
The Rosenberg Report

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Hello!

And Happy New Year!

The Senate begins the 2005 session with a renewed vigor, a renewed commitment to public service and a renewed committee structure designed to better address the ever-changing needs of our citizens. The last time legislative committees were overhauled was 1967, and, as you know, much has changed since then. I served on the committee that proposed the overhaul and I'm pleased that the Senate, led by President Robert Travaglini, and the House, led by new Speaker Salvatore DiMasi, have accepted the plan. The new structure focuses more legislative attention on four major issue areas:

1) **Education:** Previously, the Education Committee dealt with the entire spectrum of public education, including all aspects of the Education Reform Law and higher education. It has become clear that such a workload is too complex for one committee. Now, that workload is divided between the **Joint Committee on Primary and Secondary Education**, which will address education reform, MCAS testing, Chapter 70 funding and school building assistance, and the **Joint Committee on Higher Education**, which will be responsible for the University, community and state college systems. Other states hungry for a highly skilled workforce, like New York and California, have adopted similar committee structures.

2) **Job Creation and Economic Development:** The Senate is committed to focusing on every sector of our economy to promote job creation, but especially so on such important areas as emerging technologies, small business development, tourism and financial services. Previously, the Science and Technology and Commerce and Labor committees were assigned those issues. Those two committees have been eliminated in favor of the following structure: the **Joint Committee on Economic Development and Emerging Technology**; the **Joint Committee on Community Development and Small Business**; the **Joint Committee on Tourism, Arts and Cultural Development**; and the **Joint Committee on Labor and Workforce Development**. Again, the idea here is to have more legislators actively working on improving our state economy.

3) **Health Care:** At least 40 percent of the state budget is devoted to health care. That is an enormous responsibility for one committee -- the Health Care Committee -- to bear. So, now the work of that committee will be done by the new **Joint Committee on Health Care Financing**, the new **Joint Committee on Public Health** and the new **Joint Committee on Mental Health and Substance Abuse**.

4) **Human Services:** This is a large umbrella term encompassing many disparate constituencies. Under the former structure, the Committee on Health and Human Services and Elderly Affairs addressed those wide-ranging issues. That committee will now be divided

into four specialized committees: the **Joint Committee on Veterans and Federal Affairs**, which will handle issues related to veteran's benefits, the National Guard and federal financing; the **Joint Committee on Children and Families**, which will focus on childcare issues, Department of Social Services, Departments of Mental Retardation and Division of Youth Services matters, and immunizations; the previously mentioned **Joint Committee on Mental Health and Substance Abuse** will handle legislation related to mental health, as well as substance abuse issues; the new **Joint Committee on Elder Affairs** will be responsible for elder issues, such as prescription drugs, long-term care and home care issues.

In addition to announcing committees, President Travaglini also named his Senate leadership team. I am happy to report that I have been reappointed Senate President Pro Tem, a position that will continue to give me a significant role in helping to shape and coordinate the Senate's agenda. Position is important, but relationships are even more important. I continue to enjoy excellent relationships with all the leadership members, but especially so with President Travaglini, and Ways and Means Chair, Senator Therese Murray. I also have a great relationship with Senator Robert O'Leary, chair of the new **Joint Committee on Higher Education**. The entire State Senate is a smart and committed group of public servants and I'm proud to be working with them.

I'm also proud to be working for you.

Yours,



January Focus

Tax time

I understand that taxes, especially property taxes, can be a challenge for senior citizens, veterans, surviving spouses, and people with disabilities.

That's why I want to remind you that there are several state programs available to help you meet some of the tax challenges you might face. This brochure highlights only a few, and because some require local approval, I encourage you to talk with your local assessors office to find out which ones might be appropriate for you.

All of the programs that the state offers have eligibility requirements based on a variety of factors, including age, value of assets, residency and income, to name a few. Sometimes these requirements can be complicated and confusing.

Don't let that stop you!

These programs, and others not listed, are the product of many years of legislative effort and are intended to make life and paying taxes a bit easier for people who qualify. I urge you to take full advantage of what state and local government has made available.

Contact your local assessor, or a tax specialist, today!

Veterans

There are a number of property tax exemptions available for veterans, disabled veterans, their spouses and their parents, each with their own eligibility requirements. But in general, all veterans and spouses must:

- * be legal state residents;
- * be occupying the property as his/her domicile on July 1st in the year of the application;
- * have lived in Mass. for at least six months prior to entering the service (spouses exempted); or
- * have lived in Mass. for five consecutive years immediately prior to filing for a property tax exemption.

Here are a few of the specific property tax exemptions:

Paraplegic— total exemption

Available to veterans who are certified by the Veterans Administration as paraplegic and the surviving spouses of such veterans.

\$950.00

Available to veterans and their spouses or surviving spouses who (1) suffered total disability in the line of duty and (2) who received assistance in acquiring “specially adapted housing” which they own and occupy as their domicile.

\$775.00

Available to veterans and their spouses or surviving spouses who suffered in the line of duty the loss or permanent loss of use of both feet or both hands or both eyes.

\$600.00

Available to veterans and their spouses or surviving spouses who suffered total disability in the line of duty and are incapable of working.

\$425.00

Available to veterans and their spouses or surviving spouses who (1) suffered in the line of duty the loss or permanent loss of use of one foot or one hand or one eye; or (2) received the Congressional Medal of Honor, distinguished Service Cross, Navy Cross or Air Force Cross.

\$250.00

Available to surviving spouses (who do not remarry) of soldiers and sailors who died in combat at the islands of Quemoy and Matsu.

\$225.00

Available to the following:

Veterans with a wartime service -- defined as service performed by a "Spanish War veteran," a "World War I veteran," a "World War II veteran," a "Korean veteran," a "Vietnam veteran," a "Lebanese peacekeeping force veteran," a "Grenada rescue mission veteran," a "Panamanian intervention force veteran," a "Persian Gulf veteran," or a member of the "WAAC" -- connected disability of 10 percent or more as determined by the Veterans Administration or the branch of service from which separated.

Veterans who have been awarded the Purple Heart.

Gold Star mothers and fathers.

Spouses (where the domicile is owned by the veteran's spouse) and surviving spouses (who do not remarry) of veterans entitled to this exemption.

Surviving spouses (who do not remarry) of World War I veterans so long as their whole worth, less any mortgage on the property, does not exceed \$20,000.

Senior Citizens

Circuit Breaker Tax Credit

This credit is "triggered," like an electrical circuit breaker, when property tax payments exceed 10 percent of a senior citizen's annual income, up to a maximum credit of \$820.

Those who qualify will still be required to pay property taxes to their local communities. But they will receive a dollar credit for every dollar their property tax, and certain water and sewer bills, exceed 10 percent of their income.

Seniors who rent their homes can also take advantage of this credit, up to the same \$820 maximum, if 25 percent of their annual rent exceeds 10 percent of their annual income.

To qualify, seniors must: (1) be a Mass. resident age 65 or older; (2) own/rent residential property in the state as their primary residence; and (3) have an annual income of \$44,000 or less for a single filer, \$55,000 or less for a head of household, and \$66,000 or less for joint filers.

Volunteer Work-Off Law

This law gives local governments the option of offering residents age 60 and over a reduction of their property tax bill of up to \$750 in any given tax year in exchange for their volunteer service, based on the current minimum wage.

Under the terms of this plan, the property tax reduction would be offered in addition to any existing tax abatement or exemption available to qualified seniors and would not be treated as income for state income tax purposes.

Property Tax Deferral

A deferral permits an elderly taxpayer to delay payment of property taxes which ultimately must be paid to the community upon the death of the taxpayer or sale of the property. To be eligible, applicants must: (1) be age 65 or older; (2) have had a legal home in Mass. for 10 years; (3) have gross receipts from all sources not in excess of \$20,000; and (4) have owned or occupied the subject property as a domicile for at least five years.

