

**Town of Concord
Board of Assessors Meeting Minutes
July 27, 2023**

Present: Brendan Kemeza, Mera Tilley, David Karr, Arry Charles
Absent: Yannis Tsitsas
Staff: Meredith Stone, Town Assessor; and Michael Gibbons, Assistant Assessor
Public:

The meeting was called to order at 5:00 P.M.

MINUTES

On a **MOTION** made by Dr. Tilley and seconded by Mr. Karr it was **UNANIMOUSLY VOTED, by roll call vote, to APPROVE** the Regular Session meeting minutes of May 11, 2023.

Mr Charles.	—	Aye
Mr. Karr	—	Aye
Dr. Tilley	—	Aye
Mr. Kemeza	—	Aye

MOTOR VEHICLE END OF MONTH REPORT

Mr. Gibbons presented the End of Month Reports for Motor Vehicle Excise Tax Abatements for **March-June 2023** with the following amount:

2023 - \$23,354.41

On a **MOTION** made by Dr. Tilley seconded by Mr. Karr it was **UNANIMOUSLY VOTED, by roll call vote, to APPROVE** the motor vehicle excise tax abatements for **2023** as designated in the End of the Month Report for **March-June 2023** and as listed above.

Mr. Charles	—	Aye
Mr. Karr	—	Aye
Dr. Tilley	—	Aye
Mr. Kemeza	—	Aye

RESIDENTIAL EXEMPTION

Mr. Karr presented a document that he had prepared for the Board’s review which showed possible tax impacts of the Residential Exemption. Mr. Karr stated that as he prepared his document that he estimated eighty-five percent of residential parcels would be eligible to receive the residential exemption. Mr. Charles asked which parcels would be considered when calculating a break-even point and Mr. Karr explained that only residential parcels would be considered, of which there were approximately 5,000. Mr.

Karr also presented data regarding the Clause 41 C½ exemption, which the Select Board may consider at their meeting on August 7, 2023. Mr. Karr further stated that he had considered income data in his calculations to show a percentage of a resident's income compared to their estimated tax payments.

Ms. Stone stated that she had spoken with the city of Revere, who had implemented Clause 41 C½ for the first time in Fiscal Year 2023.

Mary Hartman, Select Board Liaison to the Board of Assessors, stated that the Select Board was interested in reviewing a possible implementation of the Residential Exemption at 10%, 20%, and 30%.

The Board discussed the mechanics of the Residential Exemption, and how it may be implemented in Concord. They noted that the Residential Exemption does not consider a resident's income, only the assessed value of their home. Mr. Karr also reviewed a report from Lexington, which stated that prices could compress such that low value homes could become more desirable while high value homes could become less so, but added that it would be hard to determine that until the Residential Exemption is implemented.

Ms. Stone stated that she and the Board had been invited to present to the Select Board on August 7 and that the Select Board had indicated an interest in seeing an updated chart to show the impact of a 10% Residential Exemption. She added that she had met with the Town Manager, Select Board Chair Henry Dane, and Select Board Liaison to the Board of Assessors Mary Hartman to discuss the Residential Exemption and the mechanics of its implementation. She also stated that the Select Board members indicated that they would not like an application to be part of the implementation process, but that the Department of Revenue stated that to implement without an application would require a Home Rule Petition. She further stated that the Select Board members asked if the Town could obtain a list of residents who filed tax returns from their residence in Concord, which she was still waiting for a response on. Ms. Stone stated that the Board members also indicated that they were interested in implementing the Residential Exemption to offset the additional burdens of the new Middle School project. Ms. Stone also added that an informational packet had been delivered to the Select Board on July 7 which provided more information about the exemption and its possible impacts on Concord residents. Ms. Stone further explained that she had delivered to the Board an implementation timeline, and that if they intended to adopt the Residential Exemption in Fiscal Year 2024, they should be prepared to take a vote on its possible implementation on August 7. Ms. Stone also noted that the Town would likely need additional funds for the overlay, consulting fees, and additional mailings for outreach to residents. She described the conversations she's had with the Assessors in communities which have adopted the Residential Exemption including Somerville, Brookline, and Mashpee, the latter having adopted the Residential Exemption in Fiscal Year 2023.

