

Warrant Article 6: Increase Certain Property Tax Exemptions

Recommendation: FAVORABLE ACTION on Warrant Article 6 by a vote of 23-0-0.

Executive Summary	Article 6 is an annual Warrant Article to increase state-mandated local property tax exemptions for certain classes of qualifying individuals.
Voting Yes will...	Allow the Town to grant some additional relief to a few classes of qualifying individuals.
Voting No will...	For the first time since 1989, increase the tax burden on those individuals.
Financial impact	The estimated cost for FY2022 is approximately \$44,250 and is funded from the tax abatement overlay reserve account.

Background

This Article would allow the Town in FY22 to continue its current practice of doubling the base amount of certain state-mandated property tax exemptions for several classes of qualifying taxpayers, including disabled veterans, blind persons, low-income and low-asset elderly, and low-asset surviving spouses. The Town is required by state law to give these taxpayers, if eligible, a basic property tax exemption in the amount specified in Chapter 59, Section 5, of the Massachusetts General Laws and for which the Town is reimbursed by the state (fully for the elderly exemption and partially for the others). State law provides for a local, optional, annual increase in the mandated exemptions of up to 100%. The percentage increase must be uniform across all the exemption classes and is paid out of the Town's tax abatement overlay reserve account. The proposed increases, which require annual re-authorizations, are recommended by the Board of Assessors and have been approved each year by Town Meeting since FY1989.

Discussion

The table below shows, for each category: the number of Brookline taxpayers who received an exemption in FY22; the basic dollar amount exempted under state law; and the additional exemption amount proposed in this Warrant Article (which, in all categories, doubles the original basic amount).

During the past seven years, veterans have constituted an average of 54% of the recipients of these exemptions, the blind 32%, the elderly 10%, and surviving spouses 3%. These percentages do not reflect the proportional distribution of these demographic groups among Brookline's population (e.g., seniors make up over 20% of Brookline's population, veterans and blind persons considerably less). Note that the exemptions for veterans and blind taxpayers do not have any income or asset cap requirements, unlike those for the elderly and surviving spouses, which may explain these disparities.

The actual annual costs of these increased exemptions have been steadily decreasing in recent years, dropping from \$62,000 in FY15, when there were 126 Brookline exemption recipients, to about \$55,000 in FY19, when the number of recipients was 110. In FY21, the estimated costs of the additional exemptions was \$49,950 and the number of recipients was 99. For FY22 the estimated cost is \$43,350, with 88 participants. Exemption recipients are down 11% compared to FY21 and the total cost to the Town is down 13%.

There has been some difficulty in doing outreach programs during the COVID-19 pandemic. For example, the twice-a-year outreach meetings with seniors usually conducted by the Chief Assessor at the Senior Center had to be done virtually. Currently, the burden is on the taxpayer to find out about available tax assistance programs and to apply for them each year before the April 1 deadline.

Description	Base Amount	FY2021 # Granted	FY2022 # Granted	Total \$	Proposed \$ amount additional
Surviving Spouse	175	2	2	350	350
Veterans	400	44	40	16,000	16,000
Veterans with 100% disability	1,000	11	8	8,000	8,000
Blind Persons	500	31	28	14,000	14,000
Elderly	500	11	10	5,000	5,000
Total:		99	88	43,500	43,500

Recommendation

The Advisory Committee unanimously recommends **FAVORABLE ACTION** on the following motion under Warrant Article 6 by a vote of 23-0-0:

VOTED: That the Town elect to establish an additional property tax exemption for fiscal year 2023 which shall be uniform for all exemptions, in accordance with Section 4 of Chapter 73 of the Acts of 1986, as amended by Chapter 126 of the Acts of 1988, and accept said Section 4, as amended.

ARTICLE 6 ADVISORY COMMITTEE VOTES

Article Description	Property Tax Exemptions
AC recommendation (Favorable Action unless indicated)	23-0-0
Scott Ananian	Y
Carla Benka	Y
Ben Birnbaum	Y
Harry Bohrs	Y
Cliff Brown	Y
John Doggett	Y
Katherine Florio	Y
Harry Friedman	Y
David-Marc Goldstein	Y
Neil Gordon	Y
Susan Granoff	Y
Kelly Hardebeck	Y
Anita Johnson	Y
Georgia Johnson	Y
Alisa Jonas	
Janice Kahn	Y
Carol Levin	
Pam Lodish	Y
Linda Olson Pehlke	Y
Donelle O’Neal, Sr.	Y
David Pollak	Y
Stephen Reeders	Y
Carlos Ridruejo	Y
Lee Selwyn	Y
Alok Somani	
Christine Westphal	Y
Dennis Doughty *	
* Chairperson does not vote except to break a tie	