

City of Haverhill



**FY 2018 Classification Hearing
Tuesday, November 28, 2017**

**Presented by the Haverhill
Board of Assessors**

Tax Classification FY 2018

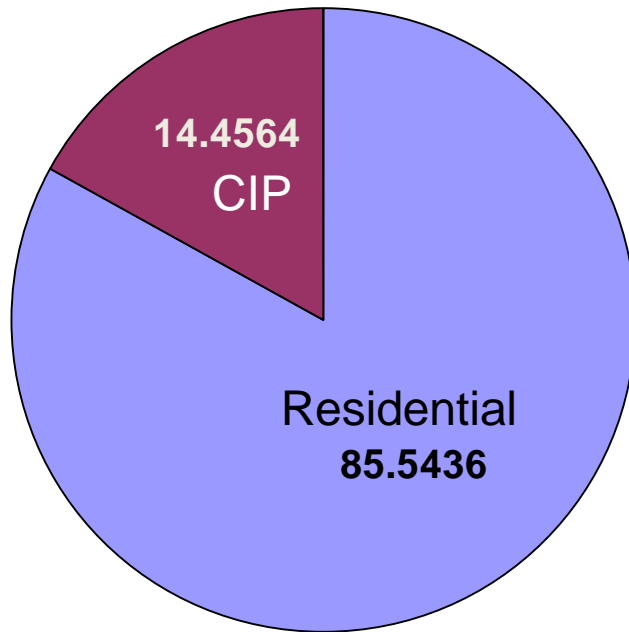
- The purpose of this public hearing is to determine how the Tax Levy (Pie) is divided
- Classification does not change the size of the Pie but it can change the percentage share of the Pie
- In other words, the amount of money the City can raise through taxes remains a constant regardless of the percentage shift of the tax burden between the classes

State Mandated Revaluation of All Property Values

- Every **Revaluation** year the Commonwealth requires all municipalities to perform a complete update of all Real and Personal Property values based on the prior calendar year sales and overall market conditions.
- This year, **FY 2018**, Haverhill's Residential class has increased in value at a greater rate than the Commercial, Industrial & Personal Property (C.I.P) class.
- Due to the fact that the Residential class assessments increased at a greater % rate this year as compared to the C.I.P class, the **Overall** C.I.P. share in FY 2018 decreased and the Residential share increased.
- To lessen the burden on residential taxpayers, the city may shift the tax share from one class to another.

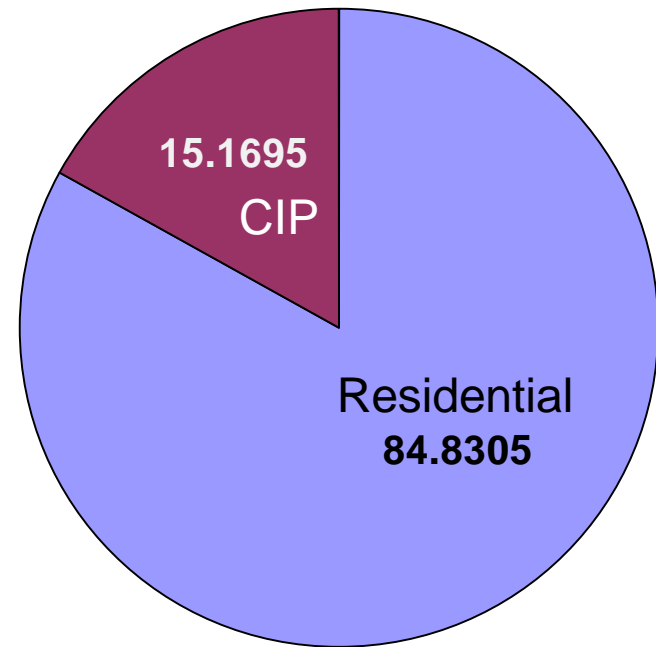
Percentage Share of Total Tax @ a Shift of 1 (single tax rate)

FY 2018



FY18 Average Single Family \$4,896
FY18 Average Commercial: \$9,980

FY 2017



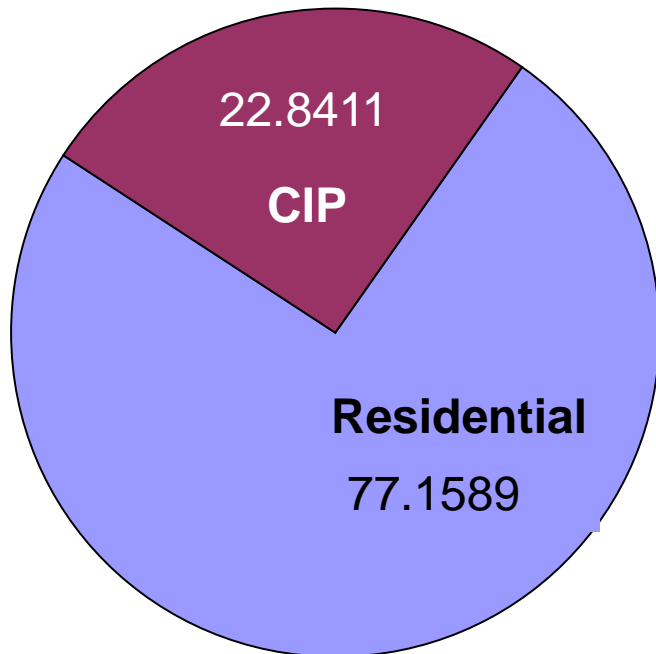
FY17 Average Single Family: \$4,811
FY17 Average Commercial: \$9,771

Chapter 200 Acts of 1988

- Provides for a shift up to 175% of the single tax rate if the residential share is LARGER than the prior year's share.
- FY17 – Residential Share Chosen – **76.0321**
- FY18 – Residential Share @150% – **78.3154**
- The FY 2018 Residential Share is LARGER than FY 2017 share, therefore, the city **DOES** qualify for the provisions of this legislation.
- Maximum allowable shift for FY18 is 175%

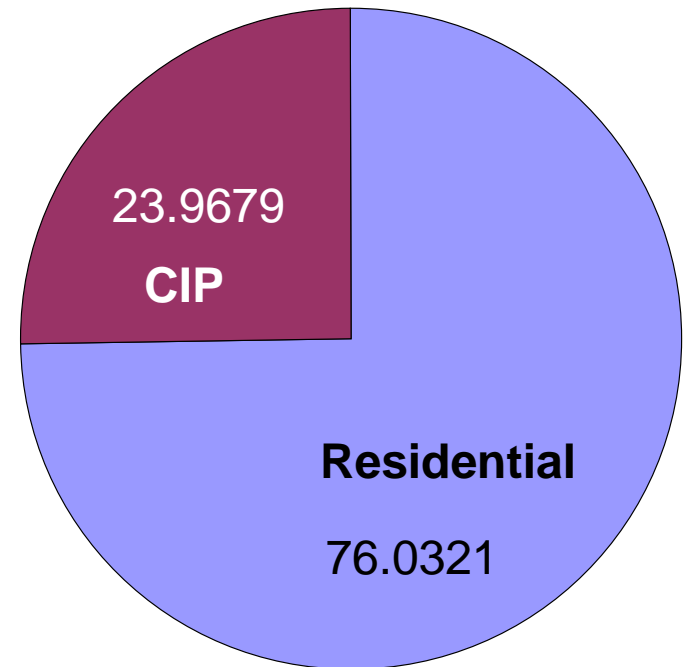
Percentage Share of Total Tax @ **158** Shift

