CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
DEPUTY CITY MANAGER

November 4, 1985

To the Honorable, the City Council:

As requested by the City Council, the attached legislation will be filed tomorrow because of the November 6th deadline for filing legislation.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf
Attachment

CITY OF CAMBRIDGE

INTEROFFICE CORRESPONDENCE

To Robert W. Healy, City Manager

Date November 4, 1985

From Board of Assessors

Reference

Subject Council Order No. 9 - October 7, 1985
Re: Elderly Exemptions

In accordance with the above mentioned Council Order, it is the opinion of the City Solicitor that the bills regarding changes in legislation must be of a General nature and not that of Home Rule petitions.

The M.G.L., Chapter 59, Section 5, has two major sections relative to Elderly exemptions; therefore, it is recommended that each clause be amended to reflect the dramatic increases in property valuations.

Clause 17C - This Clause currently allows an exemption of $175.00 in property tax. The amendment would increase the exclusion of the domicile from the current $60,000.00 to the average assessed value of all Class One residential parcels as established in each city and town. FY86 produced an exclusion of $145,710.00 in the City of Cambridge, and all other current regulations of the bill would continue to apply.

Clause 41B - This Clause currently allows for an exemption of $500.00 in property tax for single family homes only. This amendment which currently excludes two and three family homes would allow such property an exemption if, in fact, the whole estate, both real and personal, exclusive of the domicile, was not in excess of twenty thousand if single or twenty-five thousand if married. The law further would require income levels of twenty thousand if single or twenty-five thousand if married or less from all sources, including rent.

AN ACT RELATIVE TO PROPERTY TAX EXEMPTIONS

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section Five of Chapter Fifty-nine of the General Laws is hereby amended by inserting after Clause Seventeenth C1,2 - the following clause:-

> Seventeenth C1,2,3 - Real estate to the taxable valuation of two thousand dollars or the sum of one hundred and seventy-five dollars, whichever would result in an abatement of the greater amount of actual taxes due, of a surviving spouse or of any minor whose parent is deceased, occupied by such spouse, or minor as her or his domicile, or a person or persons over the age of seventy who has owned and occupied it as a domicile for no less than ten years; provided, that the whole estate, real and personal, of such spouse, person, or minor does not exceed in value the sum of forty thousand dollars, exclusive of property otherwise exempt under Clauses Twelfth, Twentieth, and Twenty-first. Exclusive of the value of the mortgage interest held by persons to be exempted is such mortgaged real estate as may be included in such whole estate and exclusive of the amount equal to the average assessed value of all Class One residential parcels within such city or town as established under MGL Chapter 59, Section 5C, or sixty thousand dollars in value of real estate occupied by such person as his domicile. No real estate shall be so exempt which the assessors shall adjudge has been conveyed to such spouse, person, or minor to evade taxation. A spouse, person, or minor aggrieved by any such judgement may appeal to county commissioners or to the Appellate Tax Board within the time and in such manner allowed by Section Sixty-four or Sixty-five, as the case may be. Any exemption under this clause, to the taxable valuation of two thousand dollars or the sum of one hundred and seventy-five dollars, whichever would result in an abatement of the greater amount of actual taxes due may be apportioned among the persons whose title to the real estate was acquired under the provisions of Section Three of Chapter One hundred and ninety and who qualify for an exemption under this clause. This clause shall take effect upon its acceptance by any city or town. In those cities and towns which accept the provisions of this clause, the provisions of Clause Seventeenth shall not be applicable; provided, however, that the state treasurer shall annually reimburse the city or town an amount equal to the reimbursement granted to such city or town under said Clause Seventeenth for the most recent fiscal year in which it received such reimbursement or the sum of one hundred dollars per exemption whichever would result in the greater amount.

AN ACT RELATIVE TO PROPERTY TAX EXEMPTIONS

Be it enacted by the Senate and House of Representatives in General Court Assembled, and by the authority of the same, as follows:

Section Five of Chapter Fifty-nine of the General Laws is hereby amended by inserting after Clause Forty-first B[1] the following clause:-

Forty-First B[1,2] - Real property to the amount of four thousand dollars of taxable valuation or the sum of five hundred dollars, whichever would amount in an exemption of the greater amount of taxes due, of a person who has reached his seventieth birthday prior to the fiscal year for which an exemption is sought and occupied by said person as his domicile or of a person who owns the same jointly with his spouse, either of whom has reached his seventieth birthday prior to the fiscal year for which an exemption is sought and occupied by them as their domicile, or for person who has reached his seventieth birthday prior to the fiscal year for which an exemption is sought who owns the same jointly or as a tenant in common with a person not his spouse and occupied by him as his domicile; provided:

(a) That such person (1) has been domiciled in the Commonwealth for the preceding ten years, (2) has so owned and occupied such real property in the commonwealth for five years, or (3) is a surviving spouse who inherits such real property and has occupied such real property in the Commonwealth five years and who otherwise qualified under this clause;

(b) That such person had, in the preceding year gross receipts with his spouse of less than fifteen thousand dollars, provided; however, that in computing the gross receipts of an applicant under this clause ordinary business expenses and losses may be deducted, but not personal or family expenses, and provided, further, that there shall be deducted from total amount received by the applicant under the Federal Social Security or Railroad Retirement and from any annuity, pension, or retirement plan established for employees of the United States government, the government of the Commonwealth, or the government of any city, town, county, or special district, included in such gross receipts, an amount equivalent to the minimum payment then payable under said social security law, as determined by the Commissioner of Revenue, or five thousand dollars whichever is greater, to a retired worker seventy years of age or over, if the applicant is unmarried, or to retired worker and spouse, both of whom are seventy years of age or over, if the applicant is married; and

(c) That such person had a whole estate real and personal, not in excess of twenty thousand dollars, or if married, not in excess of twenty-five thousand dollars, provided that real property occupied as his domicile shall not be included in computing the whole estate except for any portion of said property which produces income other than two and three family homes...

