

CITY COUNCIL MEETING

AGENDA ITEM III



CITY OF FRANKLIN
COUNCIL AGENDA REPORT

October 27, 2018

From: Judie Milner, City Manager

Subject: Council to consider change in Elderly Exemptions of Assessed Value

Suggested Motion:

November 5, 2018

Councilor moves, "I move that the Franklin City Council adopt Ordinance 04-19 an amendment to the Franklin Municipal Code, Chapter 272, Taxation, Article III Optional Adjusted Elderly Exemptions, 272-3 Designated Amounts; Qualifications with regard to the elderly assessment exemptions amounts and qualifying income thresholds."

Mayor calls for a second, discussion and roll call vote.

Discussion:

The City assessors have just completed our cyclical revaluation this year. For several reasons but mostly because the City's prior revaluation (5 years ago) was during the recession where market values drastically dropped, the results of this revaluation is a significant increase in assessed values. Assessing recently brought to my attention that several of the City's elderly, particularly elderly over the age of 80, will be receiving tax bills (some significant) for the first time in several years. These individuals who are on a fixed income would have 30 days to pay in some cases \$1000+ bills. The last time elderly exemptions were change was 13 years ago. In addition, because the City has not adjusted income levels in at least 13 years either, some elderly will no longer be eligible for an exemption and will pay several thousands of dollars that they were not expecting to pay in December.

Compared to the average of Merrimack County municipalities, Franklin is significantly lower in several of the income and exemption categories.

As the Council knows its customary, not necessary, for the council to set a public hearing in a public meeting. In certain circumstances, the Mayor, past and present, have authorized public hearings outside meetings but within the notification requirements for posting. I asked Mayor Giunta to authorize this public hearing because, if the **tax rate is set**, the Council will not have an opportunity to address this issue for the current tax year. Notification requirements for this public hearing were met.

In addition, I presented changes that would keep the elderly status quo from the previous year. I don't expect the Council will make these big changes in exemption and income thresholds but wanted to advertise the highest change as the Council can always reduce numbers without another public hearing but may not increase the numbers without another public hearing which could push tax rate setting off until December.

I will present the Council some scenarios to consider. These scenarios are not included in the public packet because they contain an estimated tax rate **NOT APPROVED** by DRA for the current tax year. Because it is an unapproved rate, scenarios will be management only documents. In addition, the estimated tax rate will change depending on the Council's action with this ordinance.

Fiscal Impact:

This change does not affect total taxes collected but rather the total assessed value by which the tax rate is set.

Alternatives:

Leave elderly exemptions and income thresholds unchanged and possible offer those who cannot come up with the taxes the following options:

- 1) Payment plan (total taxes must be paid by the lien date giving them an additional 4 months to pay)
- 2) Public Assistance – Welfare may be able to assist with other bills to free up funding for taxes – subject to welfare application and guidelines
- 3) Optional tax deferral under RSA 72:38a – liens the property for the amount of taxes but accrues 5% per year (deferrals cannot exceed 85% of the properties equity).

Attachments/Exhibits:

Ordinance 04-19



CITY OF FRANKLIN, NEW HAMPSHIRE
"The Three Rivers City"

316 Central Street
Franklin, NH 03235

(603) 934-3900
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ORDINANCE #04-19

AN AMENDMENT TO THE FRANKLIN MUNICIPAL CODE:

In the Year of our Lord, Two Thousand Eighteen;

Be it ordained by the City Council of the City of Franklin that the Franklin Municipal Code, Chapter 272, Taxation, Article III Optional Adjusted Elderly Exemptions, 272-3 Designated Amounts; Qualifications with regard to the elderly assessment exemptions amounts and qualifying income thresholds be changed as follows (**bold additional language**, strikethrough for deleted language):

The optional adjusted elderly exemptions shall be, for a person 65 years of age up to 75 years, ~~\$25,600~~ 46,000; for a person 75 years of age up to 80 years, ~~\$64,100~~ 69,700; for a person 80 years of age or older ~~\$109,900~~ 160,300. To qualify the person must have been a New Hampshire resident for at least five years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married for at least five years. In addition, the taxpayer must have a net income of not more than ~~\$21,700~~ 30,250 or, if married, a combined net income of less than ~~\$29,600~~ 37,750, and own net assets not in excess of \$74,300 excluding the value of the person's residence. Under no circumstances shall the amounts of the exemption for any age category be less than \$5,000.

Change to be effective April 1, 2018 by a roll call vote.

Roll Call:

Councilor Barton	_____	Councilor Desrochers	_____	Councilor Ribas	_____
Councilor Brown	_____	Councilor Dzujna	_____	Councilor Trudel	_____
Councilor Clarenbach	_____	Councilor Moquin	_____	Councilor Zink	_____

Approved: _____
Mayor

Passed: _____

I certify that said vote has not been amended or repealed and remain in full force and effect as of the date of this Certification and that Katie Gargano is the City Clerk for the City of Franklin, Franklin, New Hampshire.

A true copy, attested: _____
City Clerk

Date: _____

**CITY OF FRANKLIN
NOTICE OF PUBLIC HEARING & MEETING**

In accordance with the provision of Chapter 31, Division 2 of the Franklin Municipal Code, notice is hereby given that the City of Franklin will hold a public hearing on Monday, November 5th at 6pm in the Council Chambers, Franklin City Hall regarding Ordinance 04-19, proposing an amendment to the Franklin Municipal Code, Chapter 272, Taxation, Article III Optional Adjusted Elderly Exemptions, 272-3 Designated Amounts; Qualifications with regard to the elderly assessment exemptions amounts and qualifying income thresholds.

Provisions for persons with special needs can be made by contacting the City Manager's office via telephone or mail at least five days prior to the public hearing.

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