FY 2018



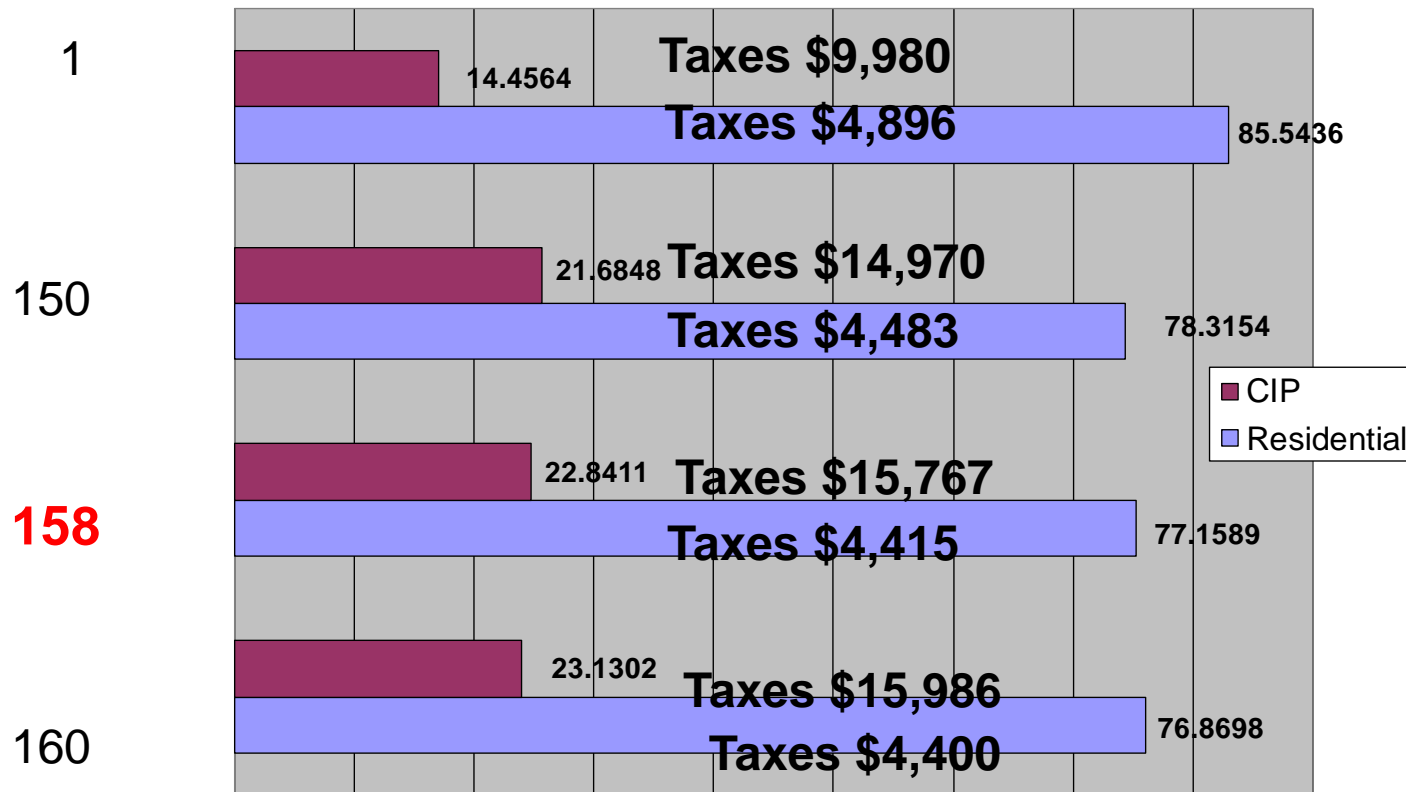
FY18 Ave Single Fam. \$4,415
FY18 Average Commercial \$15,767

FY 2017



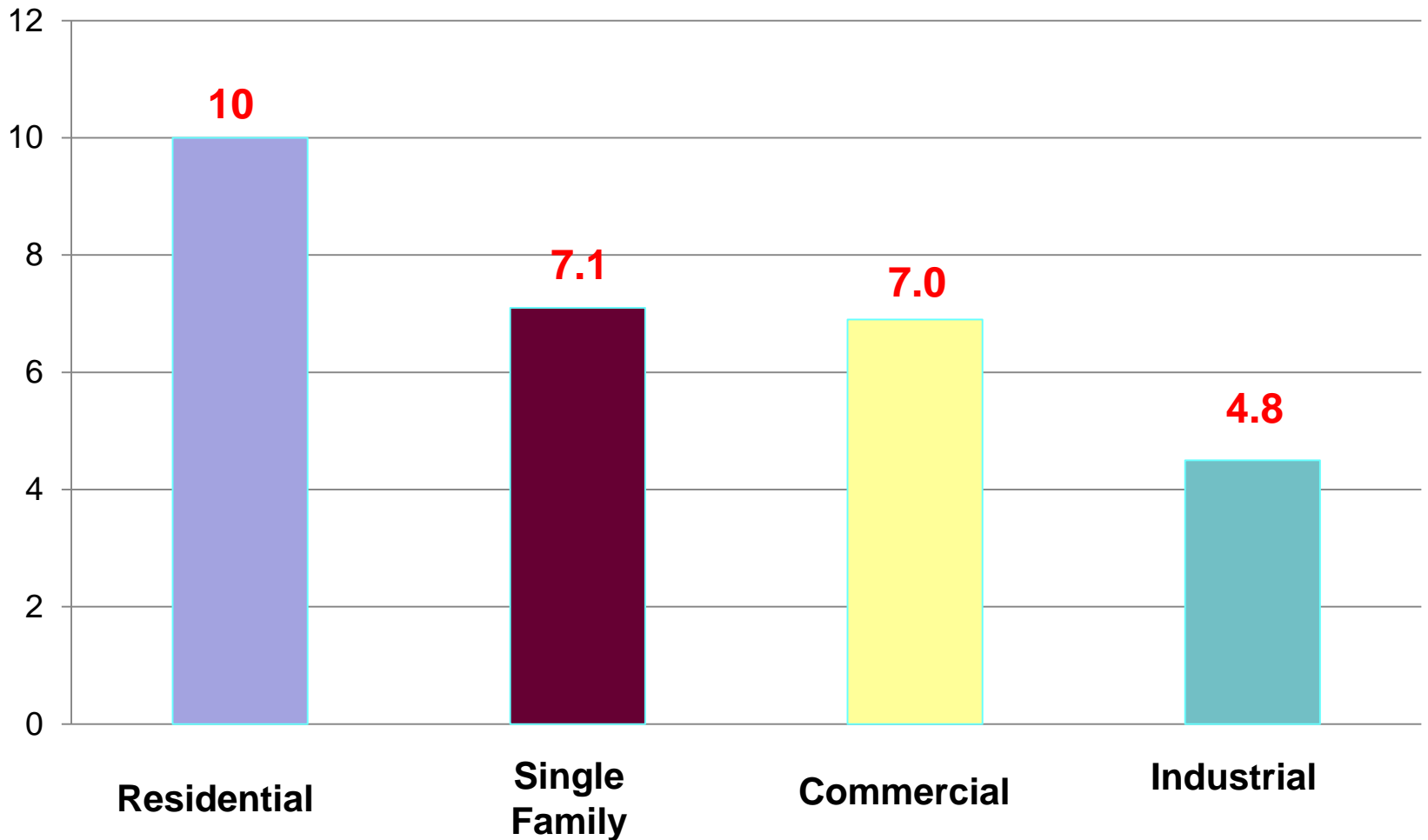
FY17 Ave. Single Fam. \$4,310
FY17 Ave. Commercial \$15,436

Percentage Share of Total Tax @ Shifts of 1, 150, 158, 160



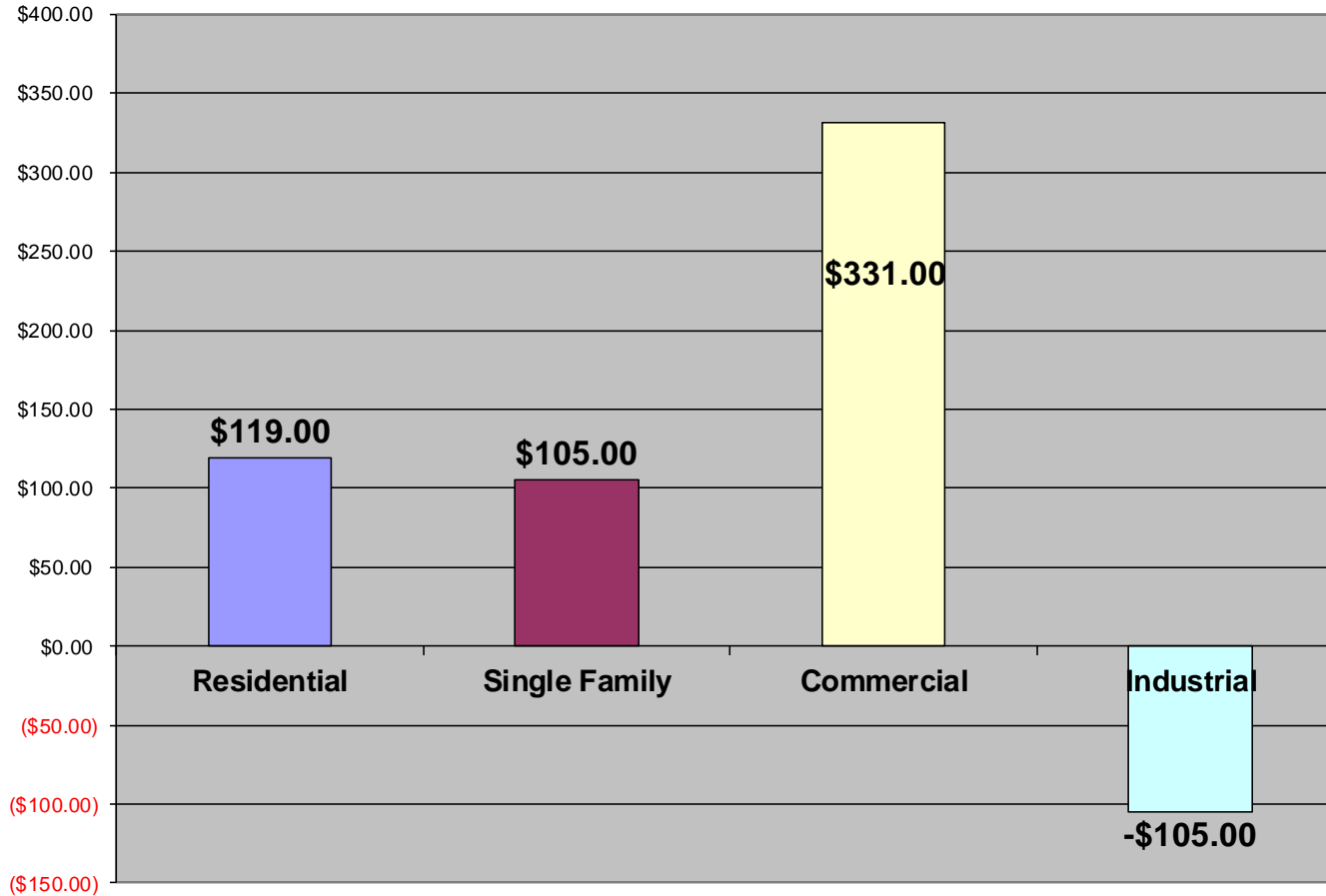
Property Value Change FY18 (In Percentage)

State Mandated Revaluation Yr Value Adjustments

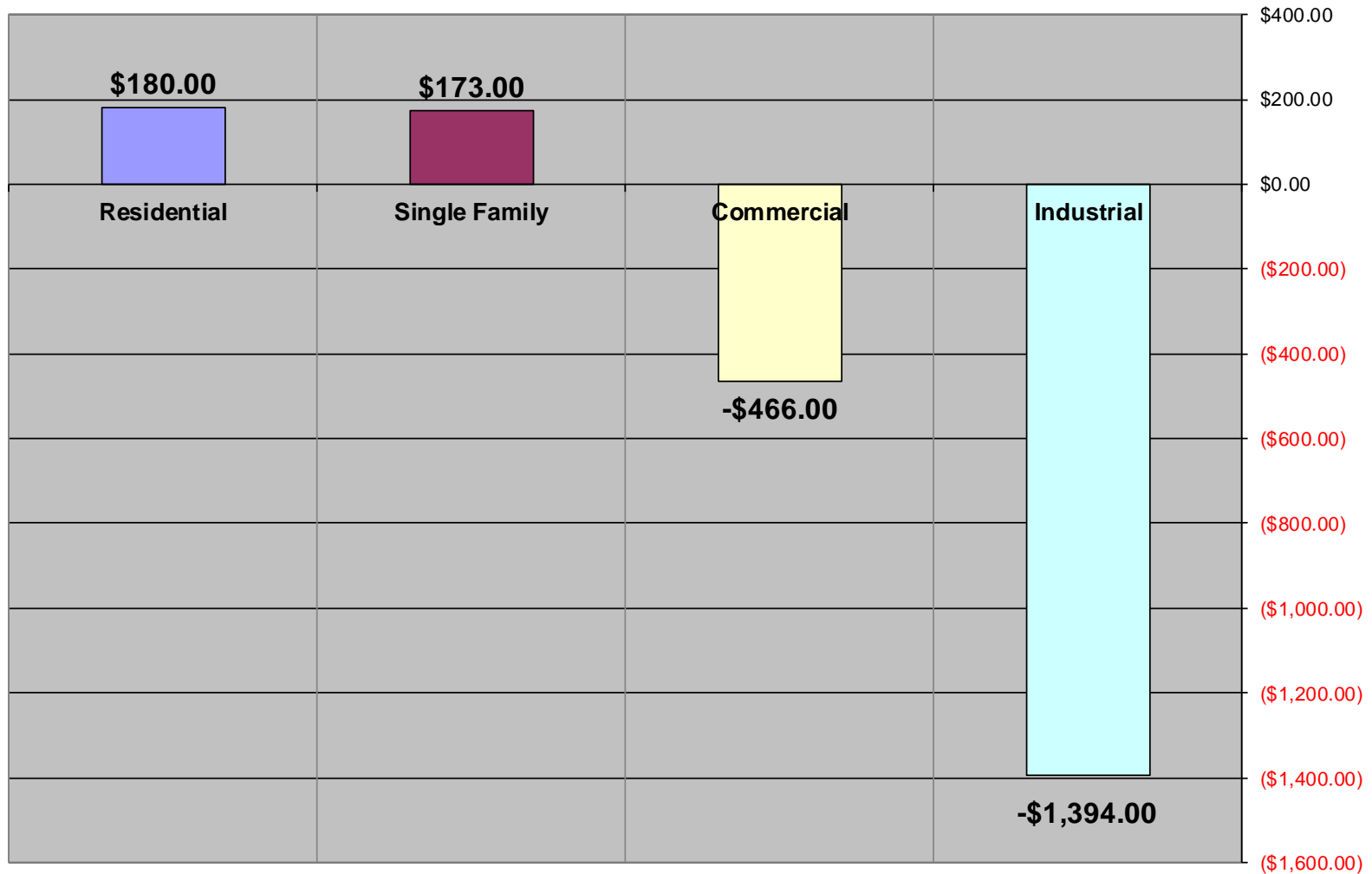


FY 18 Reval Year Value Effects on Taxes

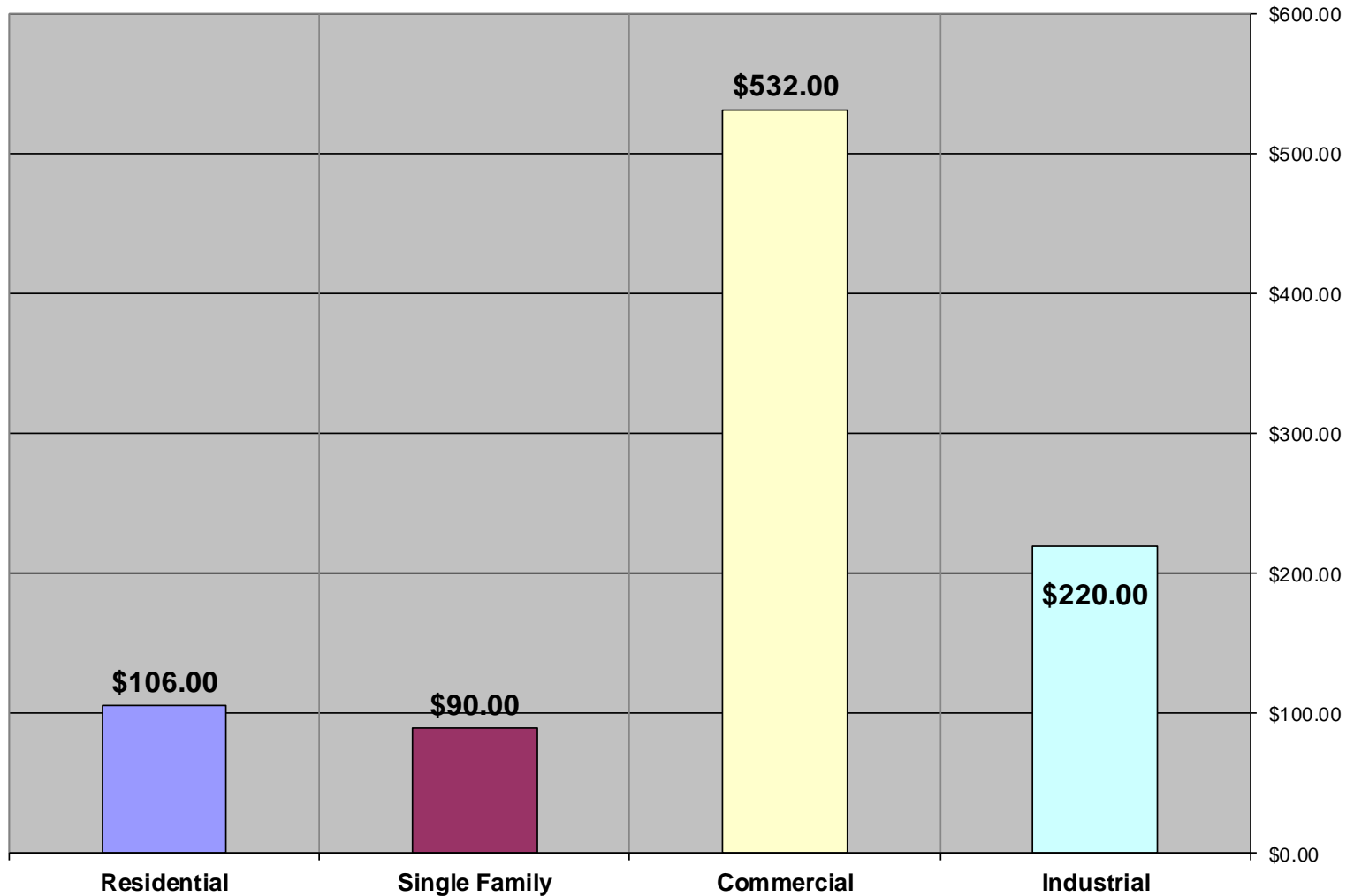
With CIP Shift at 158%



FY18 Reval Year Value Effects on Taxes (With CIP Shift at 150)



FY18 Reval Year Value Effects on Taxes (With CIP Shift at 160)



TAX IMPACT USING MEDIAN VALUES FY 2018

- Single Family Median Value \$290,100
Taxes - \$4,160.00 @ 158%
- *Increase* of \$89.00 over FY 17 Median

