CITY OF WATERTOWN
BOARD OF ASSESSORS
Administration Building
149 Main Street
Watertown, Massachusetts 02472-4410

EARL L. SMITH, CHAIR
RICHARD V. MOYNIHAN
KATHLEEN COLLEARY

TELEPHONE (617) 972-6410
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MINUTES OF WATERTOWN BOARD OF ASSESSORS
MEETING MINUTES
October 26, 2021

On October 26, 2021, the Watertown Board of Assessors had a scheduled meeting at 9:30 A.M., in person, in the 3rd Floor Meeting Room of the Town Hall.

Meeting called into session at 9:40 A.M. by Chair Earl L. Smith, present for the meeting were Kathleen Colleary, Board Member, Richard V. Moynihan, Board Member, Earl L. Smith, Chairman and Judy Gilreath, Principal Assessor Clerk – scribe.

September 28, 2021 Meeting Minutes
The Board reviewed the meeting minutes from September 28, 2021.
Richard made a motion to approve the September 28, 2021 minutes. Kathleen seconded the motion.

Board unanimously voted to accept meeting minutes of September 28, 2021.

Roll Call
Richard V. Moynihan – Yes
Kathleen Colleary – Yes
Earl L. Smith – Yes

Office Update:

Sales File and New Growth has been approved by Department of Revenue.

Discussion took place on the City's New Growth

Classification Packet will be sent to Council two and ½ weeks before meeting Public Hearing.

Council meeting/Public Hearing is Tuesday, November 23rd.

Discussion took place on increasing Residential Exemption. Watertown has reached the maximum ability to shift the tax rate. Residential class is faced with an atypical tax increase. If the exemption was increased to 30%, the average taxpayer with the exemption would face a more typical increase.

Kathleen motioned to approve 30% Seconded by Richard

Board voted unanimously to approve this motion.

Review and Discussion of Personal Property Audits

- Preliminary
- Board Chair to have wrap up meeting with Dan Cromley
- Letters being sent on audit results
- Another 2-3% accounts will be audited next year

Scheduling Next Board Meeting – November 30, 2021, at 9:30

Chair motioned to move into EXECUTIVE SESSION - PUBLIC MEETING WILL NOT RECONVENE.

A. Exemption applications are confidential under G.L. c. 59, § 60, convening in executive session under purpose 7 to comply with, or act under the authority of, that general law regarding Exemption Applications.

B. Citing a strategy to discuss open Appellate Tax Board litigation that an open meeting may have a detrimental effect on the bargaining or litigating position of the public body. Review of open litigation.

Kathleen so moved to end the current meeting and move into Executive Session. Richard seconded the motion.

Roll Call
Richard V. Moynihan – Yes
Kathleen Colleary – Yes
Earl L. Smith – Yes

Meeting Adjourned at 10:08 A.M.

Attachment: Copy Property Tax Exemptions Memo
Packet (Draft) for FY2022 Classification Hearing
FY2021 Exemption Granted

Approved: December 14, 2021
Board of Assessors

Earl L. Smith
Richard Moynihan
Kathleen Colleary

TOWN OF
WATERTOWN
Board of Assessors

Earl L. Smith, Chair

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To: Michael J. Driscoll, Town Manager

From: Earl L. Smith, Chairman of the Board of Assessors

Date: October 20, 2021

RE: Property Tax Exemptions

On November 25, 2003, The Town Council voted to accept the provisions of Chapter 73 of the Acts of 1986, as amended by Chapter 126 of the Acts of 1988 for the Fiscal Year 2004. This acceptance had the effect of increasing by 100% the amounts available under Massachusetts General Law Chapter 59, Section 5, Clauses 17D, 22, 22A, 22B, 22C, 22E, 37A and 41C.

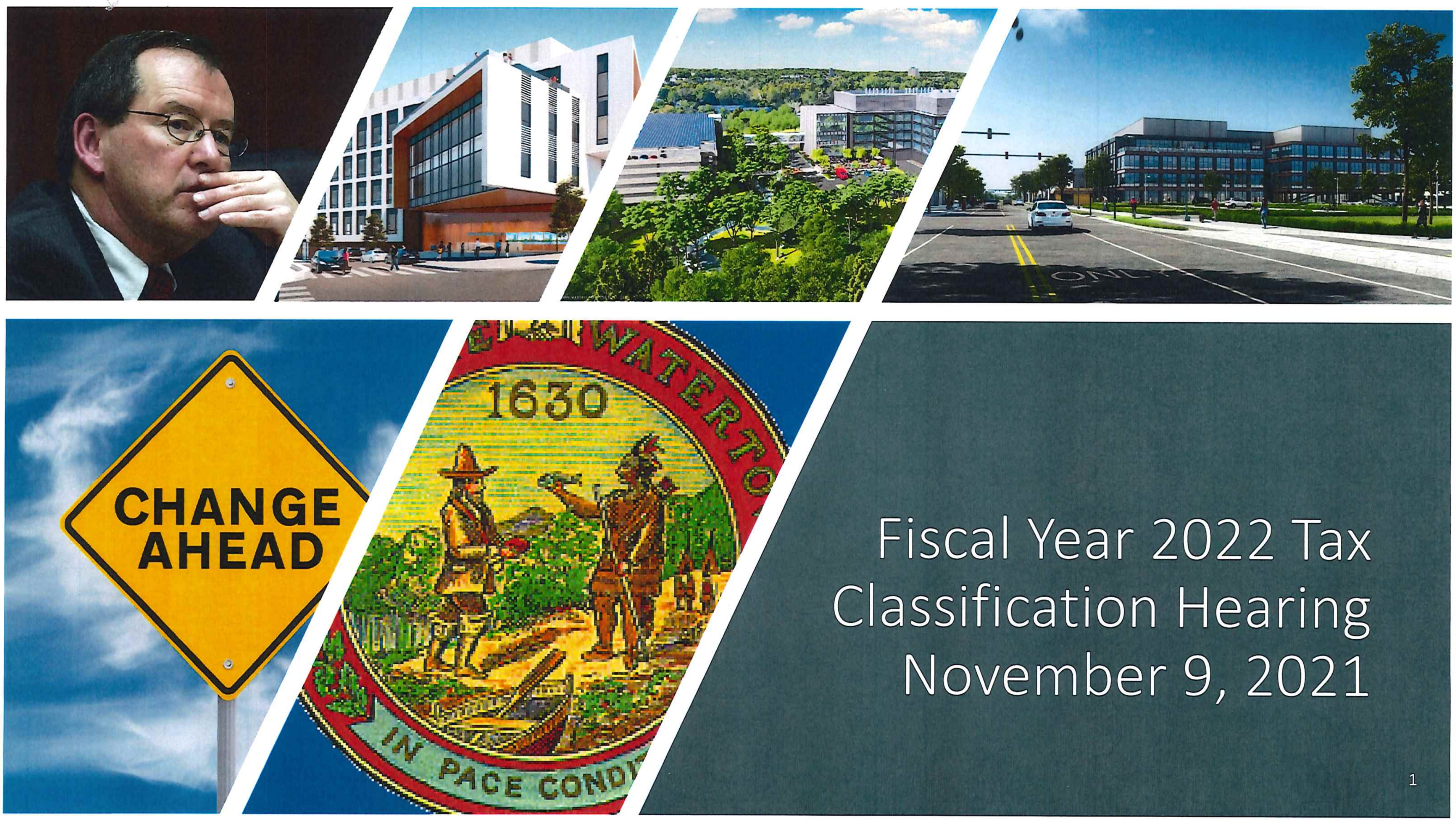
In addition, The Council also voted to accept the provisions of Chapter 184, Section 51 of the Acts of 2002 for all those property owners who are otherwise eligible for exemption under Massachusetts General Law Chapter 59, Section 5, and Clause 41C. This acceptance had the effect of increasing income and asset requirements by the maximum allowed under Chapter 184, Section 51 of the Acts of 2002.

Lastly, for Fiscal Year 2020, The Council voted to accept the local option (M.G.L. c.59, s 5, clause 22H) exempting surviving parents/guardians for military personnel who died in action and voted to increase the income qualification for Clause 41A (deferral) by tying it to the State Circuit Breaker amount and reducing the interest rate charged to 4%.

Important: Under amendments, the optional additional exemption is now found in a new G.L. c. 59, SS 5C ½ (repealing Chapter 73, SS 4 of the Acts of 1986). I ask the Council for the following motion and acceptance:

MOTION. I move that Watertown accept Massachusetts General Laws Chapter 59, Section 5C½, which provides for an additional real estate exemption for taxpayers who are granted personal exemptions on their domiciles under Massachusetts General Laws Chapter 59, Section 5, including certain blind persons, veterans, surviving spouses and seniors, and provide an additional exemption up to _100%_ of the personal exemption, to be effective for exemptions granted for any fiscal year beginning on or after July 1, 2022.

The Chart on the following page lists the current exemption amounts and the expenditures in those categories for Fiscal Year 2021 which totaled $169,965.



Fiscal Year 2022 Tax Classification Hearing November 9, 2021

Summary Highlights

Item	FY21	FY22
Average Residential Assessment	$733,688	$757,802
Residential Tax Rate	$12.25	$11.98*
Average Tax Bill	$8,987	$9,078
Residential Exemption (Tax Dollars)	-$2,246	-$2,270*
Average Residential Tax Bill with Residential Exemption	$6,741	$6,809
Total Residential Value	$7,342,750,000	$7,602,271,296
Total CIP Value	$2,055,620,344	$2,447,353,029
Total Real and Personal Property Value	$9,398,370,344	$10,049,624,325

*Projected Tax Rate and Residential Exemption. Contingent on Council adopting maximum shift and continuing 25% Residential Exemption.

WATERTOWN HISTORIC ASSESSMENT/CLASSIFICATION REPORT

TEN YEAR LOOKBACK

Fiscal Year	Total Value	Residential Value	Residential Percentage	Commercial Industrial Personal Property Value	Commercial Industrial Personal Property Percentage
2022	$10,049,624,325	$7,602,271,296	75.65%	$2,447,353,029	24.35%
2021	$9,398,370,344	$7,342,750,000	78.13%	$2,055,620,344	21.87%
2020	$9,098,604,508	$7,209,091,371	79.23%	$1,889,513,137	20.77%
2019	$7,998,921,648	$6,382,738,095	79.79%	$1,616,183,553	20.21%
2018	$7,193,842,933	$5,808,343,439	80.74%	$1,385,499,494	19.26%
2017	$6,615,124,690	$5,387,245,133	81.44%	$1,227,879,557	18.56%
2016	$6,272,536,699	$5,088,998,429	81.13%	$1,183,538,270	18.87%
2015	$5,444,172,323	$4,423,338,299	81.25%	$1,020,834,024	18.75%
2014	$5,167,075,222	$4,170,633,977	80.72%	$996,441,245	19.28%
2013	$5,052,185,496	$4,101,515,874	81.18%	$950,669,622	18.82%
2012	$4,931,676,975	$3,990,175,193	80.91%	$941,501,782	19.09%

Levy Limit, Single Tax Rate

- First step in setting the tax rate is determining tax levy followed by calculating a single tax rate.

Calculating the Levy Limit		
FY21 Levy Limit	$123,391,323	
Amended FY21 New Growth	$48,627	
Plus 2.5%	$3,085,999	
FY22 New Growth	$7,892,192	*
FY22 Levy Limit	$134,418,141	8.94% Increase over FY21

* New Growth Further Detailed Next Page

Calculating a Single Tax Rate	
Total Tax Levy	$134,418,141
÷Total Assessed Value	$10,049,624,325
=Single Tax Rate	$13.38

Fiscal Year 2022
New Growth – Further Detail

FY22 New Growth Major Contributors

Historically: / **Current:**

Permits, Conversions New Construction	Actual New Growth Tax Dollars FY19	FY20	FY21	Three Year Average	Current: Actual New Growth Tax Dollars
Single Family	$85,230	$62,384	$73,635	$73,750	$29,389
Condominium	$250,111	$182,687	$228,153	$220,317	$217,920
Two & Three Family	$140,811	$75,530	$103,123	$106,488	$45,374
Apartment, Mixed Use	$1,052,375	$771,388	$197,230	$673,664	$271,491
Commercial	$1,016,098	$2,310,691	$1,585,148	$1,637,312	$1,076,673
Industrial	$2,807,071	$367,266	$314,322	$1,162,886	$5,534,371
Personal Property	$448,721	$1,149,322	$900,936	$832,993	$716,974
	$5,800,417	$4,919,268	$3,402,547	$4,707,411	$7,892,192
	Significant:	***Significant:***	***Significant:***		***Significant:***
	LINX (1.3M)	*Arsenal Yards (1.5M)*	*Arsenal Yards (967K)*		*705 Mt Auburn St ($3.3M)*
	Hotel (860K)	*Personal Property (1.1M)*	*Personal Property (900K)*		*Arsenal Yards ($1.3M)*
	480 Arsenal Way(728K)	*65 Grove Street (443K)*	*Arsenal on Charles (614K)*		*Personal Property ($717K)*
	Arsenal Yards (444K)	*Elan Union Market (392K)*	65 Grove Street (197K)		*Arsenal on Charles ($425K)*
	Elan Union Market(404K)	*Linx (290K)*	650 Pleasant Street (100K)		650 Pleasant Street ($410K)
	500 Arsenal (392K)		80 Elm Street (90K)		*64 Grove St ($379K)*

Classification : Splitting the Rate

Massachusetts Law permits cities and towns to classify property according to use or property type, and to establish separate tax rates for the different classes. More than 100 cities and towns in the Commonwealth have chosen to split or "shift" the flat rate into two rates; a residential rate and a commercial (CIP) rate*. The shift in the tax rates is intended to help alleviate rapidly rising residential tax rates by "shifting" more of the tax burden onto the commercial (CIP) class. Over time, residential property values have risen much more rapidly than commercial property values and without these shifts, residential property owners would today be paying considerably more in real estate taxes than they are today in communities like Watertown that have a split tax rate.

Beginning in Fiscal Year 2002 and each year since, Watertown has shifted the maximum of 175% onto the commercial class of properties to help the residential taxpayers. If this is continued in FY22, that shift would save the residential taxpayers ***$24,550,817***.

***Nearby communities with split tax rates include Boston, Brookline, Burlington, Cambridge, Canton, Dedham, Framingham, Lexington, Lincoln, Marlborough, Medford, Needham, Newton, Norwood, Quincy, Randolph, Somerville, Waltham, Westwood, Wilmington, and Woburn.**

No Shift/Shift Comparison

No Shift

Class	Total Assessed Value	Single Tax Rate	Taxes
Residential	7,602,271,296	13.38	$101,683,719 *
Commercial, Industrial, Personal Property	2,447,353,029	13.38	$32,734,422
	10,049,624,325	Total	$134,418,141

*Residential Tax Rate Without Residential Exemption

175% Shift

Class	Total Assessed Value	Split Tax Rates	Taxes
Residential	7,602,271,296	0.01015	$77,132,902 *
Commercial, Industrial, Personal Property	2,447,353,029	0.02341	$57,285,239
	10,049,624,325	Total	$134,418,141

*Residential Tax Rate Without Residential Exemption

Historic Shifts in Watertown, Avg. Bill Changes

HISTORY			RESIDENTIAL						CIP	COMMERICAL, INDUSTRIAL			
Fiscal Year	tax shift	tax rate	average assmnt	average tax	exempt dscnt	exempt amount	tax bill	tax bill change	tax rate	average assmnt	tax bill	tax bill change	
2012	1.75	14.40	$ 410,554	$ 5,912	20	$ 1,182	$ 4,730	4.25%	26.64	$ 1,563,354	$ 41,648	0.77%	
2013	1.75	14.68	$ 420,841	$ 6,178	20	$ 1,236	$ 4,942	4.50%	27.15	$ 1,586,806	$ 43,082	3.44%	
2014	1.75	14.96	$ 427,057	$ 6,389	20	$ 1,278	$ 5,111	3.41%	27.96	$ 1,680,711	$ 46,993	12.83%	
2015	1.75	15.03	$ 451,638	$ 6,788	20	$ 1,358	$ 5,430	6.25%	27.87	$ 1,728,848	$ 48,183	2.53%	
2016	1.75	13.68	$ 517,701	$ 7,082	20	$ 1,416	$ 5,666	4.33%	25.40	$ 2,048,119	$ 52,022	7.97%	
2017	1.75	13.89	$ 547,540	$ 7,605	22	$ 1,673	$ 5,932	4.70%	25.32	$ 2,108,193	$ 53,379	2.61%	
2018	1.75	13.47	$ 587,413	$ 7,912	23	$ 1,820	$ 6,093	2.71%	24.63	$ 2,412,502	$ 59,420	11.32%	
2019	1.75	12.88	$ 643,680	$ 8,291	23	$ 1,907	$ 6,384	4.78%	23.95	$ 2,846,621	$ 68,177	14.74%	
2020	1.75	12.14	$ 723,586	$ 8,784	24	$ 2,108	$ 6,676	4.58%	22.53	$ 3,259,984	$ 73,447	7.73%	
2021	1.75	12.25	$ 733,688	$ 8,988	25	$ 2,247	$ 6,741	0.98%	22.97	$ 3,546,313	$ 81,459	10.91%	
					Avg. Increase Previous 10 Years			4.05%	Avg. Increase Previous 10 Years			7.49%	
OPTIONS													
2022	1.75	11.98	$ 757,802	$ 9,078	25	$ 2,270	$ 6,809	1.01%	23.41	$ 4,282,020	$ 100,242	23.06%	175% Shift, Res Ex 25%
2022	1.74	12.03	$ 757,802	$ 9,116	25	$ 2,279	$ 6,837	1.43%	23.27	$ 4,282,020	$ 99,643	22.32%	174% Shift, Res Ex 25%
2022	1.73	12.08	$ 757,802	$ 9,154	25	$ 2,289	$ 6,866	1.85%	23.14	$ 4,282,020	$ 99,086	21.64%	173% Shift, Res Ex 25%
2022	1.70	12.24	$ 757,802	$ 9,275	25	$ 2,319	$ 6,957	3.20%	22.74	$ 4,282,020	$ 97,373	19.54%	170% Shift, Res Ex 25%
2022	1.65	12.49	$ 757,802	$ 9,465	25	$ 2,366	$ 7,099	11.19%	22.07	$ 4,282,020	$ 94,504	16.01%	165% Shift, Res Ex 25%

The maximum shift allowed is 1.75

Community Comparison

When considering the impact of tax rates and shifts, it is useful to look beyond our borders to discover how nearby communities are dealing with similar issues. The next page provides a view of the tax structure of other nearby cities and towns for Fiscal Year 2021. Some of our neighbors have split tax rates while others do not. Generally, the smaller the commercial/industrial and personal property (CIP) share is of the total assessed value, the less benefit there is to shifting the tax rate. Arlington and Belmont both have very low CIP shares while Boston and Cambridge have high CIP shares. Boston and Cambridge also offer a larger residential exemption percentage, which coupled with large commercial tax bases, serves to push down the average residential tax bill. While Newton does have a commercial shift, they have chosen not to utilize the residential exemption and consequently the average residential tax bill is higher. Waltham, which is most like Watertown in its socio-economic structure, has a much larger commercial tax base which results in a lower residential tax rate.

Taxpayers often cite that other nearby cities and towns have lower tax rates, but they fail to realize that the average residential assessments in those municipalities may be considerably higher. Just looking at the tax rate in Newton for example, a taxpayer might conclude that taxes are lower than in Watertown. But with a much higher average assessed value, the average tax bill in Newton is much higher than Watertown's.

COMMUNITY COMPARISON

For Fiscal Year 2021

FISCAL YEAR 2021

MUNICIPALITY	RES TAX RATE	COMM TAX RATE	Share of Value RES %	CIP %	2015 SHIFT	2016 SHIFT	2017 SHIFT	2018 SHIFT	2019 SHIFT	2020 SHIFT	2021 SHIFT	AVE RES VALUE FY2021	RES EXEMPT.	RES EXEMPT. SAVINGS	AVE RES TAX
BELMONT	$11.54	$11.54	95.07	4.93	1.00	1.00	1.00	1.00	1.00	1.00	1.00	$1,104,081	no	$-	$12,741
NEWTON	$10.76	$20.12	89.94	10.06	1.74	1.75	1.75	1.75	1.75	1.75	1.72	$1,089,833	no	$-	$ 11,727
ARLINGTON	$11.34	$11.34	94.58	5.42	1.00	1.00	1.00	1.00	1.00	1.00	1.00	$782,349	no	$-	$ 8,872
WATERTOWN	$12.25	$22.97	78.13	21.87	1.75	1.75	1.75	1.75	1.75	1.75	1.75	$733,688	25%	$2,247	$ 6,741
CAMBRIDGE	$5.85	$11.85	56.67	43.33	1.70	1.73	1.71	1.66	1.64	1.59	1.51	$1,442,221	30%	$2,531	$ 5,906
BOSTON	$10.67	$24.55	66.68	33.32	1.75	1.75	1.75	1.75	1.75	1.75	1.75	$844,293	35%	$3,153	$ 5,856
WALTHAM	$11.32	$23.08	66.57	33.43	1.75	1.75	1.75	1.75	1.75	1.75	1.75	$658,429	35%	$2,609	$4,845

Board of Assessors' Thoughts on Residential Exemption

- The Board of Assessors over the past two years has recommended increases to the residential exemption amount to achieve a 25% exemption level from the average residential assessment. Further, the Board's policy on future increases, for FY22 and beyond, was to review the impact of any debt exclusion and consider recommending a more substantial increase to partially offset any tax increase for owner occupied residents.

