

Tax Exemption Policy Committee

Minutes of January 26, 2021 as accepted as written on January 18, 2022 by Councilor Keith Nyhan, Chairperson and Councilor Gail Matson.

Attendees via Zoom: Councilor Keith Nyhan, Chairperson; Councilor Gail Matson, and Councilor Linda Kenison. Councilor Robert Werner - Absent

City Staff: Kathryn Temchack, Director of Real Estate Assessments, Shoshanna Cone, Administrative Assistant, Assessing

Public Attendees: None. Shoshanna Cone noted that the meeting was posted at City Hall and on the City of Concord Website calendar with a notification of the link address and phone number to join the meeting. *"In accordance with CDC and Department of Health and Human Services Guidance, this meeting will be held telephonically and via Zoom. <https://us02web.zoom.us/j/86943538437> Telephone: 1 301 715 8592 Webinar ID: 869 4353 8 Concord, NH"*

The meeting was opened at 12:15 pm by Chairperson Nyhan.

The minutes of February 19, 2020 were approved on a motion by Councilor Matson, seconded by Councilor Kenison; Unanimous assent by roll call.

Chairperson Nyhan noted that it was important in this current financial environment that the committee not disenfranchise anyone. Increases to exemptions and credits that will shift the tax burden onto other taxpayers would be difficult during this time.

Committee members reviewed the exemption and credit amounts last adopted by the City Council. A spreadsheet, comparing the same information for thirteen (13) other cities and towns was provided to the committee. It was noted that Concord ranked 7th highest among the fourteen comparative communities relative to overall exemption value(s) as a percentage of taxable value. In 2019, Concord ranked 5th.

The committee reviewed the report listing the reasons for the denial of elderly exemption applicants for the past year. Director Temchack's report noted that five property owners were denied after requalification due to not responding to the request for requalification or providing required documents. One homeowner was denied as they were no longer the owner of record as of April 1, 2020. Twelve homeowners were denied due to being over the adopted income or asset limits. The closest differences between the City's adopted single income limit of \$34,300 and the actual incomes for the two closest applicants who were over the adopted limit were \$450.63 and \$1,269.68. The closest applicant to the married income limit of \$47,200 was over by \$646.33.

The closest asset difference - for a denial based upon assets - was \$4,890.63 over the \$95,000 limit. Chairperson Nyhan noted that the closest asset overage was not close and recommended no change.

Director Temchack reported that in 2020 there was an increase of 1.6% for cost of living to social security wages which equated to monthly changes of \$24 for single recipients and \$40 for married recipients. State law does exempt some sources of income from the net income calculation however the Stimulus Relief payments are not excluded as income. Increases to the current adopted income amounts would be needed to account for the \$1,200 (single) and \$2,400 (married) Stimulus Relief Payments. It is understood that these stimulus payments are not on-going and may only impact the adopted income amounts for the 2021 tax year applicants with a likely reduction to the income amounts after tax year 2021. In order to accommodate the closest denials due to overages above the adopted income levels, changes in SSI payments, and Stimulus Relief payments, an increase of at least \$1,939 for single applicants and \$3,527 for married applicants would be needed. After review, the committee agreed increases to the current income levels were appropriate. A recommendation was made to increase the income levels to \$36,250 for single applicants and \$50,750 for married applicants. Motion by Councilor Kenison, second by Councilor Matson; unanimous assent by roll call. It was noted that it was likely that the income levels would be lowered in the future as the Stimulus Relief payments are not on-going.

The committee reviewed the (2020) total property valuation to the pre-recession valuation (2008) and the changes in the tax rate during that same time period. For the second time in twelve years, the current year valuation surpassed the pre-recession valuation. The total valuation before deducting optional exemptions in 2008 was \$4,342,000,500 and \$4,724,358,442 in 2020. The municipal portion of the tax rate has increased from \$6.84 in 2008 to \$9.32 in 2020.

The current elderly exemption amounts are \$73,000 for ages 65-74; \$119,000 for ages 75-79 and \$203,000 for 80 and older.

The committee noted that unlike the elderly exemption, there is no financial means testing for the blind exemption. Accordingly, the committee expressed its belief that the City's state delegation should be encouraged to consider legislating financial means testing for the blind exemption. The current adopted blind exemption is \$120,234.

Councilor Kenison made a motion to make no changes to the current exemption and credit amounts for the Elderly Exemption, Blind Exemption or the current Veteran Credit amounts. Motion was seconded by Councilor Matson; Unanimous assent by roll call.

RSA 72:85 was enacted to exempt electric energy storage systems as an optional exemption. In 2020 the committee recommended that the Assessing Department send letters to current qualified homeowners receiving the solar exemption. One hundred forty-six (146) letters were sent; 105 responded. Presently there are about five (5) with some type of electric storage system. It was agreed by all that encouraging property owners to install/add electric energy storage systems is consistent with the City's desire for sustainability and the reduction of greenhouse gas emissions by implementing energy efficiency projects. While it is the committee's hope that more systems will be installed, given the pressures on this year's budget, Councilors Matson and Nyhan voted against a storage exemption

and Councilor Kenison voted in favor. The committee did recommend that another survey be sent next year to find out if more systems were added and to consider the adoption of RSA 72:85.

The meeting was adjourned at 12:49 pm on a motion by Councilor Matson and seconded by Councilor Kenison; unanimous assent by roll call.