



City of Waltham

Jeannette A. McCarthy
Mayor

January 5, 2006

TO: The City Council

Dear Councillors:

Enclosed please find three draft special acts intended to reduce the tax burden on single-family homeowners in the City of Waltham.

The Assessors, Attorney Patricia Azadi and I will be available to answer any questions you may have regarding this matter. Any passed acts will be put on the appropriate State House Act paper.

Sincerely,

Jeannette A. McCarthy

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Enclosures

Preamble to proposed tax legislation

Whereas the General Court has already recognized the fact that the current property tax classification system may be unable to provide sustainable and equitable methods for addressing the current and any future divergence in residential and commercial property values that result in an abrupt shift of the tax levy onto one class of property taxpayers;

And whereas the General Court has already taken steps to address this issue by use of an interim measure, Chapter 3, of the Acts and Resolves of 2004, to respond to the plight of and provide temporary tax relief to residential ratepayers;

And whereas certain properties currently classified as residential are more akin to a commercial enterprise, i.e., multi-family properties containing nine or more residential dwelling units for rent;

And whereas the City of Waltham has a large number of such nine or more residential dwelling unit properties, this act is necessary to relieve the inequitable burden placed upon the owners of residential property containing less than nine residential dwelling units.

An Act Relative to the Tax Rate for Certain Residential Property Located Within the City
of Waltham

Section 1. Notwithstanding the provisions of General Laws, chapter 40, section 56, General Laws, chapter 59, section 23, General Laws, chapter 59, section 2A, Chapter 3 of the Acts and Resolves of 2004, or any other general or special law to the contrary, the City of Waltham shall be authorized to create two subcategories of residential property within the "Class One, residential" property classification and further shall be authorized to set two tax rates within this classification with one rate applicable to one subcategory and the other tax rate applicable to the other subcategory.

The subcategories in the City of Waltham shall be as follows:

Class one - subcategory A, residential property used or held for human habitation containing one or more but less than nine (9) dwelling units for rent including rooming houses with facilities designed and used for living, sleeping, cooking and eating on a non-transient basis, including a bed and breakfast home with no more than three rooms for rent. Such property includes accessory land, buildings or improvements incidental to such habitation and used exclusively by the residents of the property or their guests. Such property shall include: (i) land that is situated in a residential zone and has been subdivided into residential lots; and (ii) land used for the purpose of a manufactured housing community, as defined in section thirty-two F of chapter one hundred and forty. Such property shall not include a hotel or a motel.

Class one – subcategory B, residential property used or held for human habitation containing nine (9) or more dwelling units for rent. Such property includes accessory land, buildings or improvements incidental to such habitation and used exclusively by the residents of the property or their guests. Such property shall not include a hotel or a motel.

Section 2. Notwithstanding the provisions of General Laws, chapter 40, section 56, and any other general or special law to the contrary, after establishing the percentage of local tax levy for property in Class one, the tax rate for property in subcategory A shall be established by the Assessors; and the tax rate for property in subcategory B shall then be established by the Assessors. The tax rate for property in subcategory B shall in no event be less than the tax rate for subcategory A nor equal to or greater than the tax rate for Class Three, commercial property.

Section 3. The subcategories established in section 1 and the tax rates authorized by section 2 hereof shall be available to the City of Waltham commencing with fiscal year 2007.

Section 4. This act shall take effect upon its passage.

An Act Relative to Property Tax Classification in the City of Waltham

Section 1. Notwithstanding the provisions of Chapter 3 of the Acts of 2004, section 1A of chapter 58 of the General Laws or any other general or special law to the contrary, the Commissioner of Revenue shall further adjust the minimum residential factor of the City of Waltham determined under said section 1A of said chapter 58 for fiscal years 2006, 2007, 2008, 2009, 2010, 2011, and 2012. The residential factor authorized by said Chapter 3 of the Acts of 2004 for fiscal year 2005 shall be maintained for the specified fiscal years, specifically, the minimum residential factor of fiscal year 2005, forty-seven percent (47%) subject to such adjustment upward as may be required to provide that the percentage of the total tax levy imposed on any class of real or personal property shall not exceed one hundred ninety-seven percent (197%) of the full and fair cash valuation of the taxable property of the class divided by the full and fair cash valuation of all taxable real and personal property in the city.

Section 2. This act shall take effect immediately upon its passage.

An Act Relative to the Transfer of Certain Residential Properties to the Commercial
Classification for Real Property in the City of Waltham

Section 1. Notwithstanding the definitions contained in General Laws, chapter 59, section 2A, and notwithstanding any other general or special law to the contrary, the City of Waltham may define "Class one, residential" property as follows:

"Class one, residential," property used or held for human habitation containing one or more but less than nine (9) dwelling units including rooming houses with facilities designed and used for living, sleeping, cooking and eating on a non-transient basis, including a bed and breakfast home with no more than three rooms for rent. Such property includes accessory land, buildings or improvements incidental to such habitation and used exclusively by the residents of the property or their guests. Such property shall include: (i) land that is situated in a residential zone and has been subdivided into residential lots; and (ii) land used for the purpose of a manufactured housing community, as defined in section thirty-two F of chapter one hundred and forty. Such property shall not include a rental property with nine (9) or more dwelling units, a hotel, or a motel.

Section 2. Notwithstanding any special or general law to the contrary, all property in the City of Waltham with nine (9) or more rental dwelling units shall be treated as if contained within the definition of "Class three, commercial" property for purposes of establishing the tax rate pursuant to General Laws, chapter 59, section 2A.

Section 3. This act shall take effect immediately upon passage, and shall be applicable to tax rates established for the City of Waltham commencing with the Fiscal Year 2007.