

## Minutes

Tax Exemption Policy Committee

Minutes of January 18, 2022

Attendees: Councilor Keith Nyhan, Chairperson; Councilor Gail Matson, and Councilor Erle Pierce (by phone). Councilor Candace C.W. Bouchard - Absent

City Staff: Kathryn Temchack, Director of Real Estate Assessments, Shoshanna Cone, Administrative Assistant, Assessing

Public Attendees: None.

The meeting was opened at 12:02 pm by Chairperson Nyhan.

The minutes of January 26, 2021 were accepted as written by Chairperson Nyhan and Councilor Matson.

A spreadsheet, comparing the same information for thirteen (13) other cities and towns was provided to the committee. It was noted that Concord ranked 7<sup>th</sup> highest among the fourteen comparative communities relative to overall exemption value(s) as a percentage of taxable value. In 2020, Concord also ranked 7<sup>th</sup>. Committee members reviewed the exemption and credit amounts last adopted by the City Council.

Director Temchack's report showed \$6,105,600 of property valuation was exempted from property taxes for tax year 2021. No property taxes were paid by 93 property owners whose exemptions and credits reduced their assessments or tax payments to zero.

The committee reviewed the report listing the reasons for the denial of elderly exemption applicants for the past year. Director Temchack noted that in 2021, one married applicant was denied the elderly exemption due to being over the adopted income limit by \$474.65 and one married applicant was denied the elderly exemption due to being over the adopted asset limit by \$424.67. Other applicants who were denied the exemption were over either the income or asset limits by more than \$1,000. The Committee reaffirmed that the stimulus money payments were considered as income. Director Temchack reported that in 2021 there was an increase of 1.3% for cost of living to social security wages which equated to an average yearly increase of \$240 for single recipients and \$396 for married recipients.

The committee reviewed the base income limit for tax year 2021 and deducted the 2020 stimulus payments, added the 2021 stimulus payments of \$2,000 single and \$4,000 married, added the average yearly increase for social security, and added \$475.00 to the income for married applicants. Shown as follows:

Single:  $\$35,050 + \$2,000 + \$240 = \$37,300$  (rounded to the nearest \$100)

Married:  $\$48,350 + \$4,000 + \$396 + \$475 = \$53,300$  (rounded to the nearest \$100)

All three committee members recommended increasing the income limits from \$36,250 to \$37,300 for single applicants and from \$50,750 to \$53,300 for married applicants for tax year 2022. It was noted that it was likely that the income levels would be lowered in the future as the stimulus relief payments are not on-going and that the Committee would review next year.

The committee reviewed asset limits of the other communities as shown on the spreadsheet. The committee did not feel that a significant increase was appropriate but did want to increase the current asset limits. After review and discussion an increase of \$3,000 was suggested. More discussion ensued and a motion to recommend increasing the

asset limit from \$95,000 to \$98,000 for both single and married applicants was made by Councilor Matson, second by Councilor Pierce; Unanimous assent by roll call.

The committee asked that the Assessing staff reach out to the two couples that missed the income and asset limits by less than \$500 and make them aware of the recommended changes.

Chairperson Nyhan reviewed a letter sent by a property owner requesting that the City Council increase in the elderly exemption amounts due to the increase in taxes and being on a fixed income. Director Temchack reported that 24 property owners who previously had no taxes due were paying taxes for the 2021 tax year due to the increasing market value in the City and the exemption amounts being less than the assessment of their homes. Chairperson Nyhan and Councilor Matson noted that there had been a shift in the tax burden from commercial to residential by approximately 10%. The committee reviewed the estimated tax impact of increasing the elderly exemption amounts by 2.5%, 5%, and 10% and the historical history of the changes to exemption amounts. After review, the committee recommended that the elderly exemption amounts be increased by 10% to align with the shift attempting not to increase the burden on the elderly exemption recipients if possible. The committee recommends that the exemption amount for applicants aged 65-74 increase from \$73,000 to \$80,000, applicants aged 75-79 increase from \$119,000 to \$131,000, and applicants 80 and older increase from \$203,000 to \$223,000. Motion by Councilor Pierce, second by Councilor Matson; Unanimous assent by roll call.

The committee noted that unlike the elderly exemption, there is no financial means testing for the blind exemption. Accordingly, the committee expressed its belief that the City's state delegation should be encouraged to consider legislating financial means testing for the blind exemption. Recommend no change to the current blind exemption of \$120,234. Motion by Councilor Matson, second by Councilor Pierce; Unanimous by roll call.

The committee reviewed the current veterans tax credit amounts. The committee noted that increases to the credit amounts for veterans would create a higher tax impact to all the taxpayers in the City. All three committee members recommended keeping the Veterans tax credits as previously adopted.

In 2020 the committee recommended that the Assessing Department send letters to current qualified homeowners receiving the solar exemption. RSA 72:85 was enacted to exempt electric energy storage systems as an optional exemption and the committee wanted to know how many property owners had the energy storage systems. In 2021, the committee recommended checking back in 2022 since the results of the survey, showed there were five (5) property owners with some type of energy storage systems. The committee does not believe that there would be enough new property owners with energy storage systems this year to warrant sending out a second survey in 2022. The committee will discuss in 2023 the merits of sending another questionnaire. Councilor Pierce inquired if property owners continue to receive federal tax incentives for installing solar energy systems. Director Temchack was not sure and the committee asked that she research and report in 2023.

The meeting was adjourned at 12:54 pm on a motion by Councilor Matson and seconded by Councilor Pierce; Unanimous by roll call.