

ARTICLE 5

Home Rule Petition for Means-Tested Senior Property Tax Exemption

(Board of Selectmen)

To see if the Town will vote to authorize the Board of Selectmen to petition the General Court to enact legislation in substantially the following form, provided that the General Court may reasonably vary the form and substance of the requested legislation within the scope of the general public objections of said petition.

“An Act authorizing the Town of Natick to establish a means tested Senior Citizen property tax exemption.

Be it enacted by the Senate and House of Representatives in General Court assembled and by the authority of the same, as follows:

SECTION 1. With respect to each qualifying parcel of real property classified as residential in the town of Natick there shall be an exemption from the property tax equal to the total amount of tax that would otherwise be assessed without this exemption less the sum of (i) 10 per cent of the total annual qualifying income for purposes of the states “circuit breaker” income tax credit, and (ii) the amount of the state’s “circuit breaker” credit the applicant was eligible to receive in the year prior to the application being filed. The percentage of total annual qualifying income may be raised by section 3. In no event shall property taxes be reduced by more than 50 per cent by this exemption. The exemption shall be applied to the domicile of the taxpayer only. For the purposes of this act, “parcel” shall be a unit of real property as defined by the assessors under the deed for the property and shall include a condominium unit.

SECTION 2. The board of assessors may deny an application if they find the applicant has excessive assets that place them outside of the intended recipients of the senior exemption created by this act. Real property shall qualify for the exemption under section 1 if all of the following criteria are met:

- (a) the qualifying real property is owned and occupied by a person whose prior year’s income would make the person eligible for the circuit breaker income tax credit under subsection (k) of section 6 of chapter 62 of the General Laws;
- (b) the qualifying real property is owned by a single applicant age 65 or older at the close of the previous year or jointly by persons either of whom is age 65 or above at the close of the previous year and if the joint applicant is 60 years of age or older;
- (c) the qualifying real property is owned and occupied by the applicant or joint applicants as their domicile;
- (d) the applicant or at least 1 of the joint applicants has been domiciled in the town of Natick for at least 10 consecutive years before filing an application for the exemption;
- (e) the maximum assessed value of the domicile is no greater than the prior year’s average assessed value of a Natick single family residence plus 10 per cent; and
- (f) the board of assessors has approved the application.

SECTION 3. The exemption under section 1 shall be in addition to any other exemption allowable under the General Laws, except that there shall be a dollar cap on all the exemptions

granted by this act equal to .5 per cent of the fiscal year's total residential property tax levy for the town of Natick with the total exemption amount granted by this act allocated proportionally within the tax levy on all residential taxpayers. After the first year of such exemption, the total cap on the exemptions granted by this act shall be set annually by the board of selectmen within a range of .5 to 1 per cent of the residential property tax levy for the town of Natick. In the event that benefits to the applicants may be limited because the percentage established annually by the selectmen would otherwise be exceeded, the benefits shall be allocated by raising the total annual qualifying income percentage as required in section 1 as necessary to not exceed the cap. In the event the cap exceeds the need for the exemption, the total cap on the exemptions granted by this act shall be reduced to meet the need.

SECTION 4. A person who seeks to qualify for the exemption under section 1 shall, before the deadline established by the board of assessors, file an application, on a form to be adopted by the board of assessors, with the supporting documentation of the applicant's income and assets as described in the application. The application shall be filed each year for which the applicant seeks the exemption.

SECTION 5. Acceptance of this act by the town of Natick shall be by an affirmative vote of a majority of the voters at any regular or special election at which the question of acceptance is placed on the ballot. Sections 1 to 4, inclusive, and sections 7 and 8 shall take effect 30 days after an affirmative vote by the town.

SECTION 6. This act may be revoked by an affirmative vote of a majority of the voters at any regular or special town election at which the question of revocation is placed on the ballot. Revocation of sections 1 to 4, inclusive, and sections 7 and 8 shall take effect 30 days after an affirmative vote by the town.

SECTION 7. No exemption shall be granted under this act until the Department of Revenue certifies a residential tax rate for the applicable tax year where the total exemption amount is raised by a burden shift within the residential tax levy.

SECTION 8. This act shall expire after 3 years of implementation of the exemption unless extended by the Legislature for an additional term of no less than 3 years."

Or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to assist taxpayers who, after receiving the Circuit Breaker credit, still pay more than 10% of their income to property taxes.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

By a vote of 9-1-0 on March 19, 2015, the Finance Committee recommends Referral to the Board of Selectmen with regard to the subject of Article 5.

During the Finance Committee public hearing, the following information was noted:

- The Finance Committee received a letter from the Town Administrator providing information on the concept of means tested senior tax exemptions. Some of the points noted were:
 - This exemption is effectively a residential tax split. By adopting this program, Natick will raise .5% of the residential tax levy in the first year of the program by increasing the residential taxpayer rate above what it would typically be without the program in effect.
 - The ultimate goal is intended to insure that qualified seniors don't pay more than 10% of their income in property taxes to the Town of Natick.
 - This program is intended to apply only to single-family residences with an owner or owners that meet certain requirements.
- The Board of Selectmen, as the sponsor, voted to refer this back to the Board of Selectmen. They noted that a referral will allow staff and the Board to further explore the questions and concerns raised during the hearings to ensure that, if the Town were to adopt this program, it can be implemented with minimal disruption to existing operations and provide intended benefits to qualified property owners.

MOTION (requires majority vote):

Move referral to the Board of Selectmen