

Strategic Action Planning Group on Aging

August 13, 2018

Participants: Karen Brown (chair), John Zabawa (vice chair), Tony Tapia, Christian Itin, Jim Riesberg, Natalie O'Donnell Wood, Maureen McDonald, Josh Laipply, Jimmy Collins, Jean Nofles, Gabriel Kaplan, Jayla Sanchez-Warren, Mindy Kemp, Dave Norman (phone), Steve Child (phone), Coral Cosway (phone), and Jarett Hughes

Not in Attendance: John Barry, Sarah Elliott, Chris Lee, Steve Grund, John Emerson, Kathleen Hall, and Karin Stewart

Public Participants: Bob Brocker (Colorado Senior Lobby), Gretchen Cerveny, Wade Buchanan (Governor's Office), Rich Mauro (DRCOG), Kelly Roberