

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Adopting the Minimum Residential Factor for Fiscal Year 2018.

IT IS VOTED BY THE CITY COUNCIL OF THE CITY OF LOWELL as follows:

To adopt the minimum residential factor of _____ percent for Fiscal Year 2018 which will shift the share of the Levy to the Commercial, Industrial and Personal Property classes.

v:min.res.factor



Kevin J. Murphy
City Manager

November 16, 2017

Mayor Edward Kennedy
And
Members of the Lowell City Council

RE: Minimum Residential Factor

Mayor Kennedy and Members of the City Council,

The attached vote will establish the Minimum Residential Factor (MRF) for fiscal year 2018. This action will provide for the maximum relief for residential homeowners under the statute permitting the classification of properties. Each year, a natural shift of values occurs in the real estate market as a whole and if one particular class—like the commercial, industrial, or personal property classes for example—grows at a slower pace than the single family or multi-family class of properties, then the tax burden falls more heavily upon the class with the greatest amount of growth. By adopting the MRF, however, Lowell can protect residential homeowners from being unduly burdened by taxes to the maximum amount allowed by law.

We hope to have this matter referred to a public hearing on December 5, 2017 in order for the Finance Team to complete the tax recapitulation process for the Department of Revenue to certify the FY2018 tax rate. You will notice that the attached vote does not include the final percentage for the MRF. This calculation will be completed prior to the public hearing once the Department of Revenue certifies the FY2018 values submitted by the Board of Assessors on the LA4 form.

Sincerely,

Kevin Murphy
City Manager

Cc: Conor Baldwin, Chief Financial Officer