

OFFERED BY COUNCILORS MINIARD CULPEPPER, ERIN J. MURPHY, BRIAN WORRELL, BREADON, COLETTA ZAPATA, DURKAN, FITZGERALD, FLYNN, LOUIJEUNE, MEJIA, PEPÉN, SANTANA, AND WEBER



## **CITY OF BOSTON**

**IN THE YEAR TWO THOUSAND TWENTY SIX**

### **ORDER FOR A HEARING TO REVIEW DISCREPANCIES BETWEEN MARKET VALUE AND TAX ASSESSED VALUE FOR RESIDENTIAL PROPERTIES IN THE CITY OF BOSTON AND TO EVALUATE THE CITY'S TAX ASSESSMENT PRACTICES**

**WHEREAS,** Property taxes in the City of Boston are calculated based on the assessed value assigned to real property through the City's annual valuation system, which is intended to approximate fair market value; *and*

**WHEREAS,** Recent residential property sales in Boston have revealed notable differences between the sale price of certain properties and the tax assessed value used for taxation purposes, particularly among the highest-priced homes; *and*

**WHEREAS,** In one recent example, a townhouse located in the Back Bay neighborhood sold for approximately \$21 million, while the City's tax assessed value for the property was roughly \$12.5 million, representing a substantial gap between market value and the value used for tax purposes; *and*

**WHEREAS,** An analysis of residential sales indicates that luxury homes in Boston are assigned a tax assessed value averaging roughly 68 percent of their sale price, suggesting that some high-value properties may be valued significantly below their actual market value for tax purposes; *and*

**WHEREAS,** Data examining the top twenty luxury property transactions in the City of Boston indicates that significant discrepancies exist between assessed property values and market transaction prices, with reported under-assessments totaling approximately \$35,432,500 in 2024 and \$43,654,400 in 2025 raising concerns regarding the accuracy and consistency of high-value property assessments and the potential implications for equitable property tax administration in the City of Boston; *and*

**WHEREAS,** By contrast, some lower-priced homes appear to have a tax assessed value at or above their sale price; for example, a single-family home in Roslindale that sold for approximately \$430,000 was assigned a tax assessed value of \$489,000, or about 114 percent of its sale price; *and*

**WHEREAS,** Because tax assessed values form the foundation of Boston’s property tax system, it is important that the methodology used by the City accurately reflects market conditions across the full spectrum of residential property values; *and*

**WHEREAS,** Given the magnitude of recent valuation gaps, it is important for the Boston City Council to reevaluate current assessment practices and consider whether additional data, updated valuation methods, and other adjustments could improve consistency between tax assessed values and market activity; ***NOW, THEREFORE BE IT***

**ORDERED:** That the appropriate committee of the Boston City Council hold a hearing to examine discrepancies between market sale prices and tax assessed values for residential properties, with particular attention to differences between high-value luxury homes and lower-priced single-family homes, and to evaluate the City of Boston’s property tax assessment practices to determine whether current valuation methods accurately capture market conditions across all segments of the housing market; and that representatives from the Boston Assessing Department, the Office of Budget Management, the City of Boston Taxpayer Assistance Office, housing economists, property valuation experts, residential property owners, and other interested parties shall be invited to attend and provide testimony.

Filed on: March 18, 2026