



City of Cambridge

Councillor Preusser

25.

IN CITY COUNCIL

September 11, 1978

WHEREAS: The voters of the Commonwealth will be given an opportunity to be heard on the question of classification in the upcoming November elections, and

WHEREAS: Although classification is neither a panacea nor a final solution to the Commonwealth's over-reliance upon the property tax to finance government services, it is nonetheless a step in the right direction and infinitely preferable to 100% valuation across the board, and

WHEREAS: Without classification, the shift in property tax burden from the business to the residential sector will be so severe as to all but cripple the already overtaxed homeowner, and

WHEREAS: In Cambridge for example, the following examples make it clear that classification is much more preferable as an alternative to 100% revaluation:

Residential (R-1 and R-2) property currently assessed at an average of 22.7% (according to the State equalized ratio) would have the following tax schedule:

A property assessed at	\$10,000.00
Would have a market value of	\$44,000.00
(Using a 22.7% ratio)	

Current Tax

\$10,000 x \$179.30	\$1,793.00
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At 100%

\$44,000 x \$66.37	\$2,920.28
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At Classification

\$44,000 x 40%	\$17,600
Less exclusion	5,000
Assessment	\$12,600

\$12,600 x \$150.89	\$1,901.21
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C. Preusser re: being in favor of Question
1 on the November ballot re: Classification

In City Council,

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A residential 3 family (R-3) is currently assessed at .283% according to the State equalized study and the resultant tax bills:

A property assessed at	\$10,000.00
Would have a market value of	35,300.00

Current Tax

\$10,000 x \$179.30	\$1,793.00
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At 100%

\$35,300 x \$66.37	\$2,342.86
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At Classification

\$35,300 x 40%	= \$14,100
Less exclusion	5,000
Assessment	\$ 9,100

\$9,100 x \$150.89	\$1,373.10
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WHEREAS: It furthermore seems just to tax residential properties, which serve primarily as shelter, at a lower rate than business properties, which are income producing, therefore be it

RESOLVED: That the Cambridge City Council go on record as being in favor of Question #1 on the November ballot, and be it further

RESOLVED: That the Cambridge City Council lend its enthusiastic support to the growing statewide effort to seek passage of this vital referendum question so that our residential communities can continue to survive without the intolerable burden of 100% revaluation being placed upon them.

In City Council September 11, 1978
Adopted by the affirmative vote of 7 members.
Attest: Paul E. Healy, City Clerk

A true copy,

ATTEST:



S-334

C. Preusser re: being in favor of Question
#1 on the November ballot re: Classification

In City Council,

September 11, 1978

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*Copies to Legislation
Reps and Senators*