



Conor Baldwin
Chief Financial Officer

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Conor Baldwin, Chief Financial Officer *[Signature]*

CC: Sue LeMay, Chief Assessor
Christine O'Connor, City Solicitor

DATE: January 23, 2020

SUBJECT: MOTION RESPONSE: 1/21/2020 - C. Nuon. – Req. City Manager Have City Assessor's Office Hold Community Meetings Throughout The City To Help Guide Residents Through The Process Of Filing Abatements For Property Assessments

The third quarter tax bills were mailed to Lowell residents and taxpayers in late December. Lowell issues four (4) quarterly tax bills each fiscal year and, under normal circumstances, the first two bills are considered "preliminary" bills, which are calculated based on using the previous years' annual tax bill. When the actual values and tax rate are determined, in simple terms, we take the calculated annual tax and deduct the first two quarterly payments. This amount is then split between the third and fourth quarter real estate tax bills.

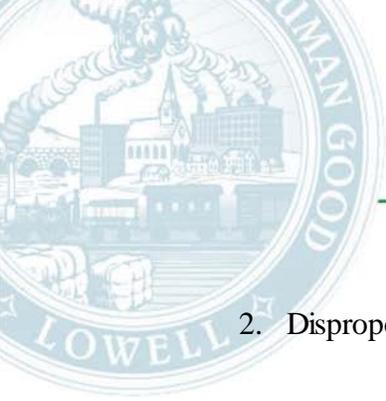
Tax Abatement Process

Tax abatements for residents are governed by Massachusetts General Laws Chapter 59. An abatement is a reduction in the tax assessed on a property for the current fiscal year. For a resident to dispute their valuation or assessment, or to correct any other billing problem or error that caused the tax bill to be higher than it should be, a taxpayer must apply for an abatement.

The Assessor's Office is the main point of contact at City Hall for residents to file for abatements or to speak with city staff regarding their property values and/or tax bills. The Assessor is required by Massachusetts Law to list and value all real and personal property, which includes all changes of title and subdivisions. Valuation is subject to ad valorem (according to value) taxation on an assessment roll each year. Assessed values in Massachusetts are based on "full and fair cash value", or 100% of the fair market value.

A taxpayer may apply for abatement under the following for conditions:

1. Overvalued (assessed value is more than fair cash value on January 1 for any reason, including clerical and data processing errors or assessment of property that is non-existent or not taxable to you);



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2. Disproportionately assessed in comparison with other properties;
3. Classified incorrectly as residential, open space, commercial or industrial real property, or;
4. Partially or fully exempt.

The Assessor's Office can be reached by phone at 978-674-4200 during normal business hours or by email on the City of Lowell website. The Assessor's webpage can be located at www.lowellma.gov and within the department's document library, at <http://lowellma.gov/156/Assessing-Forms>.

To avoid loss of appeal rights or addition of interest and other collection charges, the tax must be paid as assessed on the due date. The following individuals may file an application with the local board of assessors:

1. The assessed or subsequent (acquiring title after January 1) owner of the property;
2. The owner's administrator or executor;
3. A tenant paying rent who is obligated to pay more than one-half of the tax;
4. A person owning or having an interest or possession of the property, or
5. A mortgagee if the assessed owner has not applied;

The various types of personal exemptions, the exemption amount, and the requirements for eligibility are detailed in various clauses of Chapter 59 § 5 for surviving spouses, disabled veterans or widows of disabled veterans, blind, or elderly homeowners. The staff in the Assessor's Office is knowledgeable in the exemption amounts and application process and can assist any residents with questions or with the process. For specific details about personal exemptions and the logistical requirements, the best way for a taxpayer to navigate the process is to speak with the staff at City Hall.

The application for abatements for overvalue of a property must be filed with the board of assessors on or before the date the first installment payment of the actual tax bill mailed for the fiscal year is due and they do not stay the tax, meaning that the full amount must be paid by the due date and, if an abatement is granted, a refund will be processed by the city. Actual tax bills are those issued after the tax rate is set. Applications filed for omitted, revised or reassessed taxes must be filed within 3 months of the date the bill for those taxes was mailed.

These deadlines cannot be extended or waived by the assessors for any reason. If an application is not timely filed, the statute dictates that the applicant loses all rights to an abatement and the assessors cannot, by law, grant one. To be timely filed, the application must be (1) received by the assessors on or before the filing deadline or (2) mailed by United States mail, first class postage prepaid, to the proper address of the assessors on or before the filing deadline as shown by a postmark made by the United States postal service.



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While the assessor's office is unable to provide legal advice on specific cases, it will endeavor to publicly provide educational materials on tax payers' rights of appeal; the applicable time standards, and the typical grounds of appeal. The application deadline for abatements in FY2020 is February 3rd and the Administration will immediately make available information for the residents of Lowell through social media, the city website, and other means of communication to meet the tight time frame. The City Assessor's Office and other members of the finance team will meet to formulate a potential training/ informational session to be held next year immediately prior to the mailing of the third quarter tax bill, so that residents have an opportunity to learn more about the process and ask questions. The finance department is also currently compiling a newsletter to be mailed each year informing residents, in multiple languages, of the options available. In the meantime, please contact the Office of the City Assessor with any questions or concerns.