- The strong planning and fiscal management by the Town Manager and Council has eliminated the need for a debt exclusion. Going forward, the Board of Assessors policy is to review the change of the average residential tax bill and if the average residential tax bill increases more than 3% in any given year, the Board will consider recommending an increase.

- Fiscal Year 2022's average residential assessment is projected at $757,802. With a residential exemption level of 25%, this would equate to $189,451 off the assessment. The residential tax rate is projected at $11.98. The average residential tax bill would increase by $68 equating to 1.01%. The Board is recommending continuing the exemption level at 25%.

Details of FY22's Inventory, Assessments, Value Changes & Residential Exemptions.

Total Residential Properties (1,2,3 Family and Condos) 9736

Assessment	% of Properties	Number of Properties	Avg. Asmt. Change	Median Asmt. Change
Under 500K	22.44%	2185	1.04%	0.51%
500K-750K	39.53%	3849	2.28%	2.52%
751K-1M	32.03%	3118	3.86%	3.68%
1M+	6.00%	584	4.54%	5.50%
Total		9736		

Who Gets Residential Exemption

Use	Inventory	# Exemptions	Percentage Receiving Exemption
Single Family	2858	2379	83%
Condominium	3,856	2391	62%
Two-Family	2,663	1209	45%
Three-Family	359	116	32%
Total	9736	6095	63%

CONDOMINIUM

Assessment	% of Condos	Number of	Avg. Asmt. Change	Median Asmt.
Under $500K	54.69%	2,109	0.96%	0.97%
500K-750K	36.75%	1,417	1.05%	1.30%
751K-1M	6.74%	260	2.02%	2.91%
1M+	1.82%	70	5.33%	6.20%
		3,856		

SINGLE FAMILY

Assessment	% of Single	Number of Propertie	Avg. Asmt. Change	Median Asmt. Change
Under $500K	2.38%	68	3.14%	3.43%
500K-750K	67.11%	1918	2.73%	2.54%
751K-1M	23.65%	676	4.06%	4.39%
1M+	6.86%	196	6.12%	5.74%
		2858		

TWO FAMILY

Assessment	% of 2-Fam	Number of Propertie	Avg. Asmt. Change	Median Asmt. Change
Under 750K	19.08%	508	3.58%	3.87%
750K-1M	73.41%	1,955	4.04%	3.66%
1M+	7.51%	200	6.40%	5.71%
		2,663		

THREE FAMILY

Assessment	% of 3-Fam	Number of Propertie	Avg. Asmt. Change	Median Asmt. Change
Under $750K	3.90%	14	4.98%	4.83%
750K-1M	63.23%	227	3.86%	3.68%
1M+	32.87%	118	4.76%	4.45%
		359		

Communities with the Residential Exemption

Community	Res. Ex. %	Community	Res. Ex. %	Community	Res. Ex. %
Tisbury	18	Nantucket	25	Malden	30
Barnstable	20	Provincetown	25	Boston	35
Wellfleet	20	Truro	25	Chelsea	35
Brookline	21	Watertown	25	Somerville	35
Everett	25	Cambridge	30	Waltham	35

Residential Exemption Consideration

The Residential Exemption is a reduction of a fixed assessment amount off every qualified taxpayer's assessment. To qualify, you must apply, and you must own and occupy your home as your primary residence as of January 1st, 2021. The Residential Exemption is revenue neutral within the residential class meaning the reduction is paid for by a higher residential tax rate, high valued properties and taxpayers that don't qualify for the exemption.

The Residential Exemption Benefits:

- Owner occupants that purchased their primary residence home prior to 1/1/21 and have applied for the exemption and their assessment is less than $1,240,000.
- Because the reduction is the same fixed amount (% of the average residential assessment) off every bill, lower assessed properties reap more of the benefit by having a larger percentage of their taxes reduced.

The Residential Exemptions Costs:

- All residential property with an assessment greater than $1,240,000.
- Investor-owned property.
- Home buyers that purchase for the first time after January 1, 2021 (qualify for FY23 but miss FY22).
- Taxpayers that have transferred their home into a Trust and have given up being a trustee and beneficial interest.
- Taxpayers that have a second home in which they have declared that home as their primary residence.

