

Town of Danvers

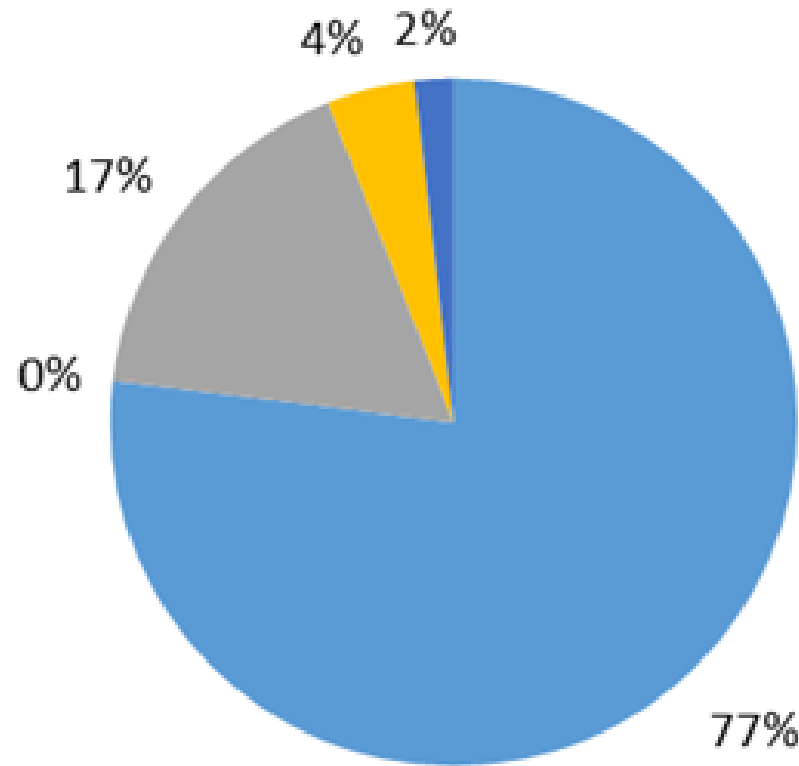


Tax Rate Classification Fiscal Year 2020

Required Action by Board of Selectmen

1. Selection of a Minimum Residential Factor.
2. Selection of an Open Space Discount.
3. Granting of a Residential Exemption.
4. Granting of a Small Commercial Exemption.
5. Vote to grant authority to Board of Assessors Chairman to sign on behalf of the Board of Selectmen on the DOR Gateway.

