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; 04/13/17 12:30 PM  
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;;;Boston City Council 170413

>> WE'RE HERE TO APPROVE A  
PETITION FOR AN ACT REGARDING  
THE OCCUPANCY GUIDELINE FOR  
RESIDENCY EXCEPTIONS IN THE CITY  
OF BOSTON.

IT WAS REFERRED TO COMMITTEE  
BACK ON APRIL 5th TO EXTEND THE  
PETITION AND PROPOSES TO ALLOW  
TAXPAYERS WHO OBTAIN THEIR  
PRINCIPLE RESIDENCE AFTER  
JANUARY 1 AND BEFORE JULY 1 FOR  
THE EXEMPTION YEAR OPPOSED TO  
WAITING A YEAR AND A HALF TO  
RECEIVE EXEMPTION.

I'LL LIKE TO CONGRATULATE  
COUNCILOR CIOMMO AND OUR  
COMMISSIONER RON RACK.

ANY OPENING COMMENTS --

>> AND JOINED BY CITY COUNCILOR  
McCARTHY AS WELL.

>> THANK YOU FOR YOUR WORK AND  
MY STAFF FOR COMING UP WITH  
SOMETHING I THINK WILL SERVE THE  
ENTIRE CITY VERY WELL AND  
ENCOURAGE MORE HOME OWNERSHIP  
AROUND GET THE EXEMPTION TO THE  
PEOPLE ESPECIALLY FIRST-TIME  
HOME BUYERS.

OBVIOUSLY WE HAVE VALUES GOING  
UP TREMENDOUSLY.

PEOPLE ARE FINDING IT HARD TO  
SCRAPE TOGETHER ALL THE MONEY  
NECESSARY TO PUT DOWN AND  
CLOSING COSTS AND ANY WAY WE CAN  
HELP THEM GET INTO A HOME IS A  
GOOD THING.

THANK YOU, COMMISSIONER FOR  
HELPING THE CRAFT THIS AND  
HOPEFULLY GET IT THROUGH THE  
LEGISLATURE

>> THANK YOU, MR. CHAIRMAN.  
I'M RON ROCCO THE COMMISSIONER  
OF THE ASSESSMENT DEPARTMENT.  
HAPPY TO BE HERE AND THIS IS EYE  
REFLECTION OF THE PROCESS WE  
STARTED WITH COUNCILOR CIOMMO

MONTHS AGO AND WORKING THROUGH AN ISSUE WE'VE STRUGGLED WITH FOR A WHILE. THE RESIDENTIAL EXEMPTION WE HAVE TODAY IS GREAT. IT'S ONE OF THOSE THINGS THAT REALLY HELPS KEEP TAXES AND THE COST OF HOME OWNERSHIP DOWN IN THE CITY OF BOSTON AND KEEPS OUR TAX RATES VERY COMPETITIVE. THIS YEAR WITH YOUR HELP AND HELP FROM THE LEGISLATURE WE WERE ABLE TO INCREASE THE AMOUNT TO ALMOST \$2400 SO IT'S A REALLY BIG TAX BENEFIT. BUT ONE THEIR THING THAT'S HISTORICALLY HAPPENED IS QUALIFICATION RATE IS JANUARY 1 BEFORE THE BEGINNING OF THE FISCAL YEAR. WE'VE HAD TAXPAYERS WHO PURCHASED A PROPERTY AFTER THE JANUARY 1 DATE BUT BEFORE THE BEGINNING OF THE FISCAL YEAR FOR A HOME OWNER WHO WASN'T PREVIOUSLY RECEIVE THE EXEMPTION WOUL NOT BE ABLE TO APPLY FOR EXEMPTION UNTIL THE FOLLOWING YEAR SO THEY BASICALLY HAVE TO GO A WHOLE YEAR. IN TODAY'S REAL ESTATE ENVIRONMENT WHERE IT'S REALLY CHALLENGING FOR NEW HOMEOWNERS TO SCRAPE UP THE DOLLARS TO BUY A HOUSE, THE FACT YOU HAVE TO PAY AN EXTRA \$2400 FOR A TAX BILL ISN'T HELPFUL. WE'RE LOOKING FOR A SOLUTION WHERE WE CAN AMEND THE GENERAL LAWS IN A WAY THAT WOULD ALLOW US TO LET PEOPLE WHEN THEY BUY A PROPERTY TO EXTEND THAT EFFECTIVE DAY TO JULY 1 TO THE BEGINNING OF THE FISCAL YEAR. SO IF YOU BUY THE PROPERTY AFTER JANUARY 1 BUT BEFORE JUNE 30 WE CAN INCLUDE YOU IN THE PROCESS WE USE TO AUTO WARD NEW EXEMPTIONS AND APPLY FOR NEW EXEMPTIONS AND THEREFORE THE HOMEOWNERS IN THOSE SITUATIONS WOULD BE ABLE TO GET THE RESIDENTIAL EXEMPTION A YEAR EARLIER.

