

**Property Tax Study Committee
Meeting Minutes
Tuesday, March 29, 2019**

Attendees:

- Jennifer Glass, Selectmen’s Representative
- Gina Halsted, Finance Committee Representative
- Ellen Meadors, Assessors’ Representative
- Brendan Coughlin, Member-at-large
- David Levington, Member-at-large
- Sara Mattes, Member-at-large
- Kenny Mitchell, Member-at-large
- Carolyn Bottum, Member ex-officio
- Tim Higgins, Member ex-officio
- Colleen Wilkins – Finance Director
- Dorothy Blakeley – Assessor’s Office

Introduction/Overview of Agenda

Jennifer Glass convened the meeting at approximately 8:00 a.m. The Committee members were joined by Colleen Wilkins (Finance Director) and Dorothy Blakeley (Assessor’s Office). The focus of today’s meeting was to review the existing tax assistance programs, to ensure that everyone had a baseline understanding of those programs. In addition, the committee asked:

- Understand the effort to administer the existing programs
- Create a list of “asks” at the State level
- Post Jennifer’s presentation from Town Meeting to the Committee website
- Post the Town of Lincoln income graph to the Committee website
- Post today’s presentation to the Committee website

Meeting with Jay Kaufman

Sarah Mattes and David Levington reported on their meeting with former State Representative Jay Kaufman. They discussed two programs: Homestead Exemption and Circuit Breaker. They discussed the need to meet with State officials to understand their willingness to approve potential programs for Lincoln. The Committee also discussed:

- Meeting with Michelle Ciccolo, President of the Legislative Caucus
- Determining what has worked/failed in other towns
- Position Lincoln as being a pilot program
- Determining how other towns have defined need
- Meet with State Senator Mike Barrett to get his perspective on these programs

Discussion of Existing Programs

Carolyn Bottum led a discussion of the existing tax assistance programs (please refer to the presentation for a summary of each program).

1. Senior and Veterans Tax Work-Off Programs
 - a. Most active and successful program, with 38 seniors (\$1,500/yr) and 5 veterans (\$1,000/yr), costing the town a total of \$77,500/yr. This is taxable at the federal level only.
 - b. 10 senior slots were added last year and 10 were added this year, bringing the total to 48 senior slots. Carolyn indicated that we are probably at the maximum number of slots that the town can productively employ.
 - c. Applicants are accepted in the order received, with no income or asset test.
2. Property Tax Deferral
 - a. Good program for seniors in the right circumstance. Currently 4 residents are participating, deferring \$26,588/yr, with a total obligated to the town of approximately \$300k.
 - b. Interest rate is currently at 4%, although the rate is at the discretion of the Town.
 - c. Biggest barrier to participation is the state mandated lien placed on the property. Banks are hesitant to provide additional loans since the Town's lien takes precedence over the bank's lien. Can the Town change the order of precedence of the liens?
 - d. Is there a way to predict the potential increased participation in the program when the tax increase is implemented?
3. Community Preservation Act Exemption - This program currently serves 2 residents, at a cost of \$45. This program can be used in conjunction with other programs.
4. MA Income Tax Circuit Breaker - In 2017, 67 residents benefited from this program, with an average savings of \$1,016. There is no impact to the Town's revenue from this program.
5. Temporary Hardship Deferral - This program benefited one resident this year and reduces the Town's revenue until the taxes are paid. This program works well for those planning on selling their home.
6. Exemption 17E Elderly - No residents are currently being served by this program. Biggest impediment to participation is the asset limit of \$42,756 (not including home).
7. Exemption 41D Elderly - Currently serving 3 residents, at a cost of \$6,180/yr. Participation is limited due to the low income and asset requirements.
8. Exemption 37A Blind - Currently serving 3 residents, at a cost of \$3,090/yr.
9. Veterans Exemption 22 - Eligible homeowners can obtain tax relief of \$824/year. Currently 10 residents benefit from this program. The Veterans Services Officer is working to better publicize this program.
10. Veterans Exemption 22A ,B, C, D, E, 8A - These programs benefit veterans with various levels of disability. Of these programs, only 22E is currently benefiting residents (3 residents with a cost of \$6,180/yr).

Other Discussion

1. Elderly & Income Tax Relief – 17 towns have implemented a program where residents can include extra funds with their local tax payment. It appears that this has had limited uptake. As an example, Arlington, a much larger town than Lincoln, collected approximately \$18k last year. There was a concern expressed that a program like this will compete with contributions to the Town’s Emergency Fund.
2. Staff Impact – Lincoln has not added headcount in the social services area in the past 20+ years, despite the increase in demand for services. The Council on Aging serves as the hub for social services for Lincoln.
3. Food Pantry – there has been a significant increase in the number of Lincoln residents (now 75) benefiting from the food pantry.
4. Renters – the most vulnerable population in Lincoln. There is \$30k in CPA funding available this year.
5. How to define need? There was an initial discussion of this topic, which will be the focus of the April 11th meeting.
 - a. Where are the holes today?
 - b. How will the upcoming tax increase impact the number of residents who will qualify for assistance?
 - c. Carolyn Bottum will provide a summary of the report produced in December.
 - d. Discussion of the models used in Sudbury and Concord. David Levington suggested that we may need a separate meeting on the residential exemption concept.

Meeting Minutes

The meeting minutes from the March 12th meeting were approved.

Action Items

	Topic	Action	Note	Assignee
1	<i>Additional Questions from March 29th</i>	<ul style="list-style-type: none"> • Is there a cap on the number of people (or a statutory \$ or percentage of town budget cap) that may participate in the deferral program? 		
2	<i>Defining Need</i>	<p>Summarize various sources of data currently available that will help the Committee frame its analysis of the level of need that exists within the community for various forms of tax relief.</p> <p>*info from Lincoln coalition of groups (perhaps invite them to attend?)</p> <p>*American Communities Survey data</p>	<p>This will be the focus of the agenda for April 11th</p> <p>Send invites to coalition</p>	<p>Carolyn Tim</p> <p>Jennifer</p> <p>???</p> <p>Jennifer</p>

		<p>*Income info from DOR</p> <p>*As a starting point, Committee members come with their own set of thoughts about parameters.</p> <p>*Once Committee develops a framework, how do we test it with the wider community?</p>	Ask Rep. Stanley if he can help get info from DOR.	
3	<i>Legislative Input</i>	<p>The Committee acknowledged the importance of working through Senator Barrett and Representative Stanley, as we attempt to gauge the Legislature’s appetite for experimentation.</p> <p>* Committee will develop a set of questions</p>	May 10th agenda	
4	<i>DOR Input</i>	<p>Ask DOR for reflections on various programs and initiatives that it has reviewed. Identify new program models that we may not be aware of.</p> <p>* Would DOR/banks allow Town to be second lien holder after banks?</p> <p>*Is it possible to change limits for Exemption 17 D&E?</p> <p>*Can you qualify for more than 1 veteran’s program?</p>		Tim
5	<i>Administrative</i>	<ul style="list-style-type: none"> • Post agenda for April 11th • Post Town Meeting slides, and March 29th slides to our web page. • Draft and circulate minutes for March 29th meeting • Scheduling 	Agreed to meet May 10 th and 24 th and June 7 th	Jennifer Tim Kenny

Meeting Schedule

The next meetings are scheduled from 8:00 a.m. to 9:30 a.m.: Thursday, April 11th, Friday, May 10th, May 24th and June 7th. The April 11 meeting will focus on “How to define need?”.

Respectfully Submitted: Kenny Mitchell

Date Approved: April 11, 2019