



**From the Desk of
Steven R. Buck
City Manager**



Memo

To: City Council
Subject: Manager's Report for February 7th, 2017
Date: February 17th, 2017

To: SANFORD HOMEOWNERS
From: SANFORD ASSESSOR'S OFFICE
Date: 11/30/2017
Re: **Property Tax Exemptions for Fiscal Year 17/18**

If you own a home, sold your home, or purchased a new home before April 1, 2017 you may be eligible for the following tax exemptions:

<u>Homestead Exemption</u>	\$20,000* (Increased for 2017)
Veteran Exemption	\$6,000*
Widow/Widower Veteran Exemption	\$ 6,000*
Paraplegic Veteran Exemption	\$ 50,000*

Blind Exemption

\$ 4,000*

PLEASE NOTE THE FOLLOWING:

You must notify the Assessing office in writing and complete an application, for any of the above exemptions by April.

It is important to remember that the homestead exemption benefit does not automatically transfer to a new residence or owner. A new application is required if you move or if you change the manner in which title is held on your existing homestead. All exemptions are removed per sale each year on April 1st.

* For information or questions, contact the Assessor's office at 324-9115 to qualify for any of the above exemptions, as there is a certain criteria for each exemption.

Community Development:

Community Development Director Ian Houseal is drafting a program centered on addressing the aging housing infrastructure within the City. Examination of the housing inventory has been ongoing and the issues associated. Review on the type and number of rental properties, neighborhoods and conditions, densities, and a host of other information is being reviewed.

Administration is working with our legal counsel this week on enforcement matters as it pertains to the City's current Ordinances and how to better perfect actions against violations. Examinations of current staff and enforcement practices are being reviewed with pending recommendations for amending in the near term.

The first of this information will be presented to the Housing Subcommittee pending for February 16th, 2107.

City Budget and Capital Improvements Program:

Administration is working on revisions to the Operating Budget, Revenue Projections, and Capital Improvements Program as submitted by Departments. As historically true, there continues to be escalating costs of service provisions, relatively flat revenues, and a capital need that far exceeds the current ability to fund. As this is not a new set of scenarios we are working diligently to provide a First Draft for Budget Committee review and actions that will minimize impacts upon the existing property tax burden.

The Budget Committee will meet first on Thursday, March 2 at 6:00PM in the Council Chambers and will meet on the four successive Thursdays to produce a recommended Municipal and School Budget to the City Council on or before April 4th, 2017.

Advocacy:

As Sanford's appointee to the Legislative Policy Committee of the Maine Municipal Association for Senate District 33, I attended the LPC Meeting held on January 26th, 2017. The topics under consideration was the Governor's Biennial Budget and the municipal impacts as well as the large number of Bills already printed and scheduled for Committees and public hearings. Approximately 100 Bills were reviewed and positions voted predominantly in the areas of the Governor's and or State

Budget amendments, amendments to Education Funding, Transportation, State Budget Appropriations and Taxation, Health and Human Services, and Labor. Aside from Education, the majority of the Bills printed to date propose amendments and or funding changes that are very familiar to those who are concerned with the State-Municipal relations over the past 20 years. But in Education there is sweeping reforms pending towards Special Education Funding and a proposed rewrite of the Essential Programs and Services Model and how that Model distributes aid to School Districts statewide.

It is far too early yet to predict how these Bills will ultimately impact municipalities, specifically Sanford. The one constant is, however, the uncertainty that has become inherent in budgeting and the State's treatment of municipalities towards the funding of mandated and elected services. It is unfortunate that the State-Municipal working relations has fallen to a level of uncertainty and unrest and that our State Legislature cannot find greater agreeance on how best to provide and fund all levels of services and infrastructure throughout our State. The balance of property, sales, and incomes taxes is a never ending debate that is the heart of the uncertainty and unrest.

I will report out in greater detail as the Legislative Session progresses.

Mayor's Coalition:

This week the Mayor's Coalition, to which Sanford belongs, will be offering testimony in three key areas as it relates to the Governor's Budget.

Revenue Sharing (Monday, February 6th @ 10:00 am)

Coalition Position - Opposition. Revenue Sharing should be funded, not repealed.

Revenue sharing is a partnership between the state and municipalities. The partnership recognizes that Maine towns and cities provide the basic services that support Maine's economy: roads, water, sewer, police and fire protection. The state collects over \$2 billion a year in sales and income taxes from that economic activity. Revenue sharing allows communities to receive a small percentage of the revenue.

Revenue sharing, by law, is supposed to be 5% of sales and income tax revenues, \$150 million a year. Yet it is only a bit over \$60 M this year, 2% of applicable revenues. The state is not living up to its obligations and that is forcing higher property taxes. The budget proposal would make this worse by setting revenue sharing at 2% now and in the future.

Revenue sharing keeps property taxes down. As the state has reduced revenue sharing over the past few years, property taxes have risen faster than income and sales taxes.

We recommend that in this budget you commit to moving revenue sharing back up to the 5% level by increasing it to 3% in FY 18 and 4% in FY 19. Several bills have been proposed to implement this stepped increase and we will be back to advocate for their passage.

If it does not fully fund revenue sharing, the state must give municipalities the tools necessary to keep property taxes under control. Otherwise, we will force families and businesses out of Maine communities. Options include a fire service fee, local option sales tax, full state reimbursement for the homestead exemption, Revenue Sharing II to focus the benefits of the remaining revenue sharing on high tax communities, and full state responsibility for jail costs.

Homestead Exemption (Monday, February 6th @ 10:00 am)

Coalition Position - Opposition. Current law should be maintained.

The Governor proposes to make the Homestead Exemption for seniors only, but will move it to \$20,000 as proposed under current law.

1. This proposal would raise the property taxes of every non-senior resident homeowner in the state. They would see their taxes increased by the amount of the property tax on \$15,000 in valuation (\$225-375 in most communities).
2. This will have a real impact on low-income residents. They generally have less expensive homes and this represents a larger share of their tax bill. For some residents of manufactured homes, there is no tax under the current system.
3. Follow current law. Allow the homestead exemption to move to \$20,000 at 62.5% state reimbursement, as committed to in the last budget. Anything else will result in a property tax increase for non-senior residents.

BETE/BETR and the Telecommunications Tax (Tuesday, February 7th @ 1:00 pm)

Coalition Position: BETE/BETR - Oppose. Telecommunications Tax - Support

BETE/BETR

1. This is a rehash of a proposal that was put forward in both 2013, 2014, and 2015. It was rejected then and should be rejected now.
2. This proposal would move all equipment in BETR to BETE. The change will be minimal for taxpayers. The only reason to do it is to shift costs from the state to municipalities.
3. This change is unnecessary and should not be made.

Telecommunication Tax

1. We welcome any change that improves municipal revenues.
2. We are concerned that good information on the value of telecommunications property by municipality is hard to find, but that can be addressed over time.
3. The state would forgo \$8M in revenue from this change. The amount to municipalities would likely be similar.
4. This is one administration proposal we are pleased to support.