

July 26, 2016

Town of Lyme, NH
Tax Study and Advisory Committee
July 26, 2016
Town Office Conference Room

Committee members present: Nancy Allison, Judy Brotman, Karl Furstenberg, Eric Colberg, Carola Lea, Carl Mehrbach, Dennis Stern (Chair, filling in for Sue MacKenzie)

The meeting was called to order at 6:34 PM

Minutes from June 28th meeting were approved.

Discussion at this meeting was focused on what recommendations the Committee might make to the Selectboard. It was acknowledged that the Committee needs to move forward on recommendations because we only have a few more meetings before any necessary warrant articles might need to be drafted in October. Mr. Stern reread the charge to the Committee "To investigate ways to and means to decrease the tax burden on long term, fixed income, retired residents who wish to continue to reside in Lyme but can no longer meet the tax burden."

The Committee noted three areas in which we have reached agreement in ways that meet this charge:

1. Tax deferral program for individuals who cannot meet the yearly tax burden, including a tax lien provision.
2. Tax exemption program, based upon State statute, for elderly residents who qualify based upon age, income, and asset requirements with appropriate publicity through various Town communication channels.
3. A senior guide for older residents outlining various resources available. This guide will become available in the fall.

Discussion next moved to specific recommendations the Committee might make about additional revenue sources that would have the effect of moderating increases in the tax burden by increasing Town revenues:

1. Issuing Tax Bills Twice per Year, June 1 and December 1. This is an administrative action the Selectboard can take without warrant. It avoids the necessity of the Town borrowing funds midway through the year to meet expenses. It does, however, involve additional administrative expense to issue and collect tax bills twice per year. In this sense it is income neutral. The Committee did feel that twice a year tax bills would help residents better budget for tax payments. The Committee does support the change to twice yearly tax bills.
2. Adoption of an additional \$5.00 Motor Vehicle Registration Fee. Some members thought that the Town should adopt a \$10 fee, the State limit. The Committee felt that additional revenues from registration fee increase should go specifically to offset existing road maintenance expenses, not new projects. The Committee unanimously supported an increase in the fee with the Selectboard to decide at what level, \$5.00 or \$10.00.
3. Resident Use Fee. Some towns have such a fee to cover expenses of town beaches, recreation facilities, etc. Typically it is \$10 per person in a household aged 18-65. The Committee did not support this idea, which was viewed as offensive to Town residents who already pay high taxes that should support a variety of Town services.
4. Non-resident User Fee for use of town beach and other facilities. It was thought that this might be \$50. Hanover has \$250 non-resident fee for use of Storrs Pond Recreation Area. Concern was expressed over administrative and policing costs that might render this fee revenue neutral. The Committee expressed support for the fee by a 4-3 vote with a preference to try it on a one-year trial basis.
5. Land Use Change Tax. Recognizing that Current Use provisions take substantial tax revenue away from the Town, the Committee unanimously supported a change in which Land Use Change Tax revenue would be split 50/50 between the Conservation Commission and the Town budget rather than the current 100 percent to Conservation. Committee members noted that many residents feel that there is already enough land in Lyme in some form of conservation, which reduces tax revenues. It seemed reasonable to the Committee that the Town recapture some of the lost taxes.
6. Tax Exempt Properties. There was brief discussion of the number of tax-exempt properties, owned by nonprofit organizations that do not pay property taxes which impacts Town tax revenues. It was agreed that this is an item that should be more thoroughly researched before the next meeting.

The next meeting will be August 23, 2016.

Meeting adjourned at 7:50PM.

Respectfully submitted,
Karl Furstenberg, standing in for Secretary Wilkes McClave