IT'S A WIN-WIN SITUATION.  
I REALLY WOULD LIKE TO THANK THE  
COUNCILOR BECAUSE HE HEARD SOME  
OF OUR CONCERNS FROM A LEGAL AND  
ADMINISTRATIVE PERSPECTIVE.  
WE WERE ABLE TO STRUCTURE THIS  
IN A WAY WHERE ITçó ALLOWS US TO  
HAVE THIS ADDITION BATCH OF  
HOMEOWNERS STILL GO THROUGH OUR  
REGULAR RENEWAL AND APPLICATION  
PROCESS WHICH IS HELPFUL SO IT  
WILL HELP US MANAGE THE WORK  
LOAD OF THAT AND ALSO PRESERVES  
THE JANUARY 1çó EFFECTIVE DATE FOR  
THE EXEMPTION FOR ALL OTHER  
HOMEOWNERS AND THAT'S IMPORTANT  
TOO BECAUSE ENFORCEMENT IS ALSO  
IMPORTANT BECAUSE WE WANT TO  
GIVE IT TO THOSE DESERVING AND  
MAKE SURE TAXPAYERS THAT ARE NOT  
DESERVING ARE NOT RECEIVING IT  
AND ARE ABLE TO USE THE JANUARY  
1 DATE AS THE DAY THE INCOME TAX  
FILING RESIDENCY IS ESTABLISHED  
FOR THAT.

THAT'S A GREAT AUDIT MECHANISM  
FOR US.

BY PRESERVING THE DATE FOR  
EVERYONE ELSE BUT USING THE JULY  
1 DATE FOR NEW OWNERS IT'S A  
GREAT WAY OF BALANCING THE  
INTERESTS.

AGAIN, WE THINK IT'S A GREAT  
PROPOSAL.

WE LOOK FORWARD TO WORKING WITH  
YOU AND GETTING IT THROUGH THE  
COUNCIL AND HOPEFULLY THROUGH  
THE STATE HOUSE.

>> YOU JUST TOUCHED ON -- I WAS  
GOING TO ASK HOW IT WOULD  
DOVETAIL WITH FOLKS FILING AND  
DOES IT THROW IT OFF ONE YEAR  
ALLOWING FOLKS JANUARY 1 TO JUNE  
30.

YOU SIT IN WERE TAX GUY AND PUT  
IT INTO THE RESIDENTIAL  
EXEMPTION.

HAVE YOU GIVEN IT THOUGHT?

>> THE REASONñi AS THE IMPORTANT  
IS IT'S REFINED -- DEFINED AS  
WHERE YOU FILE YOUR INCOMEñr TAXES  
FROM.

