

CITY OF ROCHESTER

Exemptions & Veteran Tax Credits Mayoral Ad-Hoc Committee Draft - Meeting Minutes

Meeting Information

Date: October 26, 2022
Time: 4:00 P.M.
Location: Cocheco Room
Annex Building, Second Floor
33 Wakefield Street
Rochester, New Hampshire

Committee members present: Steven Beaudoin, John Larochelle, Laura Hainey.

City staff present: Deputy City Manager Katie Ambrose

Agenda and Minutes

1. Call to Order

Chair Larochelle called the meeting to order at 4:04 PM. All members were present.

2. Review data from New Hampshire Department of Revenue Administration (NH DRA) for the Veteran's Tax Credit

Chair Larochelle distributed the 2020 and 2021 NH DRA data for eighteen municipalities including Rochester, which included 2020 Census Data and calculations for the average, median, and mode of the tax credit amounts per year.

3. Comparison with reference municipalities

Chair Larochelle listed the eighteen communities as follows: Barrington, Dover, Farmington, Milton, Rochester, Somersworth, Concord, Derry, Durham, Keene, Lee, Manchester, Merrimack, Nashua, Portsmouth, Salem, Londonderry and Bedford. He asked if any of these municipalities should be removed from the analysis. Councilor Hainey and Councilor Beaudoin agreed to include all eighteen in the analysis and discussion.

Councilor Beaudoin asked if the average or the median should be used in the comparison. All members agreed to utilize the average data in the methodology rather than median data. Chair Larochelle recommended an objective to set Rochester's income and asset limitations and exemption amounts within 20% of the previous year's average of the comparison communities. Councilors Hainey and Beaudoin agreed.

4. Presentation of any additional data, charts, tables, or graphs

Deputy City Manager Ambrose distributed additional information on HB 1667, which went into effect July 26, 2022, and expanded the definition of veteran for standard, optional, and all veterans' tax credits.

5. Consideration of the basis for setting the amounts granted and qualifications required for Veteran's Tax Credits and Elderly Exemptions.

Exemption income and asset limitations were reviewed and Elderly Exemption amounts were reviewed by age categories. Chair Larochelle stated that assets under the asset limitation exclude primary residences. Councilor Beaudoin asked if vehicles are included in the asset limitation. Deputy City Manager Ambrose read the definition of assets and the documentation requirements contained within the application, which includes motor vehicle registrations as required documentation.

Deputy City Manager Ambrose asked if the committee's data analysis reflects the recent Finance Committee recommendation to increase single and married income limitations by 10% for Elderly, Disabled, and Blind exemptions. Chair Larochelle stated that the data does not reflect a 10% income limitation increase for Rochester. When considering that recommendation, Rochester is closer to the reference municipalities and would meet the 20% objective.

Councilor Hainey **MOVED** to recommend a 20% increase to the asset limitation, which meets the stated criteria. Councilor Beaudoin seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Beaudoin **MOVED** to recommend a 10% increase on single and married income limitations as previously discussed by the Finance Committee. Councilor Hainey second the motion. The **MOTION CARRIED** by a unanimous voice vote.

Chair Larochelle asked if the committee should consider an annual increase for these recommendations. Deputy City Manager Ambrose stated that the approach has been to review the data after a full statistical revaluation has been completed, and then consider increasing the exemption amounts proportionately. All members agreed that they would like to maintain this approach. Chair Larochelle suggested that they request allowing the Ad-Hoc committee to remain formed and to reconvene after the next revaluation.

The committee discussed the Elderly Exemption amounts and Chair Larochelle stated the average for the 65-74 age category is \$105,000 and Rochester is \$75,000, the average for the 75-79 age category \$138,000 and Rochester is \$100,000, and the average for the 80+ category is \$180,000 and Rochester is \$125,000.

Councilor Beaudoin **MOVED** to increase the Elderly Exemption amount for the 65-74 age bracket to \$90,000, the 75-79 age bracket to \$120,000 and the 80+ category to \$150,000. Councilor Hainey seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

The committee discussed the Veterans' Credit and the uncertainty on the impact of the new law. Councilor Hainey stated that they should wait one year in order to analyze the impact of HB 1667 and how many new qualifying applications come forward as a result of the expanded definition. Chair Larochelle and Councilor Beaudoin agreed that the discussion should stay in committee.

6. If needed, determine what additional information is required for the next meeting.

Deputy City Manager Ambrose stated that she would provide disabled and blind exemption amounts for the established comparison communities at the next meeting on October 31.

7. Other

No discussion

8. Adjournment

Mr. Chair Larochelle **ADJOURNED** the meeting at 5:12PM

Respectfully Submitted,

Katie Ambrose
Deputy City Manager