



## Glossary of Terms

**Abatement:** a reduction in the assessed value of a property. An abatement is granted where the property is determined to be over-assessed, improperly classified or disproportionately assessed.

**Abatement application:** a form completed by the property owner or its representative and filed with the Assessing Department. The filing of an abatement application is the first step if a taxpayer desires to challenge his or her assessment or tax status.

**Agricultural property:** property used for agricultural exhibition purposes in accordance with M.G.L. c. 59, § 5, cl. 4A.

**Appellate Tax Board:** a state administrative agency authorized to hear appeals of decisions of local boards of assessors with respect to abatements.

**Assessed Value:** a value set on real estate and personal property by a government as a basis for levying taxes.

**Assessor:** is the person in each City or town who estimates the value of property and assesses taxes. The assessor is responsible for the appraisal of all property, both real and personal, at its fair market value. Assessors may be elected or appointed depending upon the charter of the city or town. In Boston, the Mayor appoints a Commissioner of Assessing.

**Assessment:** as applied to property taxes, the official act of discovering, listing and appraising property whether performed by an assessor, a board of review, or a court.

**Assessment date:** January 1 previous to the start of the fiscal year (M.G.L. c. 59, § 11).

**Betterments (special assessments):** whenever part of a community benefits from a public improvement, or betterment (*e.g.*, water, sewer, sidewalks, etc.), special property taxes may be assessed to the property owners of that area to reimburse the governmental entity for all, or part, of the costs it incurred in completing the project.

**Board of Review:** a three member board, authorized by Boston City ordinance to review all applications for abatement and exemption, and to make recommendations to the Commissioner of Assessing relative to appropriate action.

**Boat excise:** an excise tax levied by a city or town on residents who own a registered boat(s) .

**Boat Mooring Permit:** per Massachusetts General Law (City of Boston Code, Chapter 16 Section 48) , boats are **not allowed** to moor or dock in Boston waters without first obtaining a permit from the City. This permit must be displayed on the port side of the boat, near the transom.

**Boston Redevelopment Authority (BRA):** the planning and development agency for the City of Boston, established by the Boston City Council and Massachusetts legislature in 1957. The BRA's authority is found in MGL c.121B, section 4 in 1957, and c. 652, section 12 in 1960.

**Cemeteries:** property used for cemeteries in accordance with M.G.L. c. 59, § 5, cl. 12, 13.



**Chapter 121A Taxation:** an alternative excise tax intended to encourage residential, commercial, civic, recreational, historic and industrial projects in areas which are considered to be blighted, decadent or substandard.

**Charitable organization:** a literary, benevolent, charitable or scientific institution or temperance society in accordance with M.G.L. c. 59, § 5, cl. 3.

**Classification:** the division of properties into four classes according to use (residential, commercial, industrial and personal property).

Classification is a local option that can be adopted by any city or town (M.G.L. c. 59, § 2A).

**Commissioner of Assessing:** the chief administrator of the Assessing Department.

**Exemption:** a release from the obligation to pay all or a portion of the tax assessed on a parcel in any given fiscal year. An exemption is allowed because of the status of the person or organization along with the usage of the property as consistent with the person or organization's exempt mission.

**Exemption qualification date:** the first day of the fiscal year, July 1.

**Fair cash value:** in Massachusetts, property must be assessed at full and fair cash value. The terms "full and fair cash value", "market value", "one hundred percent value", and "fair market value" are essentially synonymous.

**Form 3ABC:** a list, provided under oath, of all real and personal property of the exempt organization owned as of the exemption date. In order to maintain its tax exemption, an organization must annually file Form 3ABC with the Assessing Department on or before March 1 prior to the start of the fiscal year.

**Form of List:** documentation of all the taxable personal property of an individual or organization.

**Form PC-1:** an annual report of charitable activities, required by the state and filed with the Division of Charities in the Office of the Attorney General.

**Fraternal organization:** a society, order or organization operating under the lodge system in accordance with M.G.L. c. 59, § 5, cl. 7.

**Horticultural organization:** an organization organized for the science and art of cultivating flowers, fruits, vegetables or ornamental plants in accordance with M.G.L. c. 59, § 5, cl. 4.

**Information Requisition Form:** a form on which an applicant for abatement or exemption must provide information necessary for the proper determination of the fair cash value, classification and exemption status of the property. In order to preserve the applicant's right to appeal an Assessing Department decision, the information requisition form must be filed with the Assessing Department within thirty days of the date on which an application for abatement is filed.

**Leased vehicles:** motor vehicles leased for use. In many cases, vehicles leased by tax-exempt organizations are not exempt from the motor vehicle excise tax (M.G.L. c. 60A, § 1).

**Market value:** also known as "full and fair cash value," "fair market value" and "one hundred percent value." Defined as the highest price that a property will bring in a competitive and open market, assuming the buyer and seller are acting prudently and knowledgeably, allowing sufficient time for the sale and assuming that the asking price is not affected by undue stimulus.



**Motor vehicle excise:** an excise tax levied by a city or town on residents who own registered motor vehicles (M.G.L. c. 60A).

**Municipal services:** services provided by local government to the public, typically police and fire protection, public works and education.

**Notice of Decision:** a notice by the Assessing Department of a decision relative to an application for abatement or exemption. By law, the Assessing Department must act within three months of the date of application of abatement or exemption.

**Partial exemption:** in cases where a non-profit or other tax-exempt organization leases a portion of its property to a taxable organization, or itself conducts some taxable activities on its property, a partial exemption of the property is granted.

**Payment in lieu of tax (PILOT):** an annual contribution to the City by a tax-exempt organization in recognition of the public costs of providing municipal services to exempt institutions.

**Personal exemption:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include veterans (with service related disability), blind persons, surviving spouses or minor children of deceased parents and elderly over 70 years of age, and elderly over 65 years of age.

**Personal property:** personal property consists of any tangible assets owned by an individual, a business, or an organization which are not real estate and which are not permanently attached to real estate (M.G.L. c. 59, § 4). For example, furnishings, fixtures and equipment used in the conduct of business.

**Pro forma tax:** a tax assessed to purchasers of property sold by tax-exempt organizations. The value used in determining the pro forma tax is the sales price of the property. The tax is prorated to reflect the number of days in the fiscal year that the property was owned by the new, taxable owner (M.G.L. c. 59, § 2C).

**Real estate parcel consolidation:** process wherein, taxpayers seeking to consolidate the parcel on which their home is located and its contiguous lot or lots into one property parcel for tax billing purposes.

**Real property:** land and all improvements, including buildings.

**Religious organizations:** organizations dedicated to religious worship in accordance with M.G.L. c. 59, § 5, cl. 10, 11.

**Residential exemption:** an option that allows a community to grant an exemption to owner occupied residential properties. The exemption shifts a portion of the tax burden, within the residential class, away from lower valued, single family homes to multi-family properties, apartment buildings and non-resident property owners. Boston was granted special legislation to increase the percentage shifted to 30 percent.

**Tax Levy:** the tax levy is the amount of money to be raised by the Property tax. Each year the amount that can be raised must be determined in accordance with Proposition 2 ½.

**Tax Rate:** the amount (in dollars) for each one thousand dollars in assessed value. The tax rate in each city or town that has not adopted classification is determined by dividing the tax levy by the total assessed value of the city or town.

**Veterans organization:** organizations of veterans of any war in which the United States has fought in accordance with M.G.L. c. 59, § 5, cl. 5.