

To: Honorable Board of Aldermen
From: Marc A. Levy, Chief Assessor
Re: Board order #202902-residential exemption
Date: March 30, 2017

The Assessing Department has utilized two methods of review since at least FY 2002 if not longer. First, each year around mid-April, we mail approximately 1,000 renewal applications to taxpayers who have been receiving the exemption for at least 5 or more years. To maintain their eligibility, residential exemption recipients are required to file a new application along with documentation (prior year State income tax return along with a utility bill, bank statement, auto registration, record of voter registration or other verifying document covering the period of the prior January 1). Taxpayers who fail to respond have their exemption removed for the upcoming fiscal year. Some, who initially lose their exemption, inquire about the dramatic increase on their 3rd quarter tax bill. If they provide proper documentation, the exemption will be reinstated provided a new application is filed by the following April 1 (MGL deadline to file). Each year we remove about 150 to 200 residential exemptions although roughly 25% to 50% are eventually reinstated.

We also require that all new buyers from the previous calendar year file an application. In this manner, we change the computer records that now reflect the exemption from "yes" to "no." New buyers are sent an application with documentation requirements over the summer. We usually send out anywhere from 600 to 800 new applications depending upon the number of sales in a given

year. This ensures that new buyers are residents and prevents a simple carry over from a seller that was receiving the exemption.

In addition to these standard reviews, we are also conducting an expanded review of potential mismatch or possible fraud cases as identified by our people search software provider known as Lexis-Nexis or Accurint. They have provided us with a list of approximately 950 owners now receiving the exemption that may be questionable (showing other addresses or deceased). Based upon their experience in other municipalities including Boston, they project that about 35% to 50% of these may need to be removed. If deemed ineligible, the exemptions will be removed for FY 2018.

Finally, Assessing routinely receives returned tax bills from the Tax Collector and removes exemptions as needed. We also regularly receive requests for mailing changes from taxpayers and we are able to remove exemptions as necessary. Furthermore, from time to time, we receive information from Inspectional Services and other taxpayers allowing for the removal of exemptions-roughly 50 per year.

Summary:

The Assessing Department has always taken the review of residential exemption applications very seriously and staff devote a fair amount of their time to reviews all to ensure that the deserving receive the exemption and those not qualified do not.