

Warrant Article Questionnaire Non-Standard Town Agency Articles

Section III – Questions with Response Boxes – To Be Completed By Petition Sponsor

Article #19	Date Form Completed: 9/13/22
Article Title: Small Personal Property Exemption	
Sponsor Name: Board of Assessors	Email: ehenderson@natickma.org

Question	Question																								
1	Provide the article motion exactly as it will appear in the Finance Committee Recommendation Book and presented to Town Meeting for action.																								
Response	Move that the Town vote to adopt clause 54 of Section 5 of Chapter 59 of the Massachusetts General Laws; and further, move that the established minimum fair cash value for personal property which shall be subject to taxation is established as \$9,999, and that such taxation shall commence beginning July 1, 2023, with an initial assessment date of January 1, 2023. For the purposes of applying the minimum value to be exempted, the value of the personal property of an entity seeking such an exemption shall be aggregated with the value of the personal property of all subsidiaries and entities under common control of the entity seeking the exemption.																								
2	At a summary level and very clearly, what is the proposed purpose and objective of this Warrant Article and the accompanying Motion?																								
Response	To set a minimum personal property value for taxation. The costs for assessing and collection of these small valued accounts exceeds the revenue they are generating.																								
3	Has this article or one of a very similar scope and substance been on a previous Warrant Article and what have been the actions taken by the Finance Committee, other Boards or Committees and Town Meeting?																								
Response	<p>\$1,000 minimum was previously set at TM in the 1970's. Exact year unknown.</p> <table border="1"> <thead> <tr> <th>Warrant Period Ex: 2021 SATM</th><th>Other Committees Ex: Planning Bd refer</th><th>FinCom Action Ex: Referral</th><th>Town Meeting Ex: Referral</th></tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Warrant Period Ex: 2021 SATM	Other Committees Ex: Planning Bd refer	FinCom Action Ex: Referral	Town Meeting Ex: Referral																				
Warrant Period Ex: 2021 SATM	Other Committees Ex: Planning Bd refer	FinCom Action Ex: Referral	Town Meeting Ex: Referral																						

Warrant Article Questionnaire Non-Standard Town Agency Articles

	Comments:
4	Why is it required for the Town of Natick and for the Town Agency sponsor(s)?
Response	<p>The current costs of billing small personal property (PP) accounts outweigh revenues received. Personal property assessment is an involved and time consuming process and PP bills have very limited collection remedies. For our FY24 certification year we hired a specialist with a charge of \$56 per account (note that small valued properties were removed from the scope of the RFP). On many of our small accounts, we barely receive \$56 over the span of 4-5 years. This does not take into account costs relating to envelopes, paper, and postage along with the fact that only about 75-80% of these small bills are actually paid.</p> <p>While small accounts still need to be discovered and valued by the Assessors' this will free up time to focus on accounts of higher value. In addition, this should free up time spent in the Collectors office on billing and collecting these bills, especially for unpaid bills.</p>
5	Does this article require funding, how much, from what source of funds and under whose authority will the appropriation be managed and spent?
Response	No
6	<p>Does this article act in any way in concert with, in support of, or to extend any prior action of Natick Town Meeting, Massachusetts General Laws or CMR's or other such legislation or actions?</p> <p>Does this article seek to amend, rescind or otherwise change any prior action of Natick Town Meeting?</p>
Response	Town meeting voted the current \$1,000 minimum somewhere in the 1970's.
7	How does the proposed motion (and implementation) fit with the relevant Town Bylaws, financial and capital plan, comprehensive Master Plan, and community values as well as relevant state laws and regulations?