THAT'S WHY IT'S IMPORTANT TO  
MAINTAIN THE LINK FOR EVERYONE

ELSE BECAUSE WE  
YEAR TO MAKE SURE THE RESIDENCE  
YOU'RE CLAIMING IS THE SAME  
INCOME TAXES FOR SO WE'RE  
ENST-R'G IT GOES TO THE RIGHT  
PERSON.  
BY USING THE JULY 1 DATE FOR NEW  
HOMEOWNERS --  
>> I WANT TO MAKE SURE WE'RE NOT  
CREATING A LOOPHOLE TO SAY  
THEY'RE A RESIDENT OF SOMEWHERE  
ELSE AND SWOOP IN FOR THE  
DEADLINE AND TAKE ADVANTAGE OF  
THIS --  
>> FOR NEW HOMEOWNERS  
UNTIL JULY 1 AND WE'LL VERIFY  
IT.  
IF YOU BOUGHT IT AND IT TAKES A  
?UA1  
THEN OCCUPY THE PROPERTY YOU'LL  
GET THE EXEMPTION.  
IF YOU BUY IT AND ARE GOING TO  
RENT IT OUT AND NEVER GOING TO  
OCCUPY THE PROPERTY THEN YOU  
JULY 1.  
>> WHAT IF SOMEONE IS A DAY OR  
TWO OR THREE DAYS LATE?  
DO YOU GET MANY OF THOSE  
SITUATIONS?  
>> WE DO NOW.  
YOUR HEART  
BUT CERTAINLY UNFORTUNATELY  
Q)E'LL BE PEOPLE WHO BUY A  
PROPERTY JULY 3 WHO WILL NOT  
BENEFIT FROM THE RESIDENTIAL  
EXEMPTION UNTIL THE NEXT YEAR  
BUT AT THAT POINT  
BENEFIT THEY ALL HAVE EFFECTIVE  
DATES.  
AT THIS POINT WE'RE TAKING IT TO  
WHEN THE FISCAL YEAR BEGINS  
WHICH IS A PRETTY EXTENSIVE  
DEADLINE. UQ!  
SOMEONE A DAY LATE BUT I THINK  
WE'RE TAKING THE AMOUNT OF TIME  
TO WHERE IT CAN GO.  
>> AND ON CPA BECAUSE WE'RE IN  
THE PROCESS THE COUNCIL  
PROCESS OF FORMING THE ORDINANCE  
AROUND THE CPC WHICH IS THE CITY  
PRESERVATION COMMITTEE.  
WE HAD A HEARING AND WILL HAVE  
ONE OR TWO WORKING SESSIONS BUT

WOULD LIKE AT LEAST A CONSULT  
FROM YOU BECAUSE AT THE END OF  
THE DAY WHEN THE FUNDS ARE  
COMING IN I HAVE TO ASSUME  
THEY'LL BE PASSING THROUGH YOU  
OR YOU HAVE A UNIQUE VANTAGE  
POINT WITH RESPECT TO THE FUNDS  
AND WHETHER THIS HAS ANYTHING TO  
DO WITH NA CONCERN THAT I WANT  
TO MAKE SURE WE'LL PUT THE  
PARAMETERS AROUND THE CPC  
COMMITTEE AND MOVING FORWARD  
WHETHER THEY'LL BE GENERATED  
FROM CPA FUNDS AND MOVING  
FORWARD BUT IF YOU DIDN'T HAVE  
INITIAL THOUGHTS OR AN  
OPPORTUNITY TO LOOK AT THE  
ORDINANCE WE JUST WANT TO MAKE  
SURE IT WORK FOR BOSTON.  
CLEARLY IT PASSED ON THE BALLOT.  
NOW WE'RE CHARGED WITH PUTTING  
THE CPC TOGETHER BUT I WANT TO  
MAKE SURE WHATEVER WE'RE DOING IS  
BASED ON YOUR PROFESSIONAL  
OPINION MAKES SENSE FOR THE CITY  
AND GIVEN YOUR ACUMEN.  
>> I APPRECIATE IT.  
I'VE BEEN WORKING WITH MY  
COLLEAGUES AND THE FINANCE  
CABINET ON THE IMPLEMENTATION OF  
AND CERTAINLY THERE'S A LOT OF  
WORK INVOLVED IN TERMS OF  
WORKING WITH THE TAX SOFTWARE TO  
GET ALL THOSE NECESSARY  
CALCULATIONS DONE AND WE'RE  
CERTAINLY BUSY WORKING ON THAT  
NOW BUT WE'LL BE PREPARED AND  
HAPPY TO DO WHATEVER WE CAN TO  
HELP  
>> AND AT LEAST WE'LL NOTICE  
YOU'RE IN THE WORKING SESSION  
AND WE CAN GET  
APPROVAL IS IMPORTANT TO  
SURE WHATEVER WE'RE DOING WE DO  
IT RIGHT.  
>> I APPRECIATE THAT.  
QUESTIONS OF THE COMMISSIONER?  
>> JUST A FEW.  
AGAIN, THANKS, COMMISSIONER.  
I WAS MAYBE MORE AGGRESSIVE IN  
MY FIRST DRAFT BUT I SEE THE  
BENEFIT OF WHAT WE'RE DOING NOW.  
NOT ALLOWING FOR HOMQ  
WAIT SOMETIMES A YEAR AND A