Actual Fiscal Year 2021 Average Assessments and Average Tax Bills

Description	FY21 Average Assessment	FY21 Tax Rate	Avg Tax Bill No Res. Ex.	Residential Exemption Amount	25% Residential Exemption	Avg Tax Bill With Res Ex	FY21	Last Year
Single Family	$698,239	$12.25	$8,553	$183,422	2,247	$6,307		
Condominium	$498,308	$12.25	$6,104	$183,422	2,247	$3,857		
Two Family	$805,098	$12.25	$9,862	$183,422	2,247	$7,616		
Three Family	$920,024	$12.25	$11,270	$183,422	2,247	$9,023		

Residential Exemption Scenarios For Fiscal Year 2022

Description	FY22 Average Assessment	25% Res Ex Projected Tax Rate	Avg Tax Bill No Res. Ex.	Res Ex Value Amount	25% Res Ex	Avg Tax Bill With Res Ex	Dollar Difference From FY21	Tax Bill Change % From FY21
Single Family	$723,159	$11.98	$8,663	$189,451	$2,270	$6,393	$87	1.38%
Condominium	$510,221	$11.98	$6,112	$189,451	$2,270	$3,842	-$15	-0.39%
Two Family	$837,454	$11.98	$10,033	$189,451	$2,270	$7,763	$147	1.93%
Three Family	$951,305	$11.98	$11,397	$189,451	$2,270	$9,127	$103	1.14%

Description	FY22 Average Assessment	26% Res Ex Projected Tax Rate	Avg Tax Bill No Res. Ex.	Res Ex Value Amount	26% Res Ex	Avg Tax Bill With Res Ex	Dollar Difference From FY21	Tax Bill Change % From FY21
Single Family	$723,159	$12.07	$8,729	$197,029	$2,378	$6,351	$44	0.70%
Condominium	$510,221	$12.07	$6,158	$197,029	$2,378	$3,780	-$77	-2.00%
Two Family	$837,454	$12.07	$10,108	$197,029	$2,378	$7,730	$115	1.50%
Three Family	$951,305	$12.07	$11,482	$197,029	$2,378	$9,104	$81	0.90%

Description	FY22 Average Assessment	27% Res Ex Projected Tax Rate	Avg Tax Bill No Res. Ex.	Res Ex Value Amount	27% Res Ex	Avg Tax Bill With Res Ex	Dollar Difference From FY21	Tax Bill Change % From FY21
Single Family	$723,159	$12.16	$8,794	$204,607	$2,488	$6,306	-$1	-0.01%
Condominium	$510,221	$12.16	$6,204	$204,607	$2,488	$3,716	-$141	-3.66%
Two Family	$837,454	$12.16	$10,183	$204,607	$2,488	$7,695	$80	1.05%
Three Family	$951,305	$12.16	$11,568	$204,607	$2,488	$9,080	$56	0.63%

SHIFT = 1.75

Projected Tax Rates

		$ 10.15	$ 11.56	$ 11.81	$ 11.98	$ 12.07	$ 12.43	$ 12.92	11.98	12.07
	Discount %	0% Exemption	20% Exemption	23% Exemption	25% Exemption	26% Exemption	30% Exemption	35% Exemption	non qualifying property at 25% factor	non qualifying property at 26% factor
	value credit	0	$151,560	$174,294	$ 189,451	$197,029	$227,341	$265,231		
	tax credit	0	$ 1,752	$ 2,058	$ 2,270	$ 2,378	$ 2,826	$ 3,427		
	Assessment	taxes	taxes	taxes	taxes	taxes	taxes	taxes	taxes	taxes
	$ 250,000	$ 2,538	$ 1,138	$ 894	$ 725	$ 639	$ 282	$ 259	$ 2,995	$ 3,018
low	$ 350,000	$ 3,553	$ 2,294	$ 2,075	$ 1,923	$ 1,846	$ 1,525	$ 1,095	$ 4,193	$ 4,225
	$ 450,000	$ 4,568	$ 3,450	$ 3,256	$ 3,121	$ 3,053	$ 2,768	$ 2,387	$ 5,391	$ 5,432
	$ 550,000	$ 5,583	$ 4,606	$ 4,437	$ 4,319	$ 4,260	$ 4,011	$ 3,679	$ 6,589	$ 6,639
	$ 650,000	$ 6,598	$ 5,762	$ 5,618	$ 5,517	$ 5,467	$ 5,254	$ 4,971	$ 7,787	$ 7,846
	$ 750,000	$ 7,613	$ 6,918	$ 6,799	$ 6,715	$ 6,674	$ 6,497	$ 6,263	$ 8,985	$ 9,053
avg	$ 757,802	$ 7,692	$ 7,008	$ 6,891	$ 6,809	$ 6,769	$ 6,594	$ 6,364	$ 9,078	$ 9,147
	$ 850,000	$ 8,628	$ 8,074	$ 7,980	$ 7,913	$ 7,881	$ 7,740	$ 7,555	$ 10,183	$ 10,260
	$ 950,000	$ 9,643	$ 9,230	$ 9,161	$ 9,111	$ 9,088	$ 8,983	$ 8,847	$ 11,381	$ 11,467
high	$ 1,050,000	$ 10,658	$ 10,386	$ 10,342	$ 10,309	$ 10,295	$ 10,226	$ 10,139	$ 12,579	$ 12,674
	$ 1,150,000	$ 11,673	$ 11,542	$ 11,523	$ 11,507	$ 11,502	$ 11,469	$ 11,431	$ 13,777	$ 13,881
	$ 1,240,000	$ 12,586	$ 12,582	$ 12,586	$ 12,586	$ 12,589	$ 12,587	$ 12,594	$ 14,855	$ 14,967
	$ 1,250,000	$ 12,688	$ 12,698	$ 12,704	$ 12,705	$ 12,709	$ 12,712	$ 12,723	$ 14,975	$ 15,088
	$ 1,500,000	$ 15,225	$ 15,588	$ 15,657	$ 15,700	$ 15,727	$ 15,819	$ 15,953	$ 17,970	$ 18,105

