



City of Lowell - Law Department

375 Merrimack Street, 3rd Floor • Lowell MA 01852-5909
Tel: 978.674.4050 • Fax: 978.453.1510 • www.lowellma.gov

Christine P. O'Connor
City Solicitor

Kerry Regan Jenness
1st Assistant City Solicitor

Nicholas Anastasi
Helen Anderson
John Richard Hucksam, Jr.
Elliott J. Veloso
Assistant City Solicitors

MEMORANDUM

TO: Eileen Donoghue, City Manager *EMD*

FROM: Susan LeMay, City Assessor
Christine O'Connor, City Solicitor

DATE: May 7, 2021

SUBJECT: "City Council Vote to File Home Rule Petition To Adopt a Means-Tested Senior Citizens Property Tax Exemption;" and, "Request City Manager have City Assessor Provide a Report and Recommendation for Increasing the Annual Senior Property Tax Exemption up to \$1,000 in Order to Assist our Eligible Elderly Residents"

In response to the financial impact of COVID-19, councilors have been exploring various ways of providing economic relief to residents. Among these efforts are two motions brought forth by councilors Elliot and Chau to explore tax savings for seniors: "City Council Vote to File Home Rule Petition To Adopt a Means-Tested Senior Citizens Property Tax Exemption" (C. Elliot); and, "Request City Manager have City Assessor Provide a Report and Recommendation for Increasing the Annual Senior Property Tax Exemption up to \$1,000 in Order to Assist our Eligible Elderly Residents" (C. Chau).

Cities may provide property tax exemptions to certain individuals as defined by state law. These exemptions discharge a taxpayer from the legal obligation to pay all or part of the tax assessed for a particular fiscal year. The various exemption clauses appear in MGL c.59, §5. Clauses 41C and 41D provide exemptions to seniors who meet specific ownership, residency, income and asset requirements. These clauses must be individually adopted by a community.

Currently, the City provides an exemption of \$750.00 for Seniors 70 and older under Clause 41D. If the City were to accept the provisions of Clause 41C, the exemption would increase from \$750.00 to \$1,000.00. Attached is an Estimate/Comparison between 41C and 41D. The attachment also provides an analysis in its application for Seniors 65 and older versus Seniors 70 and older.

While transitioning from Clause 41D to 41C would be a manageable transition, further means-tested exemptions would not be recommended at this time.

Estimate/Comparison between Cl. 41D and 41C

Actual 41D Filings

Fiscal Year	No. of 41D Apps Filed	Exemption Amount	Total Cost to OverLay	Age as of July 1st
2020	187	\$750.00	\$140,250.00	70
2019	195	\$750.00	\$146,250.00	70
2018	186	\$750.00	\$139,500.00	70
2017	179	\$750.00	\$134,250.00	70
2016	190	\$750.00	\$142,500.00	70
Average Annual Cost to OL			\$140,550.00	

Overlay Inc. with Adoption of 41C at age 70

Fiscal Year	No. of 41D Apps Filed	Exemption Amount	Total Cost to OverLay	Age as of July 1st	Increase to Overlay
2020	187	\$1,000.00	\$187,000.00	70	\$46,750.00
2019	195	\$1,000.00	\$195,000.00	70	\$48,750.00
2018	186	\$1,000.00	\$186,000.00	70	\$46,500.00
2017	179	\$1,000.00	\$179,000.00	70	\$44,750.00
2016	190	\$1,000.00	\$190,000.00	70	\$47,500.00
Est. Avg. Cost to OL at Age 70			\$187,400.00		

Overlay Inc. with Adoption of 41C at age 65

Fiscal Year	No. of 41D Apps Filed	Exemption Amount	Total Cost to OverLay	Age as of July 1st	Increase to Overlay
2022	*287	\$1,000.00	\$287,000.00	65	\$146,750.00
2020	287	\$1,000.00	\$287,000.00	65	\$146,750.00
2019	295	\$1,000.00	\$295,000.00	65	\$148,750.00
2018	286	\$1,000.00	\$286,000.00	65	\$146,500.00
2017	279	\$1,000.00	\$279,000.00	65	\$144,750.00
2016	290	\$1,000.00	\$290,000.00	65	\$147,500.00
Est. Avg. to OL going forward			\$287,000.00	at age 65	

*5 yr avg + 100 senior eligible due to lower age limit