HALF,Ñi SOMETIMES TWO YEARS.  
SOMETIMES PEOPLE DONE -- DON'Tçó  
REALIZE IT.  
ONE THING I ALWAYS ASK IS WILL  
THIS COST MORE STAFFING OR COSTS  
OF THE DEPARTMENT?  
>> I THINK WE ALREADY HAVE --  
WE'VE DONE A LOT IN THE PROCESSÑi  
AND WE HAVE WHAT WE GO THROUGH.ñrÑi  
WE'RE ALREADY PROCESSING 2,000  
TO 3,000 APPLICATIONS A YEAR.  
THE ADDITIONAL WORK LOAD FROM  
THIS SHOULDN'T BEñrÑi THAT  
SIGNIFICANT AND THE FACT THATÑi WE  
SENDçóÑi OUT EXEMPTIONS IN AUGUST SO  
THE TIMING OF THIS ISÑiñr WE'RE  
GOING TO JULY 1 BEING WE GETñr  
AFTER THAT SO WE'LL BE ABLE TO  
INCLUDE THIS IN OUR NORMAL  
WE'VE LOOKED AT THE NUMBERS AND  
FEEL WEñr CANñr GET THISÑiñiñr DONE.  
OURñrçó EXISTINGçó RESOURCES.  
>> THAT'S GREAT NEWS.ñrçóñrÑiñiçóÑiñiÑi  
>> AS FAR AS APPLYING FOR  
NOTIFICATION HOW DOES A  
HOMI  
CANñrÑi APPLY AND WALK THROUGH THAT  
REAL QUICK.  
>> SO THE READERSÑi DIGEST VERSION  
IS ANYTIME THERE'S A SALE ON A  
NEW PROPERTY OR A HOMEOWNER  
ENTERS INTO A RESIDENTIAL  
PROPERTY WE GET A NOTICE THROUGH  
THE REGISTRY THE SALE'S TAKEN  
PLACE AND THE NEW HOMEOWNERS IN  
AUGUST WE'LL COMPILE AND SEND  
OUT APPLICATIONS TO ALL THOSE  
NEWçó HOMEOWNERS FOR THEM TO APPLY  
FORñrÑi THE RESIDENTIAL EXEMPTION.  
THEY HAVE TO PROVIDE  
DOCUMENTATION THEY'RE LIVING IN  
THE PROPERTY AS THEIR PRINCIPLE  
RESIDENCE AND ONCE THEY SEND  
THAT BACK WE GO THROUGH OUR  
VERIFICATION PROCESS AND IT  
AVOIDS THEM HAVING TO PAY D-2A Q%=9  
REFUND.  
WE GET ALL OF OUR PROCESSING  
DONE BEFORE THE THIRD QUARTER  
BILL IS SEND OUT.  
AND THEY GET THE BENEFIT OF IT  
THEN.  
>> ANDÑiñiñiñi CONVERSELY AND DURING OURÑi  
MEETINGS WE HADÑi SEVERAL

DISCUSSIONS ABOUT INVESTORS WHO  
BASICALLY INHERIT THE  
RESIDENTIAL EXEMPTION FOR A  
WHILE AND I KNOW WE'RE GOING TO  
WAY BUT GIVE  
YOU GO THROUGH TO ADDRESS THAT  
ISSUE?

>> IT'S THE SAME PROCESS.  
SO WHEN THAT SALE TAKES PLACE WE  
FROM THE PROPERTY FOR THE NEXT  
YEAR AND REQUIRE THE NEW OWNER  
TO REAPPLY.

IN YOUR SCENARIO IF IT'S AN  
INVESTOR OF THE PROPERTY THEY  
WILL NOT QUALIFY FOR THE  
EXEMPTION BECAUSE THEY WON'T BE  
ABLE TO DEMONSTRATE THEY OCCUPY  
THE PROPERTY AS THEIR PRINCIPLE  
RESIDENCE SO WE'LL MOVE THE  
EXEMPTION AND THE SUBSEQUENT  
FISCAL YEAR THEY WILL NOT  
RECEIVE W3IT.

>> THAT'S IS UNDER FINES AND  
PENALTIES APPLIED.

>> THE PAINS AND PENALTIES OF  
PERJURY.

IN ADDITION TO THE DOCUMENTATION  
WE ASK FOR WE HAVE VARIOUS AUDIT  
TECHNIQUES WE'VE DEVELOPED OVER  
THE YEARS USING DATABASES  
AVAILABLE TO US HELPFUL TO A IN  
DETERMINING WHETHER OR NOT  
SOMEONE LIVES AT THE PROPERTY OR  
NOT.

