



Conor M. Baldwin
Chief Financial Officer

Allison Chambers
Deputy CFO

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*
FROM: Conor Baldwin, Chief Financial Officer
CC: Ted Panagiotopoulos, City Treasurer/ Collector
DATE: February 21, 2022

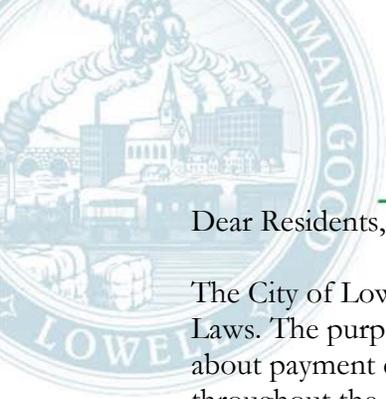
SUBJECT: MOTION RESPONSE: 2/12022 C. Rourke - Req. City Mgr. Update Council On The Communication Between Treasurer's Office And Lowell Homeowners Concerning The Late Issued Tax Bills

As was communicated to the City Council at the January 11th regular meeting, there was a delay in the issuance of the third quarterly tax bill. Rather than issuing two bills for the third (Q3) and fourth quarter (Q4) tax payment in FY2022, a single bill was issued and due on May 1st. The amount due for any individual homeowner's bill is equal to the sum of the two bills which would have normally been payable on February 1st and May 1st under the quarterly billing system. While residents are welcomed to make so-called "voluntary" tax payments prior to the May 2nd due date if the quarterly method is more affordable; the interest on delinquent tax payments is not computed until after May 2nd.

The tax bills were ultimately postmarked on or about January 19th. In an effort to communicate this change to taxpayers, the Finance Department immediately placed a notice on the city website and issued a press release to traditional media outlets like the *Lowell Sun*, as well as advertised the information using the city's social media platforms. The staff in the Collector's Office at City Hall fielded a number of phone calls regarding the issue once taxpayers received copies of their bills. However, since that time the volume of calls has reduced significantly.

At the request of the City Council, I have asked the City Treasurer/ Collector to draft an additional notice to be mailed to all taxpayers regarding the change and to obtain quotes for the printing and mailing costs. A copy of the notice drafted by the Treasurer's Office is enclosed for reference. The Veteran's Office has also requested that a mailing be sent out to Lowell residents regarding the availability of certain financial assistance for Veterans under Chapter 115 of the Massachusetts General Laws. The price quoted is for both pieces of information.

The price quoted for the mailing is \$9,983. Including postage, the total cost is \$17,915.40 for standard mail rates for 28,330 pieces of mail. Please let me know if there are any questions.



Dear Residents,

The City of Lowell employs a quarterly tax billing system as allowed by Massachusetts General Laws. The purpose of the quarterly tax payment system is to provide taxpayers with greater certainty about payment due dates and communities with a more evenly distributed level of income throughout the fiscal year. The fiscal year begins on July 1st, with preliminary tax rates used in the first 2 quarters (July 1st – December 31st) and the actual tax rates used in Quarters 3 & 4. (Jan 1st – June 30th). Please see below for a further breakdown of each individual billing cycle.

Fiscal Year by Quarter			2022
Qtr	Range	Tax Rate Method	Due Dates
Q1	Jul- Sep	Projected Tax Rate	Aug 1st
Q2	Oct-Dec	Projected Tax Rate	Nov 1st
Q3	Jan-Mar	Actual / True Up	May 2nd
Q4	Apr-Jun	Actual / True Up	May 2nd

Property values and tax rates are updated on an annual basis to forecast tax revenues and balance the fiscal budget. Tax rates are applied to the assessed property values to calculate residents' annual tax obligations. With real estate market values increasing across the region, the assessed property values in Lowell were similarly impacted, increasing the current year tax obligation from the prior year. In an effort to absorb some of the impact to Lowell residents, the City of Lowell decreased the tax rate from \$13.46 in 2021 to \$12.69 in 2022, helping reduce the overall total tax increase for Lowell residents.

Technical issues with the billing system in December 2021 caused delays and prevented the creation of 3rd quarter (Q3) property tax invoices prior to the December 31 deadline. Municipalities that employ a quarterly tax billing system are required by Mass State Law to mail Q3 invoices by December 31st. The due date for Q3 invoices not mailed by the December 31st deadline is automatically changed to May 2nd, with Q3 and Q4 combined in one lump-sum installment. Invoice format modifications to include both quarters were completed and mailed on January 19, 2022.

Residents will notice that their combined Q3/Q4 real estate bills will include a single due date, rather than the typical two-installments with which they may be accustomed. While residents are welcomed to make so-called "voluntary" tax payments prior to the May 2nd due date if the quarterly method is more affordable; the interest on delinquent tax payments is not computed until after May 2nd.

Residents will also have an extended period of time with which to seek abatements and exemptions for FY2022 real estate taxes. A variety of statutory exemptions are available to reduce property tax obligations for certain qualifying taxpayers: low income elderly persons, blind persons, disabled veterans, surviving spouses or orphaned minor children, and extreme hardship. Applications for certain statutory exemptions must be filed on or before May 2nd, 2022.

If any residents have questions regarding their FY2022 assessment or tax bills, please contact the Assessor's Office at 978-674-4200. For questions on collections or previous payments, please contact the Office of the City Treasurer/ Collector at 978-674-4222.

Theodoros Panagiotopoulos
Treasurer/Collector