



CITY OF PEABODY, PEABODY CITY HALL 24 LOWELL STREET, PEABODY, MA 01960

Dear Residents & Taxpayers of Peabody:

As Mayor of the City of Peabody, I am pleased to have this opportunity to provide information relative to Fiscal 2012 Property Taxes. The Peabody City Council held a Tax Classification Hearing to adopt the percentage of the local tax levy to be borne by both residents and the business community on November 17, 2011. At the hearing we reviewed property values, the impact of classification, the proposed tax levy and tax rates.

As of January 1, 2011, property values totaled \$6.1 Billion Dollars, which was relatively stable in comparison to last years values. Residential Values account for 76.4% of our total values or \$4.6 Billion while Commercial Values (CIP) equal 23.6% or \$1.4 Billion of our total property valuation. Total valuations dropped by \$14 million or 2/10 of 1%.

In June 2011, the City Council based on my recommendation voted to adopt the 2012 Operating Budget which reflected an increase of 1.0% or \$1.3 million more than last year. The increase reflected higher charges from the MWRA and South Essex Sewerage District along with increases for Retirement Benefits.

The total amount of money needed to fund the Fiscal 2012 Budget is \$144,101,234. Of that, \$88,281,864 or 61.3% will come from Property Taxes; \$29.8 Million or 20.7% will be funded by revenues generated within the City such as excise taxes, water & sewer charges, permits, fees and investment income; \$24.7 Million or 17.2% will come from State Aid and we will use \$1.2 million from reserves to offset the increase in property taxes.

Based on our recommended tax levy, the Peabody City Council voted to establish a residential tax rate of \$11.82 per \$1,000 of property valuation and a commercial tax rate of \$23.43 per \$1,000 of property valuation for businesses based on a Tax Classification Factor of 160.8%. In other words, although the commercial tax base represents 23.6% of total property values, with classification they pay 38% of the total taxes in the City of Peabody.

93% of residential taxpayers will see an increase of less than \$100 in their annual property tax bills for 2012.

The average annual tax bill for residents will be \$3,378 or \$70 more than last year based on the average valuation of \$285,800 while businesses will see a 1.6% increase in their annual tax bill. The City of Peabody works very hard to maintain a stabilized tax rate while at the same time providing quality services to all members of our community and balancing the financial impact of paying for those services with both residents and the business community.

I hope this informational brochure is helpful to you in understanding your tax bill. For more information please visit our website www.peabody-ma.gov and click on Assessor's Data Base/GIS to find more detailed property information.

Very Truly Yours,

Edward A. Bettencourt, Jr.

Mayor, City of Peabody

Assessment Update as of January 1, 2011

The State requires that the Board of Assessor's complete a revaluation every 3 years; this is called a triennial revaluation. The revaluation took place in Fiscal Year 2010. An interim adjustment to values happens between the 3 year cycle in response to changes in the real estate market. Interim adjustments have occurred annually since FY 2005. The ultimate goal is to maintain assessments at "full and fair cash value". This is done by analyzing the real estate market. Fiscal Year 2012 values are based on market activity that occurred during calendar year 2010, during which the overall valuation of all the City's residential property and commercial, industrial and personal property remained stable following 4 years of declining valuations.

Change in Property Valuations by Residential Class

Residential Values	FY 2011	FY 2012	Change in Value	% Change in Value
Single Family	\$3,257,597,900	\$3,262,365,200	\$4,767,300	0.1%
Condominiums	\$489,416,900	\$488,327,700	-\$1,089,200	-0.2%
2 & 3 Family	\$328,545,700	\$329,333,000	\$787,300	0.2%

Annual Residential Tax Bills*

Fiscal Year	Annual Tax Bill	Tax Rate	Average Values
2003	2,413	9.45	255,400
2004-05	2,702	8.30	325,600
2006	2,773	7.60	364,900
2007	2,905	7.76	374,400
2008	2,949	8.67	340,200
2009	3,011	9.30	323,800
2010	3,110	10.50	296,200
2011	3,308	11.58	285,700
2012	3,378	11.82	285,800

Real Estate Values peaked in 2007. Average residential property values are still \$30,400 (12%) higher than in 2003 despite valuation reductions of 10%, 5%, 9.5% and 3.5% over the past 5 years to reflect decline in the real estate market since its peak in 2007.

The average residential value for FY 2012 is \$285,800, up slightly from \$285,700 in FY 11 or \$100. The average residential property tax bill increased \$70. 76% of residential taxpayers will see an increase of \$75 or less in their annual property tax bills for Fiscal Year 2012. In 2011 Peabody had the 3rd lowest annual tax bill in Essex County. Peabody has consistently had one of the lowest, if not the lowest, residential property tax bills in Essex County.

*Average Residential Values based on owner occupied residential properties including Single family, 2 -3 families and condominiums.

New FY2012 Actual Tax Bill Sample

Tax Rate Per \$1000 of Value				Bill Number		
Class 1	Class 2	Class 3	Class 4	010892		
Residential	Open Space	Commercial	Industrial			
11.82	11.82	23.43	23.43	Total Value: \$276,000		
Account Activity		1st Bill	2nd Bill	3rd Bill	4th Bill	Total
Bill Date		7/1/2011	10/1/2011	12/28/2011	3/28/2012	
Preliminary Taxes						
Real Estate Tax		\$799.02	\$799.02			\$1,598.04
CPA Tax		\$5.10	\$5.09			\$10.19
Liens						
Actual Taxes						
Real Estate Tax				\$832.14	\$832.14	\$1,664.28
CPA Tax				\$5.30	\$5.31	\$10.61
Total Taxes		\$804.12	\$804.11	\$837.44	\$837.45	\$3,283.12
Interest						
Fees						
Abatements/Exemptions						
Payments		\$804.12	\$804.11			\$1,608.23
Balance Due				\$837.44	\$837.45	\$1,674.89
Due Date		8/1/2011	11/1/2011	2/1/2012	5/1/2012	

ABATEMENT APPLICATIONS MUST BE FILED WITH THE ASSESSORS BY 2/1/2012. For information call (978) 538-5716.

Interest at the rate of 14% per annum will accrue on overdue payments from the due date until payment is received. (\$0.32 per day).

RETURN THIS VOUCHER WITH YOUR PAYMENT PLEASE

REMIT COPY

REMIT PAYMENTS TO:

Office of the City Collector
 P.O. Box 3047
 Peabody, MA 01961-3047
 (978) 538-5748

Year: 2012
 Bill Number: 010892
 Map/Lot: 086 -096A
 Property Location:
 Interest:

Total Amount Due: \$837.44

HOW DOES THE CITY DETERMINE THE VALUE OF MY HOUSE?

The State requires that the City establish the full and fair cash value of all real estate as of January 1 of each year. To determine FY12 values, the Assessing Department reviewed all valid sales that occurred between January 1, 2010 and December 31, 2010. A computer model is used to calculate property values based on this market activity as well as certain property-specific attributes such as location, size, type and condition.

WHO VERIFIES THAT THE ASSESSING MODEL USED BY THE CITY AND THE RESULTING PROPERTY VALUES ARE ACCURATE?

Annually, the Massachusetts Department of Revenue (DOR) performs a statistical analysis of the City's property values. Additionally, every three years the DOR conducts a comprehensive analysis of the City's appraisal system and reviews property values to ensure that they represent full and fair market values. In FY 10, the City's assessing model was certified by the DOR after a rigorous review as part of its triennial analysis. The next revaluation is scheduled for 2013. We expect the revaluation process

to begin in mid January 2012.

WHY SHOULD I LET THE CITY ASSESSING DEPARTMENT IN MY HOUSE FOR AN INSPECTION?

Interior inspections are an important part of the City's assessment process. Just as a potential buyer of real estate inspects the interior of a home before making an offer, the City can make a better determination of value based upon accurate data using interior inspections. Often the results of the inspection can be beneficial to the taxpayer by correcting data. Examples of data reviewed include: dwelling type, condition, land area,

size of the structure, number of bathrooms and fireplaces, and whether attics and basements are finished or unfinished. The City completed a door to door inspection for Fiscal Year 2004. This will occur again in mid January 2012.

WHY CAN'T THE CITY JUST LOWER PROPERTY VALUES IN ORDER TO REDUCE TAX BILLS?

State law requires the City to assess property at full and fair market value as of January 1 each year. However, lower property values do not necessarily result in lower tax bills. Since a fixed amount of revenue must be raised each year through property taxes in order to fund the budget, lower overall property values would result in a higher tax rate.

WHAT IF I DISAGREE WITH MY ASSESSMENT?

You may file an application for abatement with the Assessors Office.

Abatement applications are due on or before the first actual bill due date, generally by **February 1st** each year. You may obtain an application by calling the Assessing Department at 978-538-5716, or by downloading the form from the City's website: www.peabody-ma.gov. The Assessing Abatement Application form is available under "City Departments, Assessor's Office."

WHEN SHOULD I EXPECT TO RECEIVE MY REAL ESTATE TAX BILL?

Real estate tax bills are issued

Quarterly. Bills are typically issued and mailed to taxpayers during the months of July, October, January and April of each year. Payment of these bills is due August 1st, November 1st, February 1st and May 1st or 30 days from the date of the bill whichever is later. If you do not receive a tax bill, please contact the City's Tax Collectors Department via telephone at 978-538-5748 to request one.

WHAT WILL HAPPEN IF I DO NOT PAY MY REAL ESTATE TAX BILL BY THE BILL DUE DATE?

If your real estate tax bill is not paid in full by the bill due date, interest will immediately begin accruing on your real estate tax bill at a rate of 14%, and according to Massachusetts State Law, interest will accrue back to the date of issue.

I LIVE ON A LIMITED INCOME. WHAT OPTIONS ARE AVAILABLE TO REDUCE MY TAXES?

Unfortunately, regardless of age or income, all property owners must pay taxes. If you or your spouse is age 65 or older, with limited income and or assets, you may qualify for a tax exemption. Exemptions also are available for disabled veterans, and the legally blind. Deferral of taxes may also be an option, depending on your age and income. You may also contact the Assessors Office at 978-538-5716 to discuss your situation.

I AM A NEW OWNER. WILL MY TAX BILL BE SENT TO ME?

Not necessarily. The assessment date is January 1, 2011. The property is legally assessed and billed to the owner as of January 1. We make every effort to get new owner address changes into our system as we are notified by the Registry of Deeds. If you do not receive a bill contact the Collectors Department via telephone at 978-538-5748 and request a duplicate bill. You are responsible for paying the bill whether you receive it or not.

MY MAILING ADDRESS HAS CHANGED. HOW DO I NOTIFY THE CITY SO THAT MY TAX BILL IS SENT TO THE CORRECT ADDRESS?

The City's Assessing Department requires that a mailing address change be made in writing. You may mail this to the City Assessing Department at 24 Lowell Street, Peabody or Fax it to 978-538-5983.

IS TAX BILL INFORMATION AVAILABLE ONLINE?

Yes. You may pay your real estate tax, motor excise tax and water sewer bills online at www.peabody-ma.gov. Click Pay Bills Online. You may also access the Assessors Database, GIS and Map information on the City website.