

4.0 ABATEMENTS AND CREDITS

Abatements lower a property's utility bill when their account has been charged incorrectly. Credits or incentives lower a property's utility bill if the customer takes a specific action.

4.1 Credit Systems in Other Communities

Some communities offer credits to reduce the stormwater fee paid if the property owner takes specific measures focused on decreasing the amount of stormwater runoff leaving their property and entering the municipal storm drain system. In Massachusetts, fee reductions usually max out at a certain percentage, ranging from 10 to 50%, even if a property owner infiltrates all stormwater runoff generated on site. The reduction percentage awarded can vary based on the type of infiltration/treatment system implemented or the amount of impervious area treated. Everyone ultimately pays at least a portion of the stormwater fee because all property owners use public roadways, which drain to the public stormwater system. Credit systems incentivize the implementation of stormwater best management practices, which help to improve overall water quality.

Some communities offer other kinds of credits as well. Select communities in Massachusetts award education credits to private and public K-12 educational institutions that provide the public with an opportunity to understand and participate in improving stormwater quality and protecting our water resources. Additionally, some communities offer needs-based credits for groups such as senior residents, disabled veterans, blind residents, or low-income residents. Other opportunities for credits in Massachusetts communities include properties that have documented land restrictions for private and public farmland, forest land, and recreational land; multiple undeveloped properties that are adjacent and have the same owner; and properties that employ the use of stormwater management structures and systems.

Some communities opt out of providing a stormwater credit system as an initial aspect of their stormwater enterprise fund, deciding instead to focus on the adoption and implementation of the enabling legislation, budget, and fee structure system. Credits systems can increase the cost of the administration of the enterprise fund and may decrease revenue generated by up to an estimated 10%. Therefore, credit systems may ultimately lead to higher stormwater fees as communities look to generate additional revenue to offset the amount paid back in credits. Credits systems can also provide negligible payback to property owners because the cost of treating stormwater onsite often outweighs the fee reduction.

4.2 Town of Concord Credit Policy

Concord has decided to pursue the development of a simple credit system as part of the development of their Stormwater Enterprise Fund framework. The full draft credit policy developed by the Town is included in Appendix E of this report. The goal of the credit policy is to provide an incentive for property owners to construct, operate, and maintain stormwater best management practices (BMPs), which

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decrease the Town's stormwater management burden. This policy also allows for credits based on a property owner's income or abatements adjusting the fee if a stormwater fee is calculated incorrectly.

Property owners who believe their stormwater fee has been incorrectly calculated can apply for an abatement. A draft abatement application is included in Appendix B of the Credit Policy, which can be found in Appendix E of this report.

The Town of Concord has included three separate credit categories in their Draft Credit Policy:

- 1. Small Residential Credit** This credit is being offered for small residential properties. Small residential parcel categories include single family residential, two-family residential, three-family residential, multiple houses on one parcel, accessory land to residential (parcels with small buildings, garages, etc.), and two and three-family condos. Small residential properties may receive up to 25% credit by reducing the downstream impacts of stormwater runoff through the construction and maintenance of approved small-scale stormwater improvements such as rain gardens and dry wells, or the use of permeable or porous pavers.
- 2. Non-Residential and Large Residential Credit** This credit is being offered for condominium complexes with 4 or more units, apartment complexes, commercial and industrial properties, and tax-exempt properties such as cemeteries, churches, hospitals, and private schools, state owned or municipally owned properties, and other parcels with appreciable impervious area even if identified as a vacant or undeveloped property, that have constructed and maintained approved stormwater control systems or best management practices (BMPs). Non-Residential and larger multi-family residential properties can up to 50% credit of the total value of the stormwater fee for the property, depending on the percent of the impervious surface on the property being treated by the BMP.
- 3. Senior and Low-Income Resident Discount** Financial eligibility for a stormwater fee discount mirrors the Town's water, electric, and property tax assistance programs. If you receive assistance through any of these programs, you are eligible for a stormwater discount: CMLP Residential Rate Assistance, 41A Real Estate Tax Deferral, 17D or 41C Real Estate Tax Exemptions, Means Tested Senior Property Tax Exemption, or a "Senior Circuit Breaker" Massachusetts Income Tax Credit. Qualifying residents will receive a 25% stormwater enterprise fee reduction.

Multiple credits may be given to eligible properties. The total credit approved for a property may not exceed 50% of the stormwater fee for that property. The property owner of record may apply for stormwater credits and provide the necessary documentation for each credit type. Credit applications are available from and may be submitted to Concord Public Works. A draft credit application form is included in Appendix C of the Credit Policy, which can be found in Appendix E of this report. All credits must be renewed annually through the submission of the credit application form.