>> AND I KNOW ARE ROBUST IN THAT  
AREA AS WELL.

I THINK WE ALSO TALKED ABOUT  
WHAT KIND OF CLAWBACK YOU HAVE  
IF YOU CAN SPEAK TO THAT A  
LITTLE.

>> THAT'S AN INTERESTING  
BECAUSE UNDER CURRENT LAW IF WE  
FIND AFTER THE EXEMPTION'S BEEN  
GRANTED SOMEBODY'S LIVED IN THE  
PROPERTY THERE'S NO WAY TO  
REMOVE THE EXEMPTION UNDER  
CURRENT LAW.

AS PART OF THE MAYOR'S  
LEGISLATIVE PACK AND WE HAVE  
FILED TO REMOVE THE EXEMPTION  
AND RE-APPLY THE TAX.

IN THE CASE OF A FRAUDULENT  
APPLICATION WE CAN GO BACK UP TO  
SIX YEAR AND RECOUP THAT

EXEMPTION AMOUNT.

AGAIN, IT'S IMPORTANT THAT REWARDS HOME OWNERSHIP IN THE CITY BUT WANT TO MAKE SURE IT'S ONLY GOING TO THE PEOPLE WHO TRULY DESERVE IT AND NEED IT TAKE STEPS TO ENSURE IN CASES PEOPLE ARE RECEIVING IT THAT SHOULDN'T WE GET THE MONEY BACK.

>> LASTLY, WE DON'T EXPECT TO SEE A LOSS REVENUE IN THIS. WE'RE EXTENDING THE EXEMPTION HOPEFULLY TO MORE PEOPLE -- MAYOR NOT MORE PEOPLE BUT EARLIER TO ELIGIBLE PEOPLE.

>> THAT'S AN EXCELLENT POINT, COUNCILOR.

PART OF OUR WORK AHEAD OF TIME IS BECAUSE WE'VE ESTABLISHED THE JULY 1 DATE AND INCLUDE THESE FOLKS IN OUR APPLICATION PROCESS IN THE SUMMER WE CAN GET ALL THE APPLICATIONS PROCESSED BEFORE THE THIRD QUARTER BILL IS SET AND Q RATE IS SET WITH THE EXEMPTIONS BUILT INTO IT.

AS A RESULT THERE'S NO LOSS OF REVENUE TO THE CITY.

>> THAT'S GREAT.

A FINAL STATEMENT, I'D LOVE TO CONTINUE THE WORK ON THIS ISSUE. MAYBE PROVIDING MORE PENALTIES FOR THOSE FOLKS AGAIN WHAT IT TAKES FOR YOU TO GO BACK SIX YEARS, A LOT OF STAFF TIME. IF YOU CATCH SOMEONE AND HAVE THAT EVIDENCE AND HAVE THE CLAWBACK AND WE CAN TAKE THAT OFFLINE AND I APPRECIATE MY COLLEAGUES JOINING ME AND THE WORK YOU'VE DONE WITH ME AND CHRISTINE AND MY STAFF AND HOPEFULLY WE CAN GET THIS UP TO THE STATE HOUSE AND ONTO THE ELIGIBLE HOMEOWNERS OF BOSTON. THANK YOU.

THANK YOU, MR. CHAIR?

>> ANY FOLLOW-UP QUESTIONS?

I APPRECIATE YOUR TIME AND ATTENTION TO THE MATTER AND HOPEFULLY WE'LL GET IT TURNED AROUND AND GET A REPORT BEFORE THE NEXT FORMAL SESSION.



I APPRECIATE YOUR TIME AND EFFORT AND I LOOK FORWARD TO WORKING WITH YOU THROUGHOUT THE BUDGET PROCESS AND IT'S IMPORTANT IT GETS UP TO BEACON HILL AND THEY RECOGNIZE THE WISDOM BEHIND IT AND GET IT TURNED AROUND AS QUICK AS WE CAN.

THANK YOU, COMMISSIONER AND THAT WILL CONCLUDE THE HEARING AND IT'S A PETITION REGARDING HOME OWNERSHIP AND OCCUPANCY DEADLINE FOR RESIDENTIAL PROPERTY EXEMPTIONS DOCKET 0517. THE COMMITTEE HEARING IS ADJOURNED. THANK YOU.