to the residential class of properties, which includes developable vacant land. The local Board of Assessors must develop the criteria that must be met in order to classify a parcel as Open Space that meets the “significant contribution” for the benefit and enjoyment of the public criteria.

*The assessor’s office is only aware of one community in Massachusetts grants an open space discount: **Bedford.***

Boards of Assessors use this classification sparingly since most land fits into other classifications, and the open space classification, on its own, makes no difference in the assessment of a property. Assessors have also observed that as the years have passed, many of the land parcels afforded a tax discount were developed anyway, regardless of the tax incentive employed to encourage protection of open land and/or be a deterrent to development.

Presently, there are no parcels classified by the Board of Assessors as Class 2 – Open Space.

C. Residential Exemption

Only fourteen cities and towns out of the 351 in the Commonwealth use the residential exemption. These are larger metropolitan communities with very high levels of renters or vacation resort type communities, where a large percentage are not owner occupied or owned as second homes.

This mechanism provides for the redistribution of the tax levy among residential property owners, solely within the Residential Class (Class 1). “Exemption” is a misnomer since it is actually a tax shift among residential properties. It involves the following steps:

- Subtracting a standard dollar amount (a percentage of the average Class 1 value) from every qualifying owner-occupied residential parcel;
- Recalculating the Class 1 tax rate based on the new total of the Class 1 taxable value. The Class 1 tax levy must remain unchanged before and after this calculation.

This has the net result of shifting taxes from Class 1 parcels that are below the average value to parcels within the Class that are above the average. It also, however, results in substantially higher taxes on apartment and multi-family parcels that are not owner occupied, on vacant land parcels in the Class, and on any other residential property which is not owner occupied (**including, in many instances, properties that are owned by a trust**).

The selected percentage to calculate the standard qualifying assessed value reduction can be from 0 to 20%, but selecting a certain percent does not mean that everyone gets that exact percent tax reduction. This is because the tax rate for the Class must be raised. The impact of the exemption – who pays more and who pays less – is not conditioned upon the income status of the occupant. This option is based on the assumption that a lower value property indicates an occupant with lower income and vice versa.

D. Small Commercial Exemption

The Board of Selectmen may grant a small commercial exemption. This option allows the Town to grant an exemption of up to 10% of the value for commercial property that employs an average of ten or less employees at all locations and has an assessed value of less than one million dollars. This exemption is similar to the residential exemption in that it is a “Robin Hood Theory” and is borne by the commercial/industrial properties even though industrial properties cannot qualify for the exemption.

Some drawbacks of this option are 1) the owner of the property and not the owner of the small business receives the exemption 2) if one business doesn’t qualify, the property doesn’t qualify 3) only a small number of properties would benefit for a small amount of money 4) it would be very time consuming to administer, is not equitable and not easily explainable. It would be very difficult to estimate the impact of this exemption as it is done by value on a parcel-by-parcel basis. If adopted, we would then have to estimate the loss in value to recalculate the CIP tax rate. The Assessors office is only aware of ten

communities that have adopted this exemption: Auburn, Avon, Bellingham, Braintree, Dartmouth, New Ashford, Seekonk, Somerset, Westford and Wrentham.

Addenda

Addendum 1

State Use Code

Residences

101	Single Family
102	Condominium
103	Mobile Home
104	Two-Family
105	Three-Family
106	Accessory Land with Improvement
109	Multiple Houses on One Parcel

Apartments

111	Four to Eight Units
112	More Than Eight Units

Non-Transient Group Quarters

125	Other Congregate Housing
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Vacant Land in a Residential Zone or Accessory to Residential Parcel

130	Developable Land
131	Potentially Developable Land
132	Undevelopable Land

Other

140	Child Care Facility
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Open Space

201-202	Open Land in Residential Area
210-211	Open Land in Rural Area
220-221	Open Land in Commercial Area

Commercial

300-393	Transient Group Quarters, Warehouse and Distribution Facilities, Retail, Office Buildings, Public Service and Recreational
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Industrial

400-452	Manufacturing, Utilities, Mining
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Personal Property

501-552	
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Forest Land (CH 61), Agricultural/Horticultural (CH 61A),

Recreational CH 61B)

601	Forest Land
710-722	Agriculture/Horticulture Land
801-814	Recreational Land

Exempt

900-939	Government-owned, Educational, Charitable, Religious
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Addendum 2

MASSACHUSETTS DEPARTMENT OF REVENUE
 DIVISION OF LOCAL SERVICES
 BUREAU OF LOCAL ASSESSMENT

Danvers
 TOWN

ASSESSMENT/CLASSIFICATION REPORT as of January 1, 2017 Fiscal Year 2018

Property Type	Parcel Count		Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	Class5 Pers Prop
101	6,126		2,725,847,700				
102	1,618		446,454,500				
MISC 103,109	32		25,724,400				
104	444		190,049,100				
105	91		43,357,500				
111-125	91		256,794,300				
130-32,106	213		21,215,400				
200-231	0			0			
300-393	539				798,318,500		
400-442	148					221,236,500	
450-452	0					0	
CH 61 LAND	0	0		0	0		
CH 61A LAND	5	4		0	101,646		
CH 61B LAND	1	0		0	345,850		
012-043	77		23,403,122	0	59,863,395	1,772,800	
501	733						7,820,532
502	628						22,671,235
503	1						26,641
504	3						24,567,358
505	6						16,955,200
506	2						17,478,300
508	4						1,993,139
550-552	0						0
TOTALS	10,766		3,732,846,022	0	858,629,391	223,009,300	91,512,405
Real and Personal Property Total Value							4,905,997,118
Exempt Parcel Count & Value						303	684,585,783

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.