

Tweaked tax exemption heads to Town Meeting

By Erik Borg

Banner Correspondent

PROVINCETOWN — The possibility of a property tax exemption for year-round residents is up for consideration once again, but this time with new language that aims to extend the potential benefits to a larger pool of homeowners.

Provincetown voters will be asked to consider a split-tax with a residential exemption that would shift a portion of the property tax burden from year-round resident homeowners to the town's non-resident property owners at the upcoming Annual Town Meeting.

The warrant article, which was proposed and unanimously recommended by the selectmen, comes roughly six months after the possibility of a split-tax exemption became the subject of ongoing controversy among town officials and the general public alike.

This time around, the selectmen are seeking voter approval to pursue a customized tax exemption that would not only benefit full-time resident property owners, but also any property owners who rent their property to a full-time resident.

"The way we considered it before, it would have raised taxes on someone renting their place to a full-time resident," said selectman chair Tom Donegan. "It was exactly the reverse of what we wanted to do as a town. We want to encourage people to rent their homes out to full-time residents."

The proposed customized language falls outside of the state's parameters for a residential tax exemption, and therefore would also require approval from the state Legislature as a piece of special legislation.

If approved by voters on Town Hall floor next week, the measure immediately would be submitted into the legislative process at the State House, potentially giving it time to be approved by the time the selectmen set the town's new local tax rates again in November, Donegan said.

"We don't think it will be controversial, but it's new so you never know," he said.

For much of last fall, the selectmen and members of the finance committee openly entertained the idea of a split-tax via an exemption for full-time resident homeowners on the grounds that it could provide a financial boost to Provincetown's struggling — and shrinking — year-round community.

At times, the issue evolved into a heated debate between various factions of the community, pitting "townies" against second homeowners over the fair allocation of the town's tax burden.

The Provincetown Part-Time Resident Taxpayers Association mounted a passionate opposition to the proposal, noting that second-home owners already shoulder a significant majority of the town's tax burden but don't have voting rights on local fiscal matters or the ability to serve on the town's most influential boards and committees.

The issue was temporarily put to rest in November when the selectmen voted to set a new tax rate without including a splittax exemption.

In their decision, the selectmen explained that the proposed exemption would have likely benefited some of the intended population, but also would have dis-incentivized property owners to rent to year-round residents.

Donegan said this week that Provincetown would become the first community in Massachusetts to seek approval for this type of custom tax exemption from the state.

If successful, he anticipated that other communities that are also reliant on a seasonal tourism-based economy would be eager to follow suit.

"I've already spoken with [town officials elsewhere] that were very into the idea," he said. "So if it works for Provincetown, it will likely spread."



Tom Donegan, chair of the board of selectmen, is urging support for a residential tax exemption proposal on the Annual Town Meeting warrant. BANNER FILE PHOTO / GUADAZNO

EDITORIAL

Once again, it's Town Meeting time

Voters in Provincetown will head to Town Hall this Monday evening, April 6, to take part in what some refer to as “the purest form of Democracy” — Town Meeting. For those new residents less familiar with this form of government here's a brief description: Led by the town moderator, Town Meeting is the legislative body of the town. In Massachusetts, towns with fewer than 6,000 inhabitants must have an open Town Meeting; towns with more than 6,000 may adopt either an open or representative Town Meeting. At its core, it votes to appropriate money to run the town, and it votes on the town's local bylaws.

Here are some of our suggestions for how to vote at this April's Town Meeting: STM Articles 6 and 7: We urge voters to approve articles 6 and 7 on the Special Town Meeting warrant. Expanding the residency requirement to include at least Truro (it should, we think, include the entire Outer Cape) is essential to allow the town to keep and attract desired employees. Some residents say they want their top town staff to be part of the local community. The reality is there are many people who work and socialize in Provincetown that we consider part of the community — in fact, many of them grew up here or lived here formerly — even though they now live in Truro, Wellfleet or Eastham. This is no different. Especially in these times of eased ability to communicate with cell phones and via Facetime or Skype.

STM Article 9: We endorse town leaders' recommendation to buy the Winslow Farm property to help expand community housing options — a laudable goal. We urge them to again work with a developer in a public-private partnership as was done for 90 Shank Painter Road.

However, if voters do agree to acquire the property, we urge selectmen to adjust their sights on the number of units. Forty or 50 units is far too many to impose upon an existing neighborhood. Do not overcrowd the area or you'll draw an increasing level of resistance to future projects — something the town cannot afford.