Annual Income and Whole Estate Exemption

Seniors age 70 or older who satisfy certain whole estate, annual income and residency requirements may be eligible for a \$500 property tax exemption.

There are three clauses — 41, 41B and 41C— in the state tax code that address this exemption, each valued at \$500.

The provisions of Clause 41 are available in every city and town. The provisions of Clauses 41B and 41C are subject to local approval. If neither 41B or 41C has been accepted, the rules outlined in Clause 41 prevail. Not more than one exemption may be granted from these three clauses on the same parcel of real estate.

Income and estate amounts differ for each clause as follows:

Clause 41: Gross receipts minus social security allowance must be less than \$6,000 if single, \$7,000 if married; Whole estate less the value of the home, less any portion which produces income, cannot exceed \$17,000 if single, \$20,000 if married, or, if the home value is included, \$40,000 if single, \$45,000 if married.

Clause 41B: Gross receipts minus social security allowance must be less than \$10,000 if single, \$12,000 if married; Whole estate less the value of the home, less any portion which produces income, cannot exceed \$20,000 if single, \$23,000 if married.

Clause 41C: Gross receipts minus social security allowance must be less than \$13,000 if single, \$15,000 if married; Whole estate less the value of the home, less any portion which produces income, cannot exceed \$28,000 if single, \$30,000 if married.

Disabled Residents

Blind persons may obtain property tax exemptions of \$437.50 or \$500, depending on local regulations. To be eligible, an individual must provide proof of blindness, either from a physician or Commission for the Blind, and satisfy certain ownership requirements.

Noteworthy

State grants

Six communities in my district will share more than \$1.2 million in Urban Self-Help grants from the Executive Office of Environmental Affairs.

- **South Hadley** -- \$500,000 for the preservation of Bachelor and Stony Brooks.
- **Wendell** -- \$280,000 to acquire 125 acres around Fiske Pond.
- **Belchertown** -- \$261,800 to acquire 51.5 acres of Topping Farm.
- **Amherst** -- \$136,500 for Simmons Purchase.
- **Buckland** -- \$50,000 for the purchase and development of Recreation Area Accessibility.
- **Montague** -- \$18,000 for Skrzypek Fieldhouse Roof Replacement.

The areas that these grants will help protect are places that make western Massachusetts special. The Urban Self-Help program shows what can be accomplished when state and local governments work together.

The Executive Office of Environmental Affairs administers the Urban Self-Help program, which is funded by the Legislature. The grants are used by communities to preserve and protect open spaces and passive/active recreation areas.

Car insurance

A bill was signed into law early this month could reduce car insurance costs by up to \$200 a year.

The new law, sponsored by Sen. Susan Tucker (D-Andover), targets people who help stage car accidents to collect insurance money and the doctors and lawyers who help. The so-called "runners" who collaborate with personal injury lawyers and chiropractors to hire drivers and stage accidents now face jail time and stiff fines.

The new law was launched by lawmakers in Lawrence, the city known to be the state's capital of auto insurance fraud and cases of "running," according to Sen. Tucker. There are an average of 43 injury claims per 100 accidents statewide, according to the Division of Insurance. In Lawrence, there are an average of 141 injury claims per 100 accidents.

Insurance Commissioner Julianne Bowler estimated that the average cost of auto insurance will likely drop by \$100 to \$200 a year, should the number of fraudulent auto insurance claims decrease. In areas where auto insurance fraud is more prevalent, such as Lawrence, Boston, Brockton, Holyoke, and Springfield, costs may go down even more, Bowler said.