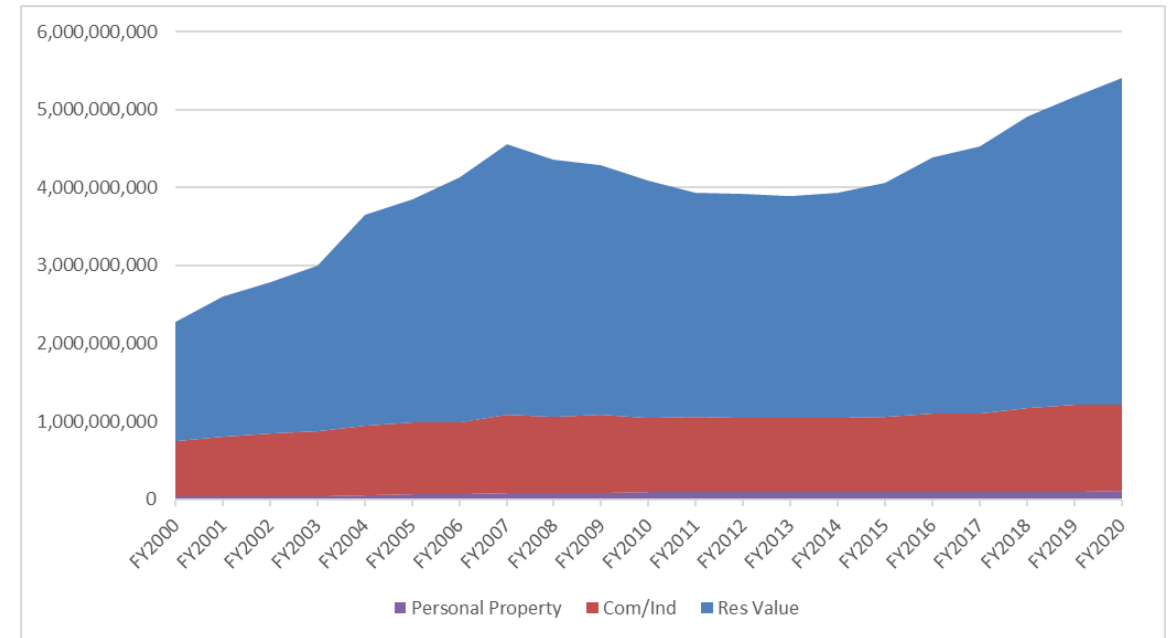
FY 2020 Distribution of Values



■ Residential ■ Open Space ■ Commercial ■ Industrial ■ Personal Property

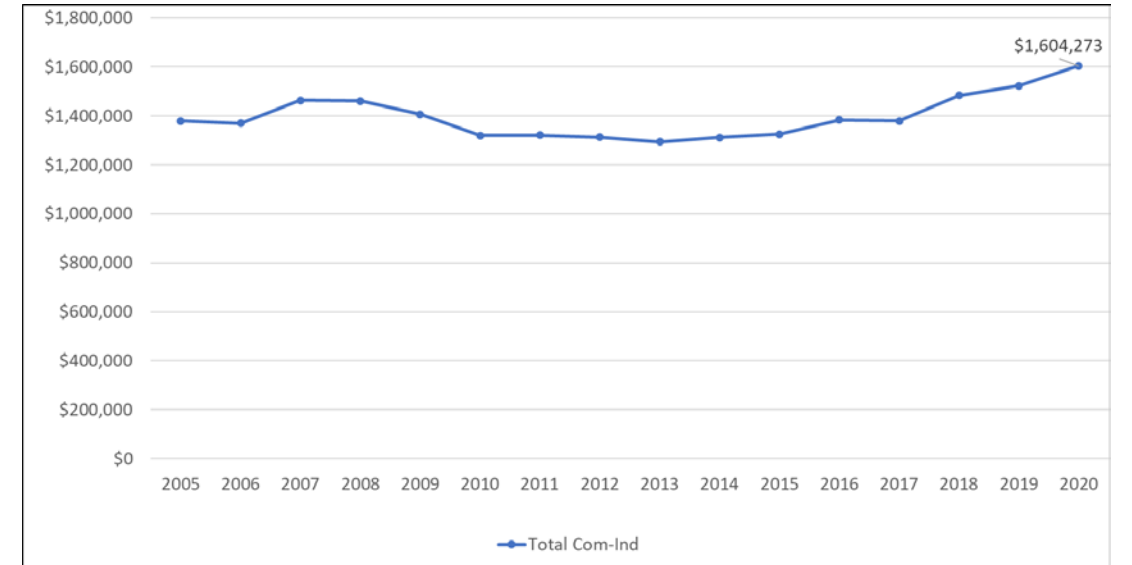
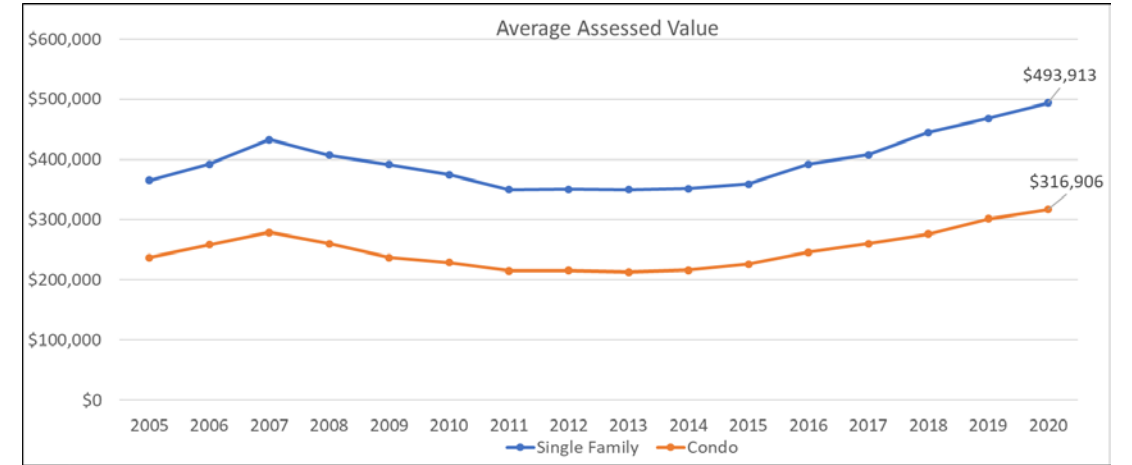
Historic Distribution of Values

