

DRAFT Minutes

Tax Exemption Policy Committee

Minutes of January 31, 2024

Attendees: Councilor Nathan Fennessy, Chairperson; Councilor Michele Horne; Councilor Jim Schlosser; Councilor Fred Keach (By Webex) and Mayor Byron Champlin; Councilor Karen McNamara - Absent

City Staff: Jonathan Rice, Director of Real Estate Assessments, Shoshanna Cone, Administrative Assistant, Assessing

Public Attendees: None.

The meeting was opened at 12:01 pm by Chairperson Fennessy.

Councilor Keach confirmed that there were no public attendees at his office where he remoted in from.

Chairperson Fennessy noted that there are no current members that attended the February 2, 2023 Tax Exemption Policy Committee meeting. Ms. Cone mentioned that the meeting minutes were sent to the Committee after the meeting for review. Councilor Schlosser moved to accept the minutes of February 2, 2023; Councilor Horne seconded; all affirmed by roll call.

A spreadsheet, comparing the same information for thirteen (13) other cities and towns was provided to the committee. It was noted that Concord ranked 5th most giving among the fourteen comparative communities relative to overall value given in the form of exemptions and credits as a percentage of taxable value. In 2022, Concord also ranked 5th. Committee members reviewed the exemption and credit amounts adopted by the various communities specifically reviewing income and asset amounts for elderly, Veterans and All-Veterans credit amounts, and disabled exemption amounts. Discussion on individual amounts for the City of Concord would be reviewed later in the meeting.

Director Rice reviewed the assessing process and revaluation for the City of Concord both historically and plans for the future.

The committee reviewed the current and potential exemptions and credits available to Cities and Towns to adopt and amend. The historical exemption and credit amounts for Concord and Penacook were presented. Chairperson Fennessy discussed interest in learning more about what why other communities adopted a disabled exemption and why they chose the exemption amount along with the income and asset limits for the exemption. Chairperson Fennessy moved to have Assessing Staff look into and report back in 2025 the potential impacts of adding a disabled exemption and gathering information on the disabled exemption and why other towns adopted the exemption and why they chose the amounts for incomes, asset, and exemption amounts. Councilor Horne seconded the motion; all affirmed by roll call.

The committee reviewed the new applications and requalification of exemptions and credits for Tax Year 2023. Review of reasons for the denials due to lack of response to requests for information, not meeting qualifications, or Trust issues.

The committee reviewed the report listing the reasons for the denial of elderly exemption applicants for the past year. Ms. Cone noted that in 2023, for elderly exemptions, one single applicant was denied due to being over the adopted income limit by \$1,976.73, one single applicant was denied to being over the income limit by \$470.80 but also the asset limit by \$159,833.28. Three applicants were denied due to being over the adopted asset limit, one by \$17,652.24, one by \$22,454.09, and one by \$42,689.23. Other applicants who were denied the exemption were over either the income limit by more than \$2,000 or asset limits by more than \$50,000. Ms. Cone reported that in 2023 there was an increase

of 8.7% for cost of living to social security wages which equated to an average yearly increase of \$1,752 for single recipients and \$2,856 for married recipients.

The committee reviewed the income limit for tax year 2023, the average yearly increase for social security, and closest income denials as reported for 2023.

Due to the increases in cost of living, Chairperson Fennessy moved to recommend increasing the 2023 income limits for single applicants to \$42,000 and married to \$60,000 for tax year 2024; Councilor Schlosser seconded; all affirmed by roll call.

The committee reviewed the current asset limit of \$100,000 and the closest denied applicants due to asset thresholds. Councilor Schlosser moved to recommend to increase the asset limit to \$150,000; Councilor Horne seconded. Councilor Keach wanted to know what the potential impact would be with the change. Director Rice noted that based on the denials from 2023, there could be four additional qualified applicants. If they were all 80+ and used the entire exemption, the impact would be around \$892,000 in assessed value, it was noted that this was likely a high estimate; Councilors voted by roll call; all affirmed.

The committee reviewed the exemptions amounts. Director Rice's report showed no property taxes were paid by 110 property owners whose exemptions reduced their assessments to zero. Director Rice noted that there was no revaluation for 2023 and assessment generally stayed the same. Councilor Schlosser moved to recommend no changes to the current exemption amounts; Councilor Horne seconded; all affirmed by roll call.

Committee reviewed the difference between the 2008 and 2023 municipal values before exemptions and the tax rates for those years. Director Rice noted that the amounts appear to be proportional to the changes over the years.

The Committee reviewed the blind exemption amount. Ms. Cone noted that Blind exemption is not based on income or asset. Director Rice was not sure why the current exemption amount was adopted. Chairperson Fennessy moved to recommend to increase the exemption amount to \$125,000; Councilor Horne seconded; all affirmed by roll call.

The committee reviewed the 2022-2023 impact on the increase to the Optional Veterans'/ All Veterans' Credits from \$150 to \$200. The estimated increase was \$41,917 but due to reductions in Veterans, the actual impact was an increase of \$39,250. Councilor Horne requested what the impact would be for an increase to the credit amounts. The committee reviewed the impacts to increasing the optional and All Veterans credit amounts to \$250 or \$400. Councilor Horne asked what the impact for \$300 would be – the committee was shown the impact of an increase to \$300 optional and All-Veterans' tax credits. Based on the 2023 qualified Veterans, the estimated increase would be \$82,500. Councilor Horne moved to recommend an increase in the Veterans' credit amount to \$300; Councilor Keach seconded; all affirmed by roll call. Councilor Schlosser moved to recommend no changes to the other Veterans' credits; Councilor Horne seconded; all affirmed by roll call.

The committee reviewed the report by Director Rice as requested by the Tax Exemption Policy Committee at the February 2, 2023 meeting.

Chairperson opened the meeting for any additional comments. There were no additional topics for discussion. Councilor Schlosser moved to adjourn the meeting; Councilor Horne seconded; all affirmed by roll call.

The meeting was adjourned at 1:12 pm.