

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Accepting the Provisions of Section 5 (Fifth C) of Chapter 59 of Massachusetts General Laws increases the exemption for veterans' organizations to One Million Five Hundred Thousand (\$1,500,000.00) Dollars.

Section 5 (Fifth C) of Chapter 59 of Massachusetts General Laws would allow real and personal estate belongings or held in trust for the benefit of incorporated organizations of veterans to increase the exemption to One Million Five Hundred Thousand (\$1,500,000.00) Dollars; and

Section 5 (Fifth C) of Chapter 59 of Massachusetts General Laws must be accepted by the majority vote of the Lowell City Council in order to be effective for veterans' organizations in the City; and

The City Council, pursuant to Council Rule 28, must hold a public hearing on this matter at least one (1) week prior to this vote.

NOW, THEREFORE, IT IS VOTED BY MAJORITY VOTE AS FOLLOWS:

That the City Council of the City of Lowell hereby Accepts the Provisions of Section 5 (Fifth C) of Chapter 59 of Massachusetts General Laws (a copy of which is attached and marked "A") which increases the exemption for veterans' organizations to One Million Five Hundred Thousand (\$1,500,000.00) Dollars.

Fifth C, The real and personal estate belonging to or held in trust for the benefit of incorporated organizations of veterans of any war in which the United States has been engaged, to the extent of \$1,500,000, if used and occupied by such association, and if the net income from the property is used for charitable purposes, but the estate shall not be exempt for any year in which the association, or the trustees holding for the benefit of the association, willfully fails to file with the assessors the list and statement required by section 29. This clause shall take effect upon its acceptance by any city or town. In a city or town which accepts this clause, clauses Fifth, Fifth A and Fifth B shall not be applicable.

"A"



Conor Baldwin
Chief Financial Officer

MEMORANDUM

TO: Kevin J. Murphy, City Manager

FROM: Conor Baldwin, Chief Financial Officer 

DATE: October 12, 2017

SUBJECT: **MOTION 11.9 8/22/17 by C. Mercier** - Req. City Mgr. increase the property tax revenue relief to non-profit veteran organizations from \$400,000 to \$1,500,000.

In December of 1986, the Lowell City Council accepted Chapter 727 of the Acts of 1985, setting the maximum property tax exemption threshold at \$400,000. By accepting a different local option statute, however, the Council can increase the amount of the exemption for real and personal property owned by, or held in trust for, an incorporated veterans' organization.

As a result of Councilor Mercier's motion at the end of August, the finance team has worked with the Law Department to prepare the proper vote for the City Council to increase the exemption to the statutory maximum of \$1,500,000. The vote is enclosed with this memorandum for consideration by the City Council. The process for veterans' organizations would be unchanged and is detailed below for reference.

Any veterans' organization in the City of Lowell owning property on January 1 that it claims is exempt for the fiscal year that begins on the next July 1 must file a property return with the City of Lowell assessors in order to receive an exemption. The return must be received in the assessors' office by March 1. The assessors can extend that deadline if the organization applies and demonstrates a good reason for not filing on time. The latest date the filing deadline can be extended is the last day for filing an abatement application for the fiscal year to which the tax relates days after the mailing of the tax bills for the fiscal year.

Please let me know if you have any questions.



Kevin J. Murphy
City Manager

October 12, 2017

Mayor Edward J. Kennedy
And
Members of the Lowell City Council

Dear Mayor Kennedy and Members of the Lowell City Council,

I am hereby requesting that the City Council vote to accept the provisions of Chapter 59 §5 (fifth C), raising the property tax exemption for veterans' organizations to the maximum amount allowed by statute, \$1,500,000. This vote is a result of a motion by Councilor Mercier in the late summer and will provide for additional tax relief to establishments whose members fought valiantly for our country.

Currently, the tax exemption for these organizations is set for the City of Lowell at \$400,000, which is only \$200,000 above the basic exemption. A memorandum from the Chief Financial Officer is enclosed which provides additional information about the statutory exemption and the procedure for application.

Please let me know if you have any questions.

Sincerely,

Kevin J. Murphy
City Manager

CC: Conor Baldwin, Chief Financial Officer