Fiscal Year	Res Value	Com/Ind	CIP Value	Personal Prope	Residential %	CIP %
FY2000	1,528,269,077	701,311,737	742,039,097	40,727,360	67.3%	32.7%
FY2001	1,788,331,720	765,936,397	806,663,757	40,727,360	68.9%	31.1%
FY2002	1,942,379,010	801,874,601	842,601,961	40,727,360	69.7%	30.3%
FY2003	2,120,738,027	836,450,432	876,541,202	40,090,770	70.8%	29.2%
FY2004	2,703,232,840	893,874,523	940,890,617	47,016,094	74.2%	25.8%
FY2005	2,859,761,612	918,827,926	984,388,863	65,560,937	74.4%	25.6%
FY2006	3,133,415,989	926,217,300	992,673,745	66,456,445	75.9%	24.1%
FY2007	3,476,491,992	1,004,043,104	1,080,449,120	76,406,016	76.3%	23.7%
FY2008	3,301,085,963	986,742,264	1,062,504,620	75,762,356	75.7%	24.3%
FY2009	3,204,639,559	1,003,002,823	1,087,986,946	84,984,123	74.7%	25.3%
FY2010	3,050,092,607	954,885,295	1,046,866,317	91,981,022	74.4%	25.6%
FY2011	2,871,951,997	963,897,125	1,058,330,889	94,433,764	73.1%	26.9%
FY2012	2,875,693,392	960,274,625	1,046,888,073	86,613,448	73.3%	26.7%
FY2013	2,858,553,560	947,828,180	1,036,253,640	88,425,460	73.4%	26.6%
FY2014	2,887,313,241	957,855,333	1,046,897,326	89,041,993	73.4%	26.6%
FY2015	3,002,828,568	966,556,272	1,054,051,414	87,495,142	74.0%	26.0%
FY2016	3,286,484,018	1,010,535,159	1,105,216,395	94,681,236	74.8%	25.2%
FY2017	3,424,189,783	1,007,471,808	1,102,380,881	94,909,073	75.6%	24.4%
FY2018	3,732,846,022	1,081,638,691	1,173,151,096	91,512,405	76.1%	23.9%
FY2019	3,953,500,016	1,110,259,351	1,210,567,703	100,308,352	76.6%	23.4%
FY2020	4,201,007,040	1,109,708,464	1,210,567,703	100,859,239	77.0%	23.0%