Mr. Karr noted that, except for Nantucket, many of the communities which have adopted the Residential Exemption have a large CIP rate shift. He added that where Concord has

not had a CIP rate shift for many years, Concord would likely find itself in a position where residents in higher assessed properties pay more in property taxes.

Ms. Hartman thanked the Board for the work they do, and asked what additional funds would be needed to fund the Residential Exemption. She stated that she was under the impression that the Overlay was used to fund abatements. Mr. Karr stated that the Town would do its best to set the tax rate to accommodate the greatest possible usage of the exemption, but that any applications received following the issuance of the third quarter tax bills would need to be funded by the Overlay. Ms. Stone explained that it would be important to send out applications as soon as possible if the Select Board plans to implement the Residential Exemption this year. Ms. Stone reiterated that the Overlay would need to fund any applications that the Town receives following the issuance of the third quarter tax bills. Ms. Hartman asked if the Overlay fund would need to fund the Residential Exemption in the implementation year, but not on an annual basis, which Ms. Stone and Mr. Karr confirmed. Ms. Stone added that the DOR would mandate an increase in the overlay until the Town figures out the actual percentage of qualified residents.

Ms. Hartman stated that residents would be seeing a large increase in their third and fourth quarter tax bills, and asked if the Board could present examples of how this could impact residents if the Residential Exemption was implemented for Fiscal Year 2024. Ms. Hartman asked how much was in the overlay account, and Ms. Stone stated that it was around \$2,496,571.07. Mr. Gibbons shared the page from the Select Board report which detailed an estimate of the impacts of a 10% Residential Exemption.

The Board reviewed the report and commented on the need for residents to file for the exemption.

Mr. Karr asked Ms. Stone why Mashpee adopted such a low residential Exemption for their first year. Ms. Stone explained that they elected a five percent exemption amount because they were concerned about the impact of the exemption. Mashpee believed they should start with a lower exemption amount, as they could always increase the exemption amount in subsequent years. Mr. Karr shared his concerns about the possible impacts of the Residential Exemption on the Overlay account, and the need for significant additional funding. Ms. Hartman asked about the impact to the Overlay account and whether the Town could overestimate how many eligible participants there may be when setting the tax rate. Ms. Stone explained that to do so may overestimate the tax rate, resulting in over taxation of residents, which would be penalized by the Department of Revenue. Mr. Karr explained that most communities which have more recently implemented the exemption had a significantly higher percentage of non-owner-occupied properties. Ms. Stone also explained that Concord would be the only Town in the Commonwealth to implement both the Residential Exemption and the Senior Means Tested Exemption, and that the DOR would need to build a new platform so that the Town could complete the LA-5. Ms. Stone explained that Mashpee ran into some implementation issues from tax billing to increased staffing.

Mr. Charles asked how a resident could see the exemption amount on their tax bill. Ms. Stone explained that she would need to work with the Town’s new ERP system to ensure that a bridge was built so that the exemption would appear on eligible taxpayers’ bills.

FUTURE MEETING SCHEDULE

Ms. Stone reviewed a possible future meeting schedule for the Board to consider. The Board reviewed the meeting schedule, and requested that meetings be held at 6:00 p.m. The Board stated that they would like to continue to utilize Zoom. Ms. Stone suggested the Board table the presented schedule and revisit it in the future.

EXECUTIVE SESSION (UNDER RULE 7)

At 6:10 P.M. a **MOTION** was made by Dr. Tilley to enter into executive session to consider Statutory Exemption Applications, Community Preservation Surcharge Exemption Applications and Appellate Tax Board Cases, in compliance with the Open Meeting Laws purpose #7 (“To comply with, or act under the authority of, any general or special or federal grant-in-aid requirements”) and to adjourn the meeting from the Executive Session. The motion was seconded by Mr. Charles and it was **UNANIMOUSLY VOTED**, by Roll Call Vote:

Mr. Charles	—	Aye
Mr. Karr	—	Aye
Dr. Tilley	—	Aye
Mr. Kemeza	—	Aye

Respectfully submitted,
Michael Gibbons
Assistant Assessor