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**November 29, 2010**  
**Press Release**  
**FOR IMMEDIATE RELEASE**

### **CITY COUNCIL TO DECIDE RESIDENTIAL TAX RATE**

Mayor Carlo DeMaria Jr. along with William Hart, Chairman of the Board of Assessors delivered the annual Minimum Residential Factor presentation to a Joint Convention of the Everett Board of Aldermen and City Council on Monday night. Each year the City Council, by vote determines the percentage of the tax rate shift. This shift, formulates a Residential Tax Rate and a Commercial/ Industrial and Open Space tax rate. Since 1985, the City has accepted a shift of 175%, the maximum allowable by law.

Mr. Hart presented four scenarios for the Council to serve as examples. The Mayor hopes the presentation will help the City's legislature make an informed decision.

"These are tough times," states Mayor Carlo DeMaria, "in year's past, during the good times, previous Mayor's would just call the hearing and the council would vote the 175%. There's a significant impact to their vote this year, which is why this is not an easy decision for the Council and why we presented multiple scenarios."

Mr. Hart explained to the Council how the tax rate is determined where the total levy, the amount needed to be raised to run the city, is divided by the total value of the city, factoring in all types of properties – small residential to large industrial. That equation determines the City's single tax rate.

What the Everett City Council, and most surrounding cities employ is the Minimum Residential Factor allowing the City, by law, to split the rates, shifting a percentage of the taxes away from Class 1 and Class 2, Residential and Open Space properties, to Class Three, Four, and Five – Commercial, Industrial and Personal Property (CIP) property.

This year, following local and national trends, the value of most residential and commercial properties did decrease, on an average of 10% and 6% respectively.

In addition to supplying potential average tax bills for both Residential and Commercial properties, Mr. Hart also presented an option for the City Council to deliberate. Although no official legislation was filed at the meeting, the administration presented an example of a \$4 million transfer from the City's Stabilization Account to offset this year's levy. Given that scenario, this one time use of stabilization funds will minimize any increase in this years taxes especially if the City Council decides on a less than maximum shift. In previous years, Mayor DeMaria advocated not using reserve funds to offset taxes. With the current state of the economy, and the steady increase of foreclosures and unemployment, the Mayor will agree to use funds provided the move helps both the businesses and the residents.

To help minimize the impact to the residents, the Mayor also introduced legislation adopting the 20% Residential Exemption, which helps homeowners who live in their property, and a 10% Small Business Exemption. Earlier this year the City Council asked the Mayor to examine and propose the Small Business exemption, hoping to help the small business owners in the city.

Mr. Hart explained the basic criteria for the new exemption, where properties must be valued under \$1million and the businesses have less than 10 employees. The Board of Assessors estimate close to 104 properties would qualify for the proposed exemption.

The Joint Convention favorably recommended the 20% Residential Exemption and a 170% Minimum Residential Factor. Given the overwhelming negative response from members of the local business community, the Joint Convention gave an "unfavorable" recommendation for the 10% Small Business Exemption.

In a special meeting of the Board of Aldermen immediately following the Joint Convention the Board voted 3-2 in favor of a 170% shift.

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For additional press information please contact Matt Laidlaw, Director of Communications, City of Everett.

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