

To: Honorable Board of Aldermen
From: Marc A. Levy, Chief Assessor
Re: Order ID # 15221 regarding statutory exemptions
Date: February 21, 2017

What past outreach efforts have been made to make seniors, veterans and other qualified homeowners aware of exemptions and deferrals?¹

1. The Assessing Department mailed a newsletter to all property owners in FY 2015, 2016, and 2017 that includes a section on statutory exemption availability. Specifically, we included subsections with **bolded** subheadings to call attention to exemptions and deferrals for seniors, veterans, and other qualifying homeowners.
2. The City mailed postcards on November 1, 2016 to all property owners encouraging people to inquire with Assessing regarding exemption eligibility.
3. The Assessing web site has been updated with multiple links for clause 41A-deferral, clause 18-hardship, clause 18A-temporary hardship, and senior circuit breaker tax credit.²
4. The Council on Aging (COA) sent out a newsletter with information and added a link to their website to our summary chart of statutory exemptions.
5. The COA has added the video of my 2015 talk on property tax savings options to their website.
6. The Assessing Department has alerted Carol Wessling, a Tax Title Attorney in the Treasury Department, to screen for potential statutory exemption applicants, especially residents who qualify for the clause 41A deferral.
7. The Assessing Department has trained all staff on the recent changes in statutory exemptions and instructed them to highlight these changes when speaking with taxpayers either on the phone, through e-mail, at the counter, or during an inspection.
8. The City's clerical staff are available to make house-calls to residents who have no other means of completing an application for statutory exemption.
9. The City provides an on-going residential exemption certification and recertification program for new owners and long-time recipients as well as expanded fraud detection effort.
10. The COA sponsored a senior breakfast at the COA on February 8th, 2017 where I presented information about exemptions and options. A video of my presentation will be repeated on the local cable channel and will be available as a link on the COA website.

¹ See attached a summary of the City's efforts to ease the tax burden on our residential taxpayers

² Note that these are separate from the summary chart of statutory exemptions

These outreach efforts have paid off. The table below highlights how Somerville compares to surrounding municipalities with similar residential parcel counts (using FY 2016 data).

Community	# of res parcels	#17D-70+	#41C-65+	#22-Vets.	#41A-Deferral	#18-Hardship	#18A-Temp. Hardship	#37-Blind	#5K-Workoff
Brookline	16,801	5	10	63	7	0	0	36	0
Arlington	14,439	9	80	211	9	2	0	0	0
Cambridge	22,964	75	114	103	6	16	0	35	0
Medford	16,276	69	79	296	0	0	0	35	0
Somerville	15,702	130	72	160	0*	2	0	23	3

*Note that for FY 2017, we have four (4), 41A applicants that have been approved and will take in applications until April 3, 2017.

When combining the numbers for the 2 elderly clauses (17D and 41C), Somerville grants more exemptions than any other community. We are in the middle of the pack on clause 22 for veterans and, aside from Cambridge, Somerville is similar to the other communities regarding clauses 18 and 18A. We are the only community with any work off numbers to speak of. The only clause where we lag behind other municipalities is the Clause 41A deferral.

So, what can be done to keep our numbers up and to focus in on the 41A deferral in particular (what is planned)?

1. The COA has included an insert in their January newsletter addressing available statutory exemptions. This information could also be included in any newsletters the Board of Aldermen members send to their constituents. I would be happy to send you any information you might want to use.
2. The COA will be sending out a targeted newsletter to all property owners 65 and over (regardless of residential exemption status) informing them of available statutory options and programs designed to reduce their property tax bills.
3. Additional targeted mailings will be sent to veterans and persons with disabilities informing them of available property tax exemptions.
4. We are evaluating the option of conducting “assessing hours” once or twice a month for about 2 hours at the COA. These sessions would allow for one-to-one meetings with seniors to inform and explain statutory options.
5. Assessing will coordinate with the Treasury Department (assuming availability of personnel) to meet one-to-one with taxpayers who are behind on payments to review their statutory options.
6. The City will send out web alerts to remind taxpayers of pending application deadlines to file for exemptions and deferrals.

7. Assessing will continue collaborating with other Departments to ensure that residents are fully informed about tax exemptions and deferrals and how to apply for them.

What are Assessing's numerical goals for FY 2017 to FY 2020?

Assessing's overriding goal is to do all that we can, with assistance from other departments, to get the word out to Somerville taxpayers about their options for tax exemptions and deferrals. I'm hesitant to project actual numbers since the final decision to file rests with the applicant.

Summary of changes in tax exemptions and deferrals for residential tax payers

1. Residential exemption percentage increased to 35% for FY 2016.
2. Clause 41C for seniors increased base amount from \$750 to \$1,000 for FY 2016.
3. Asset and income limits increased for 41C recipients for FY 2016.
4. Senior work-off income limits increased for FY 2016.
5. Allowed senior work-off amount increased from \$1,000 to \$1,500 effective FY 2018.
6. Interest rate lowered from 8% to 4% and income limit raised for Clause 41A, tax deferral for FY 2016. Interest rate lowered from 4% to 3% effective FY 2018.
7. Adoption of property tax relief abatement for members of the Mass. National Guard and Reserves on active duty in foreign countries, Chapter 59, 56th paragraph, effective FY 2015.
8. Temporary Hardship deferral interest rate lowered from 8% to 3% effective FY 2018.
9. Additional real estate exemption allowed up to double (excludes work-off and residential exemption).
10. Water and sewer discount for 41C and 17D recipients for FY 2017, will be automatically applied.