

Property Tax Study Committee
Thursday, May 23, 2019
8:00am, Donaldson Room, Town Offices

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

Absent: None.

The Committee meeting was called to order by Jennifer Glass at 8:02 a.m.

Ellen Meadors provided an update to the May 10th review of Circuit Breaker extension programs. Ms. Meadors prepared analysis of average home values in Lincoln using Residential Class 1 properties, rather than the values for single family residences. This change includes condos, multi-family residences, and land in the calculation and makes the calculation of average home values consistent with the formula used in the bill being considered by legislature (HR4001). Using the Class 1 residential classification, the average Lincoln home assessment is \$929,535. The state bill, which is based on the Sudbury program, uses average Class 1 value plus 10%. Based on this analysis, roughly 400 residents reside in properties below this threshold. Additional qualifications include income and asset limits, for which State data is not available.

The Committee discussed several ways to estimate the number of residents who would qualify for the program. One approach is to learn from Sudbury's experience, where 113 residents qualify for the town's Senior Means Tested Tax Exemption Program. Extrapolating from Sudbury's data would suggest that approximately 55 households in Lincoln would qualify for a similar program.

David Levington noted FY17 Department of Revenue data shows that 67 Lincoln residents qualified for the current State Circuit Breaker program with an average income of \$68,041 and an average credit of \$1,016. This would suggest that more than 55 household would qualify. More analysis would need to be performed.

The Committee then discussed the Residential Exemption Program. The Residential Exemption establishes a "graduated tax", reducing the taxes of lower valued properties while increasing the taxes of higher valued properties and non-owner occupied residential properties. The Residential Exemption is a tax-shifting option that municipalities in Massachusetts must vote on every year during the annual classification. Tim Higgins explained that each year the Board of Assessors presents the Residential Exemption Program to the Board of Selectman. Historically the BOS has determined the program to be better suited for a community that has a large number of high end rental properties and vacation home properties than Lincoln.

The Committee discussed pros and cons of the program. Because there is no income qualification, the program could benefit some high income residents of Lincoln who live in homes with a low assessed value. Conversely, it could penalize low income residents who live in a home with a high property assessment. All condo owners would benefit. Because the units are not owner occupied, there would be a significant tax increase on Lincoln Woods and the Commons, and the residents of those units would be penalized.

The Committee discussed the demographics of other towns that offer the program, including Newton and Brookline. David Levington expressed interest in understanding Brookline's Residential Exemption Program better. Then the Committee discussed the impact on preserving diversity in town, and the impact of housing prices and rental availability vs tax policies on diversity.

The committee thanked Ms. Meadors for all the information and research.

Ms. Glass introduced the topic of the public forum on June 18. She presented an initial agenda of topics, including:

Lincoln's Vision Statement & Values

The committee's charge

Why do we think there's a need?

Review of existing programs

How we determine need

Ways to gather resident input/reaction

Next steps

After some discussion, the Committee agreed that the purpose of the forum was education, sharing of information and feedback. Ms. Glass requested that committee members send her thoughts on exercises or ways to engage residents during the forum. The Committee agreed that the State of the Town Meeting (November 2, 2019) would be an appropriate time to take the temperature of the community on any proposed programs.

The Committee will continue work on the presentation at its next meeting on June 7th. Ms. Glass will send out a draft of the presentation prior to that meeting. This gives time before June 18th to make any final adjustments.

The next Committee meeting is planned for June 7th meeting at 8:30am. Please note that this is a slight shift from the 8am start of previous meetings.

Ms. Mattes moved to accept the minutes of May 10th as amended. Gina Halsted seconded the motion, and the minutes were approved unanimously.

The Committee adjourned at 9:38am

Minutes respectfully submitted by Gina Halsted