The new law makes it a felony to act as or hire a "runner," punishable by five years in prison and up to a \$4,000 fine. In addition, the law allows the state's Division of Professional Licensure and Board of Allied Health Professionals to review billing practices and insurance data of chiropractors and other physicians to uncover fraud. Physicians found to be involved with fraudulent cases will automatically be stripped of their license to practice in Massachusetts, under the law.

Wrongful convictions

The so-called wrongful convictions bill, which would provide up to \$500,000 in compensation for former inmates wrongly convicted of felony crimes, now once again rests on Gov. Romney's desk. Romney offered several amendments to the legislation after the House and Senate sent him a bill this summer. Key lawmakers Sen. Dianne Wilkerson (D-Boston) and Rep. Patricia Jehlen (D-Somerville) took the lead in the compromise discussions with the administration, and both are now hopeful the governor accepts the Legislature's changes. If the governor signs the new law, Massachusetts becomes the 16th state to offer reparation for those wrongfully convicted.

Municipal Conference 2005

It's that time of year again, time to start preparing for the 2005 Municipal Conference. It will be held Saturday, April 30th, 2005, at The Clarion Hotel and Conference Center in Northampton.

I am very happy to announce that I am teaming up again this year with the Hampshire and Franklin Councils of Governments to bring you the 2005 conference. We are looking forward, once again, to attracting the top legislative leaders and administration officials. I have always seen this conference as an opportunity for us in western Massachusetts to present our perspectives to policymakers in Boston. I will keep you posted about the program as we get closer, but if you have any questions or comments, contact Tom in my district office at 413-587-6289 or at tumitch@sprynet.com.

Roundup

Fiscal note

The governor this week released a budget of more than \$23 billion. His figures are built on a nearly 5 percent increase in revenues, based on the growth of the economy, and \$170 million in new revenue created by closing tax loopholes, which accountants have created in order to help certain clients lower or escape taxes they owe. There is reason to be cautiously optimistic because revenues continue to grow, and at a rate beyond projections made last year. There is also puzzling, but potentially good news about Medicaid costs, which, according to the administration, are hundreds of millions of dollars less than projected. We will be analyzing that very carefully to determine if it is accurate, and if it likely to be sustained over time. We are also wondering if these potential lower costs are because of administrative and regulatory efforts to unfairly reduce the number of people eligible for the services to which Medicaid and MassHealth participants are entitled. Finally, it would appear that the projected structural deficit for fiscal year '06 may be reduced by hundreds of

millions of dollars. This would relieve some of the program cutting pressure the Legislature has been operating under for the last few years.

Stay tuned. This quickly changing picture will be worth watching very closely throughout the budget process.

Trivia

Now for the answer to our previous question -- The word "Massachusetts" is Algonquin for which of the following phrases.

1. Great Hill
2. Endless Forest
3. Blue Bay
4. Land of the Four Seasons

The answer is: Great Hill

And our winner is A.G. from somewhere in cyberspace. We'll send A.G. information on who to contact in my Boston office and we'll look forward to seeing A.G. at the State House. Congratulations! And thanks to everybody who played along!

Now to this month's question and another chance to win lunch and a State House tour.

The Boston Latin School, the oldest public school in the U.S., graduated which signer of the Declaration of Independence:

- 1) Elbridge Gerry
- 2) John Hancock
- 3) Sam Adams

Submit your answer to tumitch@sprynet.com and watch this space for the correct answer and the prize winner.

Links

Here are a few links. Until next time, happy surfing!

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Guide to Lawmaking -- <http://www.state.ma.us/legis/lawmkng.htm>

Massachusetts State Government Home Page – <http://mass.gov/>

The Legislature's web page – <http://www.state.ma.us/legis/>

Senate's Bill Text System – <http://www.state.ma.us/legis/billsrch.htm>

Legislative Tracking System – <http://www.state.ma.us/legis/ltsform.htm>

My personal website – <http://www.stanrosenberg.com/>

The Rosenberg Report (December, 2004, edition) --
<http://www.stanrosenberg.com/issues/dec2004.html>