Valuation Changes

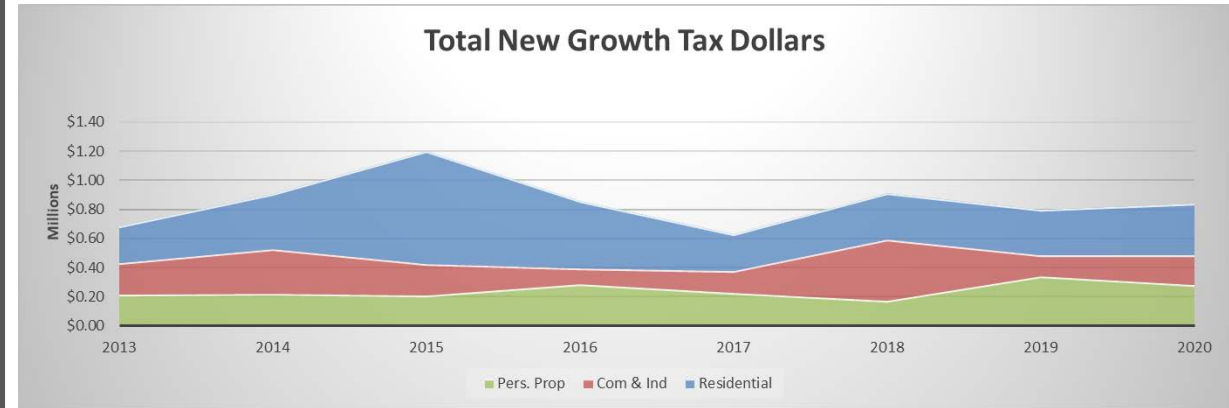
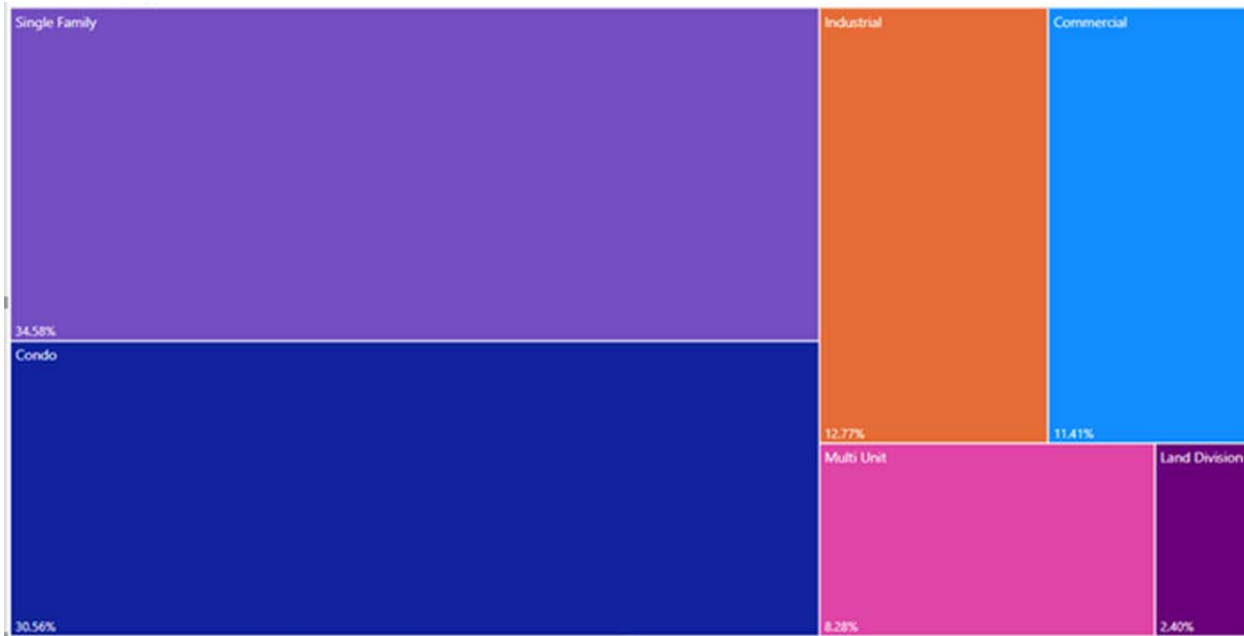
	FY 2019 Value	FY 2020	Overall
Residential	3,953,500,016	4,201,007,040	6.3%
Open Space	0	0	0.0%
Commercial	881,220,251	931,828,069	5.7%
Industrial	229,039,100	225,067,325	-1.7%
Personal Property	100,308,352	100,859,239	0.5%
Total	5,164,067,719	5,458,761,673	5.7%
Overall Percent Change		5.7%	



Property Type	2015	2016	2017	2018	2019	2020	19-20 % Change
Single Family	\$ 358,838	\$ 392,387	\$ 407,393	\$ 444,964	\$ 468,307	\$ 493,913	5.47%
Condo	\$ 225,814	\$ 245,459	\$ 260,111	\$ 275,930	\$ 301,386	\$ 316,906	5.15%
Com-Ind	\$ 1,325,100	\$ 1,383,255	\$ 1,379,773	\$ 1,484,068	\$ 1,522,342	\$ 1,604,273	5.38%

2020 New Growth

Components of Real Estate Growth (in Valuation)



	2013	2014	2015	2016	2017	2018	2019	2020
Residential	250,120	380,293	770,146	464,154	251,584	318,434	311,897	356,004
Com & Ind	220,149	303,411	217,129	110,985	149,483	419,625	142,830	201,691
Pers. Prop	211,742	222,696	209,958	284,218	228,399	174,778	340,169	282,388
Total	682,011	906,400	1,197,233	859,357	629,466	912,837	794,896	840,083