The housing problem is not a new one and the town can't solve it itself nor can it be fixed in one fell swoop. Town leaders need to set a steady and realistic course, working with the finance committee and others to figure out multiple creative ways to help fund it.

ATM article 16: Although we support the town's effort to buy Winslow Farm, we do not support one of this year's proposals for a way to pay for new housing. Preserving open space is also a continuing worthy goal, and the town should not eviscerate the fund voters set aside for that effort. Especially given the higher-density building being planned for the future, do not ravage the town's ability to also protect additional open space.

ATM article 18, no. 11: It's time to move ahead on a wave attenuator. The floating docks have suffered damage multiple times over the years since construction on the new pier was finished, in 2003. We don't need more evidence that the decision to forego a wave attenuator was not in the best interest of pier integrity and taxpayers' pockets. The town can't afford to continually fix the costly damage from storms that undoubtedly will continue to hammer at our harbor.

ATM article 22: Vote no on this version of a residential tax exemption. We're not convinced town leaders have a clear enough concept of what this proposal will accomplish. We believe a better approach would be based on income eligibility, so those year-round homeowners who need the help will benefit.

ATM article 35: We urge voters to vote against dissolving the Pier Corp. Although we believe it's time to acknowledge that the pier likely will never be completely self-funding, and changes need to be made in financial record-keeping and budget presentation practices, we believe there's a good structure in place now where pier revenue is indeed helping to support and significantly offset the cost of running it.

Of primary importance is that voters show up to participate. Happy spring and happy Town Meeting time!

Vote down residential exemption

To the editor: I have been a non-resident homeowner in Provincetown since 1992. The board of selectmen, apparently in their entirety, have again decided to continue their pursuit of the discriminatory and despicable residential property exemption. This is an extremely divisive and unfair pursuit in their never-ending quest for higher revenues. This has already begun to divide the town and should not be pursued. I can't think of a more ridiculous example of politicians in charge of purse strings and how narrow-minded their decision process seems to be, not to mention an abuse of power. Well, there are a few. I suppose by the time this may get published, the vote may have already happened. I urge all to vote against it. Send them a message that you don't want them doing this to residents that support a large number of the town's businesses. Let us all stand together as a community that should not become divided by an issue as petty as this.

David Linehan Carversville, Pa., & Provincetown

VIEWPOINT

PPRTA urges rejection of residential tax exemption

By Steve Fossella

I am a part-time resident taxpayer and the president of the Provincetown Part-Time Resident Taxpayers Association. On April 6, Provincetown voters will consider a warrant containing 37 articles. Deep in the warrant is article 22 entitled "Residential Tax Exemption," a rehashing of the residential tax exemption rejected last year. To be clear, the exemption was unanimously — not majority vote, not close call, but unanimously — rejected by FinCom as well as rejected by numerous part-time and full-time residents-taxpayers. A one-line change expanding the give-away to part-time resident landlords does not change the reason for such a resounding rejection in the first place: Giving a tax benefit to a small percentage on the backs of a much larger percentage without consideration to need or ability to pay is inequitable, pits neighbor against neighbor, and is most certainly not the Provincetown way. Part-time residents are townies too. Many will retire here to become full-time residents and voters and are well aware of the pressures on small businesses, the aging of our population, the flight of younger generations who see limited year-round job opportunity, and the changing landscape of our community. In her recent commentary in this paper, Selectman [Cheryl] Andrews makes the point that a combination of local taxes, public-private partnerships, and other creative financial models will be necessary to finance housing and job initiatives. Part-time residents agree whole-heartedly. Look, here is the key point about this exemption proposal that Dr. Andrews and others do not mention. The residential tax exemption they propose will not generate revenue. It does not bring in any new money. None. It will not contribute one penny to any program or project. It is simply a shifting of tax burden from one neighbor to another by taking money from one homeowner and giving it to another. It will not lower rents through some wishful thinking trickle-down effect. It will serve only to provide a short-term windfall to a few while fueling a long lasting, lingering sense of inequity and bitterness. Is this really what we want for the future of our community? Is that the legacy? On Monday, I urge you to reject — once again — Article 22 the Residential Tax Exemption.—*Steve Fossella has been a part-time resident since 1988. His primary residence is in Quincy, and he works in IT supporting the financial services and health care industries.*