

**Property Tax Study Committee**  
**Thursday, May 10, 2019**  
**8:00am, Donaldson Room, Town Offices**

**Present:** Carolyn Bottum, Director, Council on Aging; Jennifer Glass; Tim Higgins, Town Administrator; David Lexington; Sara Mattes; Ellen Meadors, Brendan Coughlin; Gina Halsted; Kenneth Mitchell.

**Absent:** None.

The Committee meeting was called to order by Jennifer Glass at 8:05 a.m.

Sara Mattes and David Lexington reported out on two recent meetings with (1) Jay Kaufman, former Chair of the Joint Committee on Revenue and (2) the current staff on the Joint Committee. The primary focus of the discussion centered on adaptation of existing state residential property tax relief programs to Lincoln's specific needs. Suggestions from the Joint Committee staff were limited, focusing on the circuit breaker and residential exemptions.

The Committee then discussed the option to apply the state deferral law to tax abatements.

Under the current law, the town generally has first lien position when a resident defers his/her property taxes. This first lien makes it difficult, if not impossible, for an owner to take a mortgage or home equity line of credit on his/her home. However, the town could take a second lien position, providing first lien to the bank. This would preserve owners' borrowing power and increase the attractiveness of a deferral program. The Committee also discussed lowering the qualifying age to 60 from 65. Any change requires authorization from town meeting to proceed. The Committee will further analyze these options.

The Committee then discussed Chapter 59, section 5, Clause 57 of the Massachusetts state code which allows towns to treat the circuit breaker similar to other exemptions, providing towns more flexibility over administration and funding of the program (i.e. treating the circuit breaker like a tax deferral program or work off program). For instance, the town could use overlay funding -- the amount of money to cover abatements and currently funded at \$75,000 per annum -- to fund a circuit breaker program. Since Lincoln rarely, if ever, fully uses the budgeted overlay funding, a circuit breaker extension could be funded without additional tax levies.

Further investigation is needed. Tim Higgins will research with adjoining town's on applicability and use.

The Committee then reviewed circuit breaker extension programs for Sudbury, Concord, Wayland.

The Committee then discussed Lincoln's demographics by age and household value using census and assessor data. The Committee reviewed the number of residences, both those owner occupied and rental properties, and how many residents may qualify for various tax assistance programs. The average Lincoln home value is \$1.149 million while the median home value is \$999,800. Towns with abatement/circuit breaker programs often use assessed home values as thresholds for qualifying for assistance. The Committee agreed that a consistent and clear definition of these thresholds is critical.

The Committee then discussed the opportunity for tax relief for Lincoln's renters (426 apartments, 108 of which are affordable). While many neighboring towns' programs target relief only to owner occupied residences, in many cases the needs of renters is equal to that of home owners. While renters do not pay property tax directly, rent is determined in part by the owner's property tax burden. Lincoln has measures in place such as the CPA program offset (which provides up to \$400/month for qualified residents). Discussion was had on how best to assist renters (rather than landlords) and whether town funding may be better directed to programmatic or social services than property tax assistance.

The Committee agreed to evaluate programs in various towns that have or proposed programs based on the Sudbury property tax assistance model. Most towns maintain a minimum qualifying age of 65, various income limits and home value limitations. The Committee discussed the need among those under the age of 65 and whether the age threshold should be lower.

The Committee then discussed an outreach campaign and listening session for town residents. The Committee is planning for announcements/education in the Council on Aging newsletter, Board of Selectmen's newsletter and via the Committee website. A public forum will be held on June 18 at the Hartwell Multipurpose Room at 7:00 p.m. A presentation is planned for the State of the Town meeting on November 2.

The next Committee meeting is planned for May 24, 2019. The Committee will review residential exemption program, evaluate the impact to shift in tax burden, plan for the June 18 forum and review communication collateral.

Ms. Mattes moved to accept the minutes from March 29th. Mr. Levington seconded the motion, and the minutes were approved unanimously. There being no further business, the Committee adjourned at 9:40.

Minutes respectfully submitted by Brendan Coughlin.