Levy Comparison

Levy Comparisons

	FY 2019		FY 2020	
Prior Year Levy Limit	75,516,164		78,198,964	
2.5% of Prior Year Levy Limit	1,887,904		1,954,974	
New Growth	794,896		840,083	
Levy Limit		78,198,964		80,994,021
Debt Exclusion	0		0	
Max Allowable Levy		78,198,964		80,994,021
Actual Levy		78,154,410		80,971,990
Non-Exempt Levy	78,154,410		80,971,990	
Excluded Debt	0		0	
"Excess" Levy Capacity		44,554		22,031

Increase: Debt Exclusions	0	0.0%	(% increase over FY-2019 Debt Exclusion)
Increase: Actual Levy	2,817,580	3.6%	(% of FY-2019 Actual Levy)

History of Valuation % compared to % of Levy

YEAR	RES TAX LEVY	CIP TAX LEVY	TOTAL TAX LEVY	RES	CIP	CIP SHIFT	RES	CIP	Total Value	Res Value	CIP Value	Fiscal Year
FY2019	52,502,480.21	25,651,929.63	78,154,409.84	67.2%	32.8%	1.400	76.6%	23.4%	5,164,067,719	3,953,500,016	1,210,567,703	FY2019
FY2018	50,542,735.14	24,812,145.69	75,354,880.83	67.1%	32.9%	1.377	76.1%	23.9%	4,905,997,118	3,732,846,022	1,173,151,096	FY2018
FY2017	48,589,253.02	24,064,974.63	72,654,227.65	66.9%	33.1%	1.360	75.6%	24.4%	4,526,570,664	3,424,189,783	1,102,380,881	FY2017
FY2016	46,668,073.06	23,618,474.36	70,286,547.42	66.4%	33.6%	1.335	74.8%	25.2%	4,391,700,413	3,286,484,018	1,105,216,395	FY2016
FY2015	44,772,173.95	22,577,781.29	67,349,955.24	66.5%	33.5%	1.290	74.0%	26.0%	4,056,879,982	3,002,828,568	1,054,051,414	FY2015
FY2014	42,876,601.63	21,880,154.11	64,756,755.74	66.2%	33.8%	1.270	73.4%	26.6%	3,934,210,567	2,887,313,241	1,046,897,326	FY2014
FY2013	41,563,368.76	20,963,411.14	62,526,779.90	66.5%	33.5%	1.260	73.4%	26.6%	3,894,807,200	2,858,553,560	1,036,253,640	FY2013
FY2012	41,563,368.76	20,963,411.14	62,526,779.90	66.5%	33.5%	1.260	73.3%	26.7%	3,922,581,465	2,875,693,392	1,046,888,073	FY2012
FY2011	38,484,156.76	20,963,411.14	58,243,194.46	66.1%	33.9%	1.310	73.1%	26.9%	3,930,282,886	2,871,951,997	1,058,330,889	FY2011
FY2010	37,272,131.66	20,963,411.14	56,031,976.05	66.5%	33.5%	1.320	74.4%	25.6%	4,096,958,924	3,050,092,607	1,046,866,317	FY2010
FY2009	35,924,009.46	20,963,411.14	53,984,592.76	66.5%	33.5%	1.360	74.7%	25.3%	4,292,626,505	3,204,639,559	1,087,986,946	FY2009
FY2008	34,331,294.02	20,963,411.14	51,331,367.94	66.9%	33.1%	1.420	75.7%	24.3%	4,363,590,583	3,301,085,963	1,062,504,620	FY2008
FY2007	32,400,905.00	20,963,411.14	48,845,340.97	66.3%	33.7%	1.400	76.3%	23.7%	4,556,941,112	3,476,491,992	1,080,449,120	FY2007

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.]



RESIDENTIAL EXEMPTION

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**).

SMALL COMMERCIAL EXEMPTION

- An exemption of up to 10% of the property valuation for commercial properties only.
- Eligible business cannot have more than 10 employees as certified by the Dept. of Employment & Training.
- Assessed Value cannot exceed \$1,000,000.
- One business in a building could not qualify unless every business qualified.
- Exemption goes to the building owner not business owner

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