Warrant Article Questionnaire Non-Standard Town Agency Articles

Response	<p>No effect on local bylaws etal. This falls under state law C59§5 clause 54. Currently 144 of 351 MA communities have voted this clause to increase exemption amount over \$1,000. This chart illustrates other Middlesex County communities who have or have not passed this clause and what their current FY22 minimum annual PP bill is. Note that if exemption has not been voted, it is assumed a \$1,000 minimum is used.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Municipality</th><th>PP Exemption</th><th>Minimum Annual Bill</th><th>Municipality</th><th>PP Exemption</th><th>Minimum Annual Bill</th></tr> </thead> <tbody> <tr> <td>Wellesley</td><td></td><td>\$11.68</td><td>Stow</td><td>2,500</td><td>\$48.90</td></tr> <tr> <td>Natick</td><td>1,000</td><td>\$13.34</td><td>Holliston</td><td>3,000</td><td>\$52.14</td></tr> <tr> <td>Hopkinton</td><td>1,000</td><td>\$17.02</td><td>Dover</td><td>5,000</td><td>\$62.10</td></tr> <tr> <td>Wayland</td><td></td><td>\$18.35</td><td>Ashland</td><td>5,000</td><td>\$79.40</td></tr> <tr> <td>Sherborn</td><td></td><td>\$19.03</td><td>Marlborough</td><td>5,000</td><td>\$110.85</td></tr> <tr> <td>Waltham</td><td></td><td>\$22.88</td><td>Sudbury</td><td>5,000</td><td>\$122.85</td></tr> <tr> <td>Southborough</td><td>1,500</td><td>\$24.42</td><td>Needham</td><td>5,000</td><td>\$132.15</td></tr> <tr> <td>Weston</td><td>2,000</td><td>\$25.62</td><td>Concord</td><td>10,000</td><td>\$147.60</td></tr> <tr> <td>Lexington</td><td></td><td>\$27.18</td><td>Medfield</td><td>10,000</td><td>\$174.20</td></tr> <tr> <td>Milford</td><td>1,000</td><td>\$28.44</td><td>Bellingham</td><td>9,500</td><td>\$190.76</td></tr> <tr> <td>Framingham</td><td></td><td>\$29.00</td><td>Walpole</td><td>10,000</td><td>\$192.20</td></tr> </tbody> </table>	Municipality	PP Exemption	Minimum Annual Bill	Municipality	PP Exemption	Minimum Annual Bill	Wellesley		\$11.68	Stow	2,500	\$48.90	Natick	1,000	\$13.34	Holliston	3,000	\$52.14	Hopkinton	1,000	\$17.02	Dover	5,000	\$62.10	Wayland		\$18.35	Ashland	5,000	\$79.40	Sherborn		\$19.03	Marlborough	5,000	\$110.85	Waltham		\$22.88	Sudbury	5,000	\$122.85	Southborough	1,500	\$24.42	Needham	5,000	\$132.15	Weston	2,000	\$25.62	Concord	10,000	\$147.60	Lexington		\$27.18	Medfield	10,000	\$174.20	Milford	1,000	\$28.44	Bellingham	9,500	\$190.76	Framingham		\$29.00	Walpole	10,000	\$192.20
Municipality	PP Exemption	Minimum Annual Bill	Municipality	PP Exemption	Minimum Annual Bill																																																																				
Wellesley		\$11.68	Stow	2,500	\$48.90																																																																				
Natick	1,000	\$13.34	Holliston	3,000	\$52.14																																																																				
Hopkinton	1,000	\$17.02	Dover	5,000	\$62.10																																																																				
Wayland		\$18.35	Ashland	5,000	\$79.40																																																																				
Sherborn		\$19.03	Marlborough	5,000	\$110.85																																																																				
Waltham		\$22.88	Sudbury	5,000	\$122.85																																																																				
Southborough	1,500	\$24.42	Needham	5,000	\$132.15																																																																				
Weston	2,000	\$25.62	Concord	10,000	\$147.60																																																																				
Lexington		\$27.18	Medfield	10,000	\$174.20																																																																				
Milford	1,000	\$28.44	Bellingham	9,500	\$190.76																																																																				
Framingham		\$29.00	Walpole	10,000	\$192.20																																																																				
8	Who are the critical participants in executing the effort envisioned by the article motion?																																																																								
Response	Assessor's office																																																																								
9	<p>What steps and communication has the sponsor attempted to assure that:</p> <ul style="list-style-type: none"> Interested parties were notified in a timely way and had a chance to participate in the process Appropriate Town Boards & Committees were consulted Required public hearings were held 																																																																								
Response	Discussed and voted in open session Board of Assessor meetings. Final motion with selected minimum assessment amount voted 2-0, with once absence, at BOA meeting on 9/12/22.																																																																								
10	Since submitting the article have you identified issues that weren't initially considered in the development of the proposal?																																																																								
Response	No																																																																								

Warrant Article Questionnaire
Non-Standard Town Agency Articles

11	If this Warrant Article is not approved by Town Meeting what are the consequences to the Town and to the sponsor(s)? Please be specific on both financial and other consequences?
Response	Will likely need additional funding for full time personal property/commercial appraiser position or for outside consulting assistance. The non-salary expenses in the Assessors budget are 25 to 40% less than they were 10 to 15 years ago while maintaining the same level of staffing. Our property values have skyrocketed from 6 billion to soon to be over 10 billion dollars and we have faced increased costs as all other departments have. We have relied on in-house revaluation and appraisal work to compensate for the lack of funding. Passing of this article will allow us to focus our work on items with a greater return with an overall goal of increased efficiency and continued cost savings to the Town.