



Wellfleet residents will get tax exemption

By Edward Miller

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WELLFLEET — A divided select board voted on Tuesday evening to adopt a 20-percent residential tax exemption (RTE) for the coming fiscal year, offering for the first time a property tax break to local homeowners on their primary residence.

The vote was 3 to 2, with selectmen Kathleen Bacon, Justina Carlson and Janet Reinhart in favor and Jerry Houk and Helen Miranda Wilson opposed.

Speaking for the three-member board of assessors at the annual tax classification hearing, Nancy Vail told the selectmen that her board did not recommend the change “at this time.”

“We feel a broader discussion should be had,” Vail said. “We don’t know all the effects. There is a lot of misinformation. People don’t know how it works.” She suggested that the assessors could sponsor workshops to inform people about the policy.

“This is the discussion,” Reinhart told Vail at Tuesday’s hearing. “This has been talked about for at least a year.” She said she saw no need for workshops at this point.

Wellfleet thus joins 15 other Massachusetts communities that have adopted the RTE, including three others on the Cape — Provincetown, Truro and Barnstable — as well as Nantucket and Tisbury, on Martha’s Vineyard.

The RTE shifts some of the property tax burden from “domiciled” residents who apply for it to second-home owners and nonresident taxpayers. By law it is revenue-neutral, so the savings enjoyed by the first group must be offset by higher taxes on the second.

The 20 percent refers to the share of the average residential assessment that may be exempted. Towns can choose to exempt up to 35 percent. Figures prepared by Town Administrator Dan Hoort showed that, for fiscal year 2018, the average assessed value of residential property in Wellfleet was \$528,523. Twenty percent of that is \$105,705, which would have been the exemption amount had the policy been in place for that year. Homeowners who qualified would thus have gotten that amount deducted from their homes’ assessed value for tax purposes.

The RTE makes the property tax somewhat more progressive, in that the owners of more modest homes get the largest benefit. Hoort’s figures showed that the resident owner of a \$300,000 property would save \$675 to \$710 a year, while the owner of a \$750,000

property would save \$482 to \$598 a year.

The added tax on a nonresident's \$300,000 home would be between \$75 and \$129 a year; for a \$1 million home, the extra tax would be \$250 to \$430 a year.

The members of the select board and some audience members spoke with passion on both sides of the issue.

"The state offers this option because it's a mechanism to make the tax law more fair," said Carlson. "It's a small contribution to make our tax policy more fair for the elderly on fixed incomes and people struggling to live here year-round. It makes the community stronger for everybody."

Bacon said that she had been introduced to the issue by the late Paul Pilcher when he was a selectman. "Paul Pilcher's wish was this tax exemption," she said. "He saw it as a way to create a sustainable community in Wellfleet. This is a tool we need to use."

But Houk said that most of the nonresidents he had heard from opposed the RTE. "I don't think it's a good idea," he said. "It will in some way tear the fabric of the community apart. I see it happening in Provincetown. I'm very torn, but I don't want to be against the nonresidents. What if they stop contributing to our charities?"

And Wilson asked, "How do you define 'domiciled'? We have no way of policing that. In Boston they found that a lot of people were cheating."

Reinhart said that the RTE was widely recommended by municipal experts as a way to help low-income people, and she predicted that many more towns would be adopting it in the coming year.

Susan Reverby of the Non-resident Taxpayers' Association noted that "a lot of us who come here come with progressive politics. What feels unfair is if my neighbor who's a resident goes to Miami or San Miguel for a good part of the year. Why should the tax be different for that person?"

Residents John Cumbler, Sheila Lyons and Manny Smith rose from the audience to endorse the RTE, as did second-home owner Judy Wood of New York City.

"I am a nonresident taxpayer," said Wood. "I am totally in support of this. I'm proud to pay the money."

"I was a nonresident for 28 years," said Cumbler. "I got the benefit of being able to come to a functioning town. I understood that the town I came to visit for three or four weeks a year survived and thrived because of the residents. If I had to contribute extra, that was a privilege. What benefits permanent residents helps the town."

