

Assessor comments on Article 33

From: Eric Henderson

Date: August 31, 2023 at 8:51:08 AM EDT

To: Kathryn Coughlin

Subject: Re: Article 33 on town fall meeting warrant

Good morning Kathryn,

How are you?

I have seen the article. I'm in the middle of a revaluation year so that has been my focus and I am trying not to put too much time into this. That being said, a couple of thoughts.

1. No, Mr. Scott has not reached out to me to discuss.
2. People should realize that any tax break for a certain class or group will result in increased taxes on others.
3. This violates State law. I don't think the state will ever sign off on this as a home rule petition. Has Karis chimed in on that side of things?
4. We have the Tax Deferral program which we have repeatedly adjusted at TM to make it into a truly beneficial program. As you know, the Senior citizen pays \$0 taxes and when the person passes away or sells, the taxes are paid back at minimal interest. This solves the problem of the senior who wants to age in place especially considering the equity built throughout the last 20 years of our real estate market. This "equity" is not currently helping these seniors pay their bills.
Our current income limit for this program is indexed to the annual Circuit Breaker amount set by the state (\$64,000). We would need a home rule petition to raise it higher than that.
5. The downfall of the Deferral program in many Senior's minds is that they have less to leave to their kids. The plan proposed would be taking money out of current Natick taxpayers' pockets while benefiting the estates.
6. One of the major issues with this proposal is there are no income or asset requirements. Someone could have millions of dollars in the bank and yet would have their taxes subsidized.
7. Trusts- Generally with trusts, people can still receive benefits from our existing programs as long as they are both a trustee and have "beneficial interest." When people set up trusts that don't include those items, they remove themselves from the ownership of the property and do not qualify. However, they generally do this to keep their assets (home) from being taken in a nursing home type situation.
8. Many seniors have put their homes in trusts. That makes it nearly impossible for me to run numbers on how many people may qualify and estimate costs. I do not plan on providing projected numbers on this plan as I know they would not be very accurate. I am more than happy to provide data to Mr. Scott or anyone who would like to attempt this and can try to help.

The State of Maine is in the process of implementing a similar program, which is funded by the state. It has not gone well. Their original projections of numbers of applicants and costs were grossly underestimated. Again, no asset test on this one either.

So, in conclusion, I always try to remain neutral on these types of policy issues. However, I think the Deferral program is the solution that's already in place. It allows seniors to remain in their home and their taxes eventually get paid without asking others to subsidize them.

Feel free to reach out if you want to chat, hope all is well,

Eric