



CITY OF SALEM

In City Council, February 13, 2020

Ordered:

That a petition to the General Court, accompanied by a bill for authorization to provide tax exemptions for accessory dwelling unit rental properties in the City of Salem restricted as affordable housing as set forth below, be filed with an attested copy of this Order be, and hereby is, approved under Clause (1) of Section 8 of Article 2, as amended, of the Amendments to the Constitution of the Commonwealth of Massachusetts, to the end that the following legislation be adopted, except for amendments by the Senate or House of Representatives which conform to the intent of this home rule petition:

AN ACT authorizing the City of Salem to provide tax exemptions for accessory dwelling unit rental properties in the City restricted as affordable housing.

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

AN ACT RELATIVE TO PROPERTY TAX EXEMPTIONS FOR RENTAL PROPERTIES IN THE CITY OF SALEM RESTRICTED AS AFFORDABLE HOUSING.

SECTION 1. Notwithstanding the provisions of any general or special law to the contrary, upon the approval by the Salem City Council of Salem's Accessory Dwelling Unit Ordinance, an Accessory Dwelling Unit in the City of Salem which is rented to and occupied by a household of low income, at a rental amount not exceeding the standards of the United States Department of Housing and Urban Development for low income persons, shall be exempt from taxation under Chapter 59 of the General Laws.

SECTION 2. Such exemption shall be equal to the tax otherwise owed on the property based on the assessed value of the entire property, including the accessory dwelling unit multiplied by the square feet of the living space of the accessory dwelling unit on the property that is restricted to occupancy by low income households, divided by the total square feet of all structures on the property. For purposes of determining the assessed value of the entire property, if by income approach to value, such assessment shall assume that all housing units are rented at fair market value.

SECTION 3. Households leasing and occupying the affordable dwelling unit shall upon initial application and annually thereafter, on September first, submit to the City of Salem or its agent, documentation necessary to confirm their eligibility for the affordable accessory dwelling unit. Affordable accessory dwelling units shall be rented to those meeting the guidelines for low income household. For the purposes of this act, low income households shall have an income 60

percent of the area median income or less, as established by the United States Department of Housing and Urban Development for the Boston Metropolitan Statistical Area.

SECTION 4. This act shall take effect upon its passage.