



City of Boston, Massachusetts  
Office of the Mayor

**MICHELLE WU**

October 23, 2024

TO THE CITY COUNCIL

Dear Councilors:

I transmit herewith for your approval a new home rule petition to the General Court, "Petition for a Special Law Re: An Act Relative to Property Tax Classification in the City of Boston."

We are grateful for your continued partnership, including passage of the first home rule petition on this topic in June. After months of productive discussion through the subsequent state legislative process and town hall meetings with residents, we are pleased to file this updated petition reflecting an agreed consensus across stakeholders from our neighborhoods and the business community. Based on preliminary citywide projections of property valuation shifts, this common sense compromise proposal will protect residents and deliver stability for all taxpayers, in concert with the objective of the original proposal passed by the Council in June before specific projections were available.

With this temporary legislative authority, the City can ensure that future bills for residential and commercial taxpayers are as stable as possible compared to recent years: commercial property owners with significant value loss will see their tax bills decrease, while any shock for residential taxpayers is cushioned. This home rule petition mirrors the precedent set under Mayor Thomas M. Menino's administration in 2004, which successfully averted a shock for taxpayers through this same mechanism.

This home rule petition also incorporates additional support for small businesses. The City will seek appropriations up to \$15 million for each of the three years that the shift is in effect (up to \$45 million total), in order to offset potential impacts on small businesses due to the shift. To do this effectively, the home rule petition includes an exemption from standard 30B language that would otherwise require a separate RFP for each situation. The petition also raises the personal property tax exemption threshold for small businesses from \$10,000 to \$30,000. This would provide relief to an additional 2,183 businesses (4,718 businesses total), exempting an additional \$40M in property value (\$52M total), and providing additional direct savings to small business owners worth approximately \$1M (\$1.3M total).

This updated proposal does not alter the important roles of both the Administration and the Council in the process of setting final tax rates. Upon passage, the annual shift determination will require approval from your Honorable body, as occurs each tax cycle. In order to apply this mechanism to upcoming January 2025 tax bills, the legislation needs to be finalized by November, so we request expeditious action to meet these tight deadlines for Council and State approvals. I urge your Honorable Body to support this special act and the consensus incorporated to deliver stability for all Boston taxpayers and excellent City services for all residents and stakeholders.

Sincerely,

Michelle Wu  
Mayor of Boston

# CITY OF BOSTON

## IN CITY COUNCIL

**WHEREAS,** The deferred operation of this act would tend to defeat its purpose, which is forthwith to regulate the property tax classification limits in the City of Boston beginning in fiscal year 2025, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience;

**NOW THEREFORE BE IT ORDERED,**

That a petition to the General Court, accompanied by a bill for a special law relating to the City of Boston, to be filed with an attested copy of this Order be, and hereby is, approved under Clause 1 of Section 8 of Article II, as amended, of the Articles of Amendment to the Constitution of the Commonwealth of Massachusetts, to the end that legislation be adopted precisely as follows, except for clerical or editorial changes of form only:

**PETITION FOR A SPECIAL LAW RE:**

**AN ACT RELATIVE TO PROPERTY TAX CLASSIFICATION IN THE CITY OF BOSTON**

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

**SECTION 1:** Notwithstanding 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 Boston determined under said section 1A of said chapter 58 for fiscal years 2025, 2026, and 2027, if adoption of such factor for any such year would result in the residential property class bearing a higher percentage of the total property tax levy than the percentage of the total property tax levy imposed on the residential property class than in the prior fiscal year. The new minimum residential factor for such year shall be (a) for fiscal year 2025, 50 per cent 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 181.5 per cent 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 of Boston, (b) in fiscal year 2026, 50 per cent 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 180 per cent 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 of Boston, (c) in fiscal year 2027, 50 per cent 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 178 per cent 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 of Boston, (d) in fiscal year 2028 and thereafter, the determination of the minimum residential factor shall be conducted in accordance with the provisions detailed in section 1A of chapter 58. Payments made under section 38H of chapter 59 of the General Laws, and similar provisions of special acts, that are included in the tax levy for purposes of determining the minimum residential factor under said section 1A of said chapter 58 shall be so included in the determination of any factor under this section.

**SECTION 2:** (a) Notwithstanding section 5 of chapter 59 of the General Laws or any other general or special law to the contrary, the city of Boston shall be permitted to allow for an exemption from taxation of personal property not in excess of \$30,000 of value.

(b) The city council of the city of Boston shall vote to establish a minimum value of personal property subject to taxation. Said value shall be subject to limitation pursuant to subsection (a).

**SECTION 3:** Notwithstanding the provisions of chapter 30B of the General Laws, or any other general or special law, the city of Boston, for each fiscal year in which the total tax levy imposed on the class of commercial property exceeds one hundred seventy five per cent of the full and fair cash valuation of the taxable property of the class of commercial property divided by the full and fair cash valuation of all the taxable real and personal property in the city of Boston, shall be authorized to expend up to fifteen million dollars to award grants and provide programs for the purpose of supporting small businesses impacted by the shift of the tax levy beyond the aforementioned one hundred seventy five per cent. The term “small business” as used in this section shall mean a business with its principal place of business located in Boston, with fewer than fifty employees or less than five million dollars in annual revenue.

**I HEREBY CERTIFY  
THE FORGOING, IF PASSED IN  
THE ABOVE FORM, WILL BE IN  
ACCORDANCE WITH LAW.**

BY

  
ADAM CEDERBAUM

CORPORATION COUNSEL