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Clause 17C - This Clause currently allows an exemption of $175.00 in property tax. The amendment would increase the exclusion of the domicile from the current $60,000.00 to the average assessed value of all Class One residential parcels as established in each city and town. FY86 produced an exclusion of $145,710.00 in the City of Cambridge, and all other current regulations of the bill would continue to apply.

Clause 41B - This Clause currently allows for an exemption of $500.00 in property tax for single family homes only. This amendment which currently excludes two and three family homes would allow such property an exemption if, in fact, the whole estate, both real and personal, exclusive of the domicile, was not in excess of twenty thousand if single or twenty-five thousand if married. The law further would require income levels of twenty thousand if single or twenty-five thousand if married or less from all sources, including rent.

AN ACT RELATIVE TO PROPERTY TAX EXEMPTIONS

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section Five of Chapter Fifty-nine of the General Laws is hereby amended by inserting after Clause Seventeenth C1,2 - the following clause:-

Seventeenth C1,2,3 - Real estate to the taxable valuation of two thousand dollars or the sum of one hundred and seventy-five dollars, whichever would result in an abatement of the greater amount of actual taxes due, of a surviving spouse or of any minor whose parent is deceased, occupied by such spouse, or minor as her or his domicile, or a person or persons over the age of seventy who has owned and occupied it as a domicile for no less than ten years; provided, that the whole estate, real and personal, of such spouse, person, or minor does not exceed in value the sum of forty thousand dollars, exclusive of property otherwise exempt under Clauses Twelfth, Twentieth, and Twenty-first. Exclusive of the value of the mortgage interest held by persons to be exempted is such mortgaged real estate as may be included in such whole estate and exclusive of the amount equal to the average assessed value of all Class One residential parcels within such city or town as established under MGL Chapter 59, Section 5C, or sixty thousand dollars in value of real estate occupied by such person as his domicile. No real estate shall be so exempt which the assessors shall adjudge has been conveyed to such spouse, person, or minor to evade taxation. A spouse, person, or minor aggrieved by any such judgement may appeal to county commissioners or to the Appellate Tax Board within the time and in such manner allowed by Section Sixty-four or Sixty-five, as the case may be. Any exemption under this clause, to the taxable valuation of two thousand dollars or the sum of one hundred and seventy-five dollars, whichever would result in an abatement of the greater amount of actual taxes due may be apportioned among the persons whose title to the real estate was acquired under the provisions of Section Three of Chapter One hundred and ninety and who qualify for an exemption under this clause. This clause shall take effect upon its acceptance by any city or town. In those cities and towns which accept the provisions of this clause, the provisions of Clause Seventeenth shall not be applicable; provided, however, that the state treasurer shall annually reimburse the city or town an amount equal to the reimbursement granted to such city or town under said Clause Seventeenth for the most recent fiscal year in which it received such reimbursement or the sum of one hundred dollars per exemption whichever would result in the greater amount.

AN ACT RELATIVE TO PROPERTY TAX EXEMPTIONS

Be it enacted by the Senate and House of Representatives in General Court Assembled, and by the authority of the same, as follows:

Section Five of Chapter Fifty-nine of the General Laws is hereby amended by inserting after Clause Forty-first B1 the following clause:-

Forty-First B1,2 - Real property to the amount of four thousand dollars of taxable valuation or the sum of five hundred dollars, whichever would amount in an exemption of the greater amount of taxes due, of a person who has reached his seventieth birthday prior to the fiscal year for which an exemption is sought and occupied by said person as his domicile or of a person who owns the same jointly with his spouse, either of whom has reached his seventieth birthday prior to the fiscal year for which an exemption is sought and occupied by them as their domicile, or for person who has reached his seventieth birthday prior to the fiscal year for which an exemption is sought who owns the same jointly or as a tenant in common with a person not his spouse and occupied by him as his domicile; provided:

(a) That such person (1) has been domiciled in the Commonwealth for the preceding ten years, (2) has so owned and occupied such real property in the commonwealth for five years, or (3) is a surviving spouse who inherits such real property and has occupied such real property in the Commonwealth five years and who otherwise qualified under this clause;

(b) That such person had, in the preceding year gross receipts with his spouse of less than fifteen thousand dollars, provided; however, that in computing the gross receipts of an applicant under this clause ordinary business expenses and losses may be deducted, but not personal or family expenses, and provided, further, that there shall be deducted from total amount received by the applicant under the Federal Social Security or Railroad Retirement and from any annuity, pension, or retirement plan established for employees of the United States government, the government of the Commonwealth, or the government of any city, town, county, or special district, included in such gross receipts, an amount equivalent to the minimum payment then payable under said social security law, as determined by the Commissioner of Revenue, or five thousand dollars whichever is greater, to a retired worker seventy years of age or over, if the applicant is unmarried, or to retired worker and spouse, both of whom are seventy years of age or over, if the applicant is married; and

(c) That such person had a whole estate real and personal, not in excess of twenty thousand dollars, or if married, not in excess of twenty-five thousand dollars, provided that real property occupied as his domicile shall not be included in computing the whole estate except for any portion of said property which produces income other than two and three family homes...

Agenda Item No. 2

S 804

Re: transmitting attached legislation to be filed on November 5, 1985 because of the November 6, 1985 deadline for filing legislation relative to elderly exemptions.

In City Council,

November 4, 1985

11/4/1985

Placed on File