- The residential exemption amount (value credit) is based on the average residential assessment (yellow) multiplied by the chosen discount factor which can range between 1 and 35%
- This value credit is then subtracted from the assessed value of every qualifying property. The reduced assessment is then multipled by the tax rate that results from the selected discount factor.
- Essentially, the residential exemption is funded by the non-qualified residential property owner, they are taxed at the full assessed value with no value credit.
- As the property assessment increases, the tax savings from the exemption diminishes to a point where high value properties actually pay more with the residential exemption in place than if it didn't exist (gray shaded area).

Board of Assessors' Recommendations

- Council adopts the maximum shift allowed by law. That is a 175% shift.
- Council accepts the provisions of Chapter 59, section 5C approving a residential exemption of 25% off average assessed value for residents that are domiciled in Watertown for Fiscal Year 2022.

FISCAL YEAR 2021 EXEMPTIONS

EXEMPTION CLAUSE	DESCRIPTION	STATE REIMBURSEMENT PER RECIPIENT	NOTES	UP TO A LIMIT OF	STATUTORY AMOUNT	LOCAL OPTION AMOUNT	APPLICATIONS GRANTED	AMOUNT GRANTED	REIMBURSEMENT	EXPENDED
CLAUSE 17D	QUALIFIED SURVIVING SPOUSES OR SENIORS OVER AGE 70	$175	(1)	$54,656	$175	$350	23	$8,050	$54,656	($46,606)
CLAUSE 18	HARDSHIP	$0		N/A	N/A	N/A	0	$0	$0	$0
CLAUSE 22 (A-C, F) MERIT	QUALIFIED DISABLED VETERANS AND SURVIVING SPOUSES OF QUALIFIED DISABLED VETERANS	$225		NO LIMIT	$400	$800	68	$54,400	$15,300	$39,100
CLAUSE 22D	SURVIVING SPOUSE	FULL FIRST THREE YEARS					3	$19,515	$19,515	$0
CLAUSE 22E MERIT	100% DISABLED VETERANS	825/SINGLE FAMILY 325/TWO FAMILY	(2)	NO LIMIT	$1,000	$2,000	27	$46,000	$18,108	$27,892
CLAUSE 37A	BLIND PERSONS	$87.50		NO LIMIT	$500	$1,000	26	$26,000	$2,275.00	$23,725
CLAUSE 41C	QUALIFIED SENIORS OVER AGE 65	$0			$500	$1,000	16	$16,000	$0	$16,000
								$169,965	$109,854	$60,111

(1) THE STATE REIMBURSEMENT FOR 17D IS A FLAT $54,656 NO MATTER HOW MANY RECIPIENTS WE HAVE - IT IS BASED ON THE TOTAL REIMBURSEMENT GRANTED IN THE YEAR THAT CLAUSE 17 WAS UTILIZED BEFORE SWITCHING OVER TO 41C WHEN 17D CAME INTO EFFECT.	(2) THE STATE REIMBURSEMENT RATE FOR 101 AND 102 PROPERTY TYPES IS $825. THE REIMBURSEMENT RATE FOR 104 PROPERTY TYPES DECREASES TO $325.