Public Hearings

The Committee held two public hearings which were advertised widely through local digital and print media.

At both hearings, a Committee presentation to share Committee work to date was followed by questions and comments from the attendees.

**First Public Hearing**

**Estabrook Hall, Cary Memorial Building**

**May 29, 2018**

The hearing was attended by 21 people.

The Committee’s presentation reviewed the Committee’s Charge and explained the history, the mechanics and the effects on property tax of the State’s Residential Exemption (SRE).

Community members in attendance asked technical questions, such as who has the authority to adopt the SRE for Lexington and how trusts would qualify, and whether the SRE provision that disqualifies non-owner-occupied properties could be overridden.

An attendee suggested hoped-for ways of reducing the overall Town property tax burden such as having the Town join the State’s Group Insurance, which the Town has already joined, finding ways to keep assessments from increasing, or instituting a Town graduated income tax instead of property tax.

An attendee asked about the effect of an SRE on older residents with fixed incomes who live in larger homes.

A resident expressed the opinion that there is a good correlation between house value and income. He supports the adoption of the SRE because those who can afford to pay more should pay more. People with more expensive houses should pay more than people who own smaller houses because the people who own smaller houses are more likely to be poor. Losing elders due to high property taxes that are replaced by young families increases town expenses because it leads to more kids in the schools.

A long-time resident expressed the worry that she may not be able to afford increasing taxes.

Another elder felt that the SRE wouldn’t make much difference for the people she knows and that the only solution lies with increased state aid to Towns.

A new resident who recently bought a price-controlled apartment testified that she would welcome the help of the Town’s property tax exemptions and deferrals but hasn’t lived here long enough to qualify.

**Second Public Hearing**

**Estabrook Hall, Cary Memorial Building**

**December 11, 2018**

The second public hearing was attended by 25 people.

The Committee’s presentation reviewed the principles of how the SRE and Means-Tested residential exemptions (MTRE) work, and introduced the preliminary results of a survey created by the Committee that was designed to evaluate housing stress as it relates to property value, income, and out-migration from Lexington. The Committee also shared information learned through round-table discussions with real estate brokers, economists and housing policy experts and input from Assessors in towns that employ means-tested exemptions.

Questions and comments were then received from attendees.

A question was asked about how assets qualifying for a means-tested exemption would be determined and concerns were expressed about inaccurate income and asset reporting by applicants and that existing means-tested exemptions have inexact rules to define excessive assets. It was also observed that a large amount of work to determine assets would be required of the Assessor’s office

A question was asked about how many residents are reached by Means Tested Exemptions followed by an expression of strong concern that only a small number would be reached, perhaps 1% of population, while the SRE available today reaches many more people. The attendee also felt that without questions about assets on the Survey, that an important factor used by seniors making migration decisions may have been missed. Later, in the Comments portion of the hearing, the same resident repeated his strong preference for the SRE because it covers more people, taxes should be progressive and that he feels that the rich should pay more. He also expressed concerns about the difficulty of attaining a home rule petition.

An attendee shared the observation that there is a known group of residents who can afford Lexington taxes but leave town because they prefer to spend that money on other things. He wanted to know if the Town could do anything to address that.

An attendee asked for examples of the Capitalization Effect, which the Committee had presented as an effect theorized to reduce and eventually eliminate the tax shift created by the SRE.

A person with experience in municipal government recommended the simple Wayland model of means tested exemptions. Means testing is very difficult to do, and the applications are very difficult for Seniors to fill out.

Two attendees expressed concerns that the needs of older seniors are not the same as those of younger seniors. One of them was a 93-yr-old Lexington resident who feels that seniors should not be considered to be a homogenous entity regarding needs. 90 is different from 70. Widowers lose their spouse’s Social Security benefits but house costs remain the same. He also objected to using a Property Tax Deferral because he doesn’t want the town to “be his heir.” He wants the full value of his property to go to his children. He has not used the Town’s schools in many years.

A different resident expressed that seniors who feel that, since they don’t use the schools they should pay reduced property tax, should consider that Lexington schools support our high property values.

A resident expressed the need for means-tested approaches that are more flexible than those that use the Circuit Breaker’s qualification rules. Taking money out of an IRA for medical expenses made her ineligible for the Circuit Breaker recently and the same disqualification would occur for Means Tested Exemptions that use the Circuit Breaker criteria.

A resident offered some thoughts on how to interpret survey results. Lower stress levels at higher ages may indicate that the more stressed residents left when they were younger. He also expressed that the effect of the SRE on rental rates is uncertain. The resident was also concerned about the potentially discriminatory aspect of residency time requirements.

A resident who had attended a meeting where the Committee discussed the SRE with economists and policy experts noted that none of the experts recommended the RE, calling it a blunt instrument. A condo owner himself, he noted that condo owners have some of the lowest property values in Lexington but could be very wealthy.

A local developer and former selectman concluded the comments portion of the hearing with a strong call to both identify those who most need help and also to make sure that everyone pays their fair share. He strongly advocated for the Town’s Property Tax Deferral program and noted that staying in Lexington is a great investment.