

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Accepting the Provisions of Section 5N of Chapter 59 of the Massachusetts General Laws regarding a Program for Reduction in Property Tax Obligation to allow veterans, or a spouse of a veteran in the case where the veteran is deceased or has a service-connected disability, in Exchange for Volunteer Services.

Section 5N of Chapter 59 of the Massachusetts General Laws would allow the City of Lowell to establish a property tax reduction program for veterans, or a spouse of a veteran in the case where the veteran is deceased or has a service-connected disability, to volunteer to provide services to the City of Lowell. In exchange for such volunteer services, the City shall reduce the real property tax obligations of that veteran on the veteran's tax bills and that reduction shall be in addition to any exemption or abatement to which that person is otherwise entitled; provided, however, that person shall not receive a rate of, or be credited with, more than the current minimum wage of the commonwealth per hour for the services provided pursuant to that reduction; and provided further, that the reduction of the real property tax bill shall not exceed One Thousand (\$1,000) Dollars in a given tax year. While providing such volunteer services, that person shall be considered a public employee for the purposes of MGL Ch. 258 and those services shall be deemed employment for the purposes of unemployment insurance as provided in Chapter 151A; and

A City by vote of its legislative body, subject to its charter may adjust the exemption in this clause by: (i) allowing an approved representative for persons physically unable to provide such services to the City; or (ii) allowing the maximum reduction of the real property tax bill to be based on 125 volunteer service hours in a given tax year, rather than One Thousand (\$1,000.00) Dollars; and

Section 5N of Chapter 59 of the Massachusetts General Laws permissive legislation which must be accepted by the majority vote of the Lowell City Council in order to be effective in the City of Lowell; 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 5N of Chapter 59 of the Massachusetts General Laws, (a copy of which is attached and marked "A") and to make such program available for the fiscal year 2019 and for each fiscal year thereafter.

V:accepts.acts.Ch.59s.5N

11A11

Part I ADMINISTRATION OF THE GOVERNMENT

Title IX TAXATION

Chapter 59 ASSESSMENT OF LOCAL TAXES

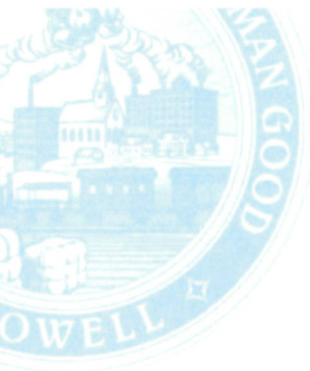
Section 5N REDUCTION OF PROPERTY TAX OBLIGATION OF
VETERAN IN EXCHANGE FOR VOLUNTEER SERVICES

Section 5N. In any city or town which accepts this section, the board of selectmen of a town, or in a municipality having a town council form of government, the town council or the mayor, with the approval of the city council in a city, may establish a program to allow veterans, as defined in clause Forty-third of section 7 of chapter 4 or a spouse of a veteran in the case where the veteran is deceased or has a service-connected disability, to volunteer to provide services to that city or town. In exchange for such volunteer services, the city or town shall reduce the real property tax obligations of that veteran on the veteran's tax bills and that reduction shall be in addition to any exemption or abatement to which that person is otherwise entitled; provided, however, that person shall not receive a rate of, or be credited with, more than the current minimum wage of the commonwealth per hour for the services provided pursuant to that reduction; and provided further,

that the reduction of the real property tax bill shall not exceed \$1,000 in a given tax year. It shall be the responsibility of the city or town to maintain a record for each taxpayer including, but not limited to, the number of hours of service and the total amount by which the real property tax has been reduced and to provide a copy of that record to the assessor in order that the actual tax bill reflect the reduced rate. A copy of that record shall also be provided to the taxpayer prior to the issuance of the actual tax bill. The cities and towns shall have the power to create local rules and procedures for implementing this section in a way that is consistent with the intent of this section. Nothing in this section shall be construed to permit the reduction of workforce or otherwise replace existing staff.

The amount by which a person's property tax liability is reduced in exchange for the volunteer services shall not be considered income, wages or employment for purposes of taxation as provided in chapter 62, for the purposes of withholding taxes as provided in chapter 62B, for the purposes of workers' compensation as provided in chapter 152 or any other applicable provisions of the General Laws. While providing such volunteer services, that person shall be considered a public employee for the purposes of chapter 258 and those services shall be deemed employment for the purposes of unemployment insurance as provided in chapter 151A.

A city or town, by vote of its legislative body, subject to its charter, may adjust the exemption in this clause by: (i) allowing an approved representative for persons physically unable to provide such services to the city or town; or (ii) allowing the maximum reduction of the real property tax bill to be based on 125 volunteer service hours in a given tax year, rather than \$1,000.



City of Lowell - Law Department

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July 3, 2018

City Manager Eileen M. Donoghue
Mayor William Samaras
and
Members of the City Council

Re: Accept provisions of MGL Ch. 59 §5N

Dear Manager Donoghue, Mayor Samaras and Members of the City Council:

Attached is a Vote to accept the provisions of Section 5N of Chapter 59 of the Massachusetts General Laws: Reduction of Property Tax Obligation of Veteran in Exchange for Volunteer Services. This Vote is brought forward as the result of a motion by Councilor Elliott. In accepting this legislation, Veteran's or their surviving spouse may reduce their tax obligations in exchange for volunteer services to the City. A public hearing is required prior to adoption.

Very truly yours,

Christine P. O'Connor
City Solicitor