

Tax Exemption Policy Committee

Minutes of January 23, 2019 as approved on 2/19/2020.

Motion by Chairperson Nyhan, Councilor Gail Matson seconded. Councilor Werner was not present at the last meeting and Councilor Kenison is new to the committee so neither was able to vote on approval of the January 23, 2019 minutes.

Attendees: Councilor Keith Nyhan, Chairperson; Councilor Gail Matson, and Councilor Candace CW Bouchard

Absent: Councilor Robert Werner

Public Attendees: None

City Staff: Kathryn Temchack, Director of Real Estate Assessments

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

The minutes of the January 11, 2018 meeting were approved on a motion by Councilor Bouchard seconded by Councilor Matson; assented.

Committee members reviewed the exemption and credit amounts last adopted by the City Council. A spreadsheet, comparing the same information for thirteen (13) other cities and towns was provided to the committee. It was noted Concord is ranked 6th among the thirteen comparative communities relative to overall exemption value(s) as a percentage of taxable value, in 2017 Concord ranked 5th.

The committee reviewed the present (2018) total property valuation to the pre-recession valuation (2008) and the changes in the tax rate during that same time period. The total 2018 values have not rebounded back to the 2008 values. The total valuation before deducting exemptions in 2008 was \$4,342,000,500 and \$4,267,844,231 in 2018. The municipal portion of the tax rate has increased from \$6.84 in 2008 to \$9.90 in 2018.

Director Temchack reported that 147 property owners paid no taxes in 2018, because their exemption and or credits exceeded their assessments or tax bills.

The committee reviewed a handout and noted that Boscawen, Canterbury, Hooksett, Keene, Laconia, Londonderry, Nashua, Portsmouth, and Salem have adopted the "All Veterans" credit effective for either the 2017 or 2018 tax year. The "All Veterans" is new legislation, effective as of August 2016. The legislation allows communities the option of adoption beginning with the 2017 tax year. The percentage increase of qualifying veterans in these communities ranged from 5% to 10%. Applying those percentage increases to the number of veterans currently receiving the credits indicated a possible increase of \$6,900 to \$13,950 for Concord. After discussion the committee voted to recommend adoption of RSA 72:28-b (All Veterans Tax Credit) with the credit matching the regular veterans' tax credit amount of \$150.00. Motion by Bouchard, second by Matson; unanimous assent.

The committee reviewed the report listing the reasons for the denial of elderly exemption applicants. The closest difference between the City's adopted income limit and the actual income for the two closest applicants, whose incomes were over the adopted limit, were \$77.64 and \$615.16. Both denials were for married applicants. The closest asset difference was \$1,432.43 over the \$90,000 limit for a denied

applicant. Director Temchack reported that there was an increase of 2.00% for cost of living to social security wages in 2018. After review, the committee felt increases to the current income and asset exemption criteria were appropriate. A recommendation to increase income levels to \$34,100 for single and \$46,800 for married and to increase the asset level to \$95,000 made by Matson, second by Bouchard; unanimous assent.

The current elderly exemption amounts are \$72,818 for ages 65-74; \$118,420 for ages 75-79 and \$202,124 for 80 and older. The committee voted to recommend slight increases by rounding up to the next whole thousand-dollar amount. A motion was made by Bouchard to increase the amounts to \$73,000; \$119,000; and \$203,000; Matson second; unanimous assent.

Lastly, the committee noted that unlike the elderly exemption there is still 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. The committee made no recommendation to change to the current adopted blind exemption.

Director Temchack reported that last year 176 letters were sent to property owners believed to have existing or new solar systems notifying them of the adopted solar exemption. 146 applications were received. The total assessed value of the solar exemptions for 2018 was \$491,400. If no application was submitted requesting the exemption or the applicant did not qualify the assessments were increased to account for the value of the solar system. The Assessing Office will be placing information about the solar exemption prominently on the department's website and working with the Code Office to place a solar exemption notice on building permits for solar systems.

The meeting was adjourned at 12:57 pm on a motion by Councilor Matson and seconded by Councilor Bouchard; unanimous assent.