- Commercial Median Value \$278,000
- Taxes - \$6,528.00 @ 158%
- *Increase* of \$455.00 over FY 17 Median

FY18 Calculation of the Tax Rate

- Determine Tax Levy \$\$
- FY18 Levy - \$99,800,000
- Determine Total Value
- FY18 Total Taxable Value - \$6,276,901,409
- Uniform or “Single” Tax Rate (Tax Levy / Total Value)
- \$99,800,000 / \$6,276,901,409 = **\$15.90**

FY18 Calculation of the Tax Rate

- **FY18 Residential Value - \$5,369,487,657**
- **FY18 C.I.P. Value - \$907,413,752**
- **FY18 Residential % - 85.5436**
- **FY18 C.I.P. % - 14.4564**
- **Shift Determined (1.58) ***
- **C.I.P. % 14.4564 X 1.58 = 22.8411% New share**
- **New % multiplied by Tax Levy = New C.I.P. Taxes**
- **22.8411% X \$99,800,000 = \$22,795,418**
- **New C.I.P. Taxes divided by Total C.I.P. Value = C.I.P. Tax Rate**
- **\$22,795,418 / \$907,413,752 = \$25.12**

Average Tax Bills @1% Increments at \$99,800,000 Levy

% Shift	Factor	Rate		Single Family	Comm	Ind
		Res	CIP			
155	0.907053	\$14.42	\$24.64	4,440	15,466	25,022
				130	30	(592)
				3.0%	0.2%	-2.3%
156	0.905363	\$14.39	\$24.80	4,431	15,566	25,184
				121	130	(430)
				2.8%	0.8%	-1.7%
157	0.903673	\$14.37	\$24.96	4,425	15,667	25,347
				115	231	(267)
				2.7%	1.5%	-1.0%
158	0.901983	\$14.34	\$25.12	4,415	15,767	25,509
				105	331	(105)
				2.4%	2.1%	-0.4%
159	0.900293	\$14.31	\$25.28	4,406	15,868	25,672
				96	432	58
				2.2%	2.8%	0.2%
160	0.898603	\$14.29	\$25.44	4,400	15,968	25,834
				90	532	220
				2.1%	3.4%	0.9%

Average Tax Bills @1% Increments at \$98,800,000 Levy

		Rate				
	Factor	Res	CIP	Single Family	Comm	Ind
155	0.907053	\$14.28	\$24.40	4,397	15,315	24,778
				87	(121)	(836)
				2.0%	-0.8%	-3.3%
156	0.905363	\$14.25	\$24.55	4,388	15,409	24,930
				78	(27)	(684)
				1.8%	-0.2%	-2.7%
157	0.903673	\$14.22	\$24.71	4,378	15,510	25,093
				68	74	(521)
				1.6%	0.5%	-2.0%
158	0.901983	\$14.20	\$24.87	4,372	15,610	25,255
				62	174	(359)
				1.4%	1.1%	-1.4%
159	0.900293	\$14.17	\$25.03	4,363	15,711	25,418
				53	275	(196)
				1.2%	1.8%	-0.8%
160	0.898603	\$14.14	\$25.18	4,354	15,805	25,570
				44	369	(44)
				1.0%	2.4%	-0.2%

Haverhill's Current CIP Shift Compared to Similar Communities

- Amesbury – 1
- Newburyport – 1
- North Andover – 136
- Andover – 152.5
- **Haverhill – 158****
- Methuen – 164
- Beverly - 167
- Salem, MA - 165
- Quincy - 175
- Lawrence - 175
- Lowell - 175
- Lynn - 175
- Peabody – 168
- Billerica - 175

- A lower CIP Shift Corresponds with a higher Residential tax
- There are Approximately 110 communities that classify

**** Haverhill FY18 proposed at 158 all others actual FY17****

NOTE

This is a policy and economic decision of the Haverhill City Council and the Assessor's Office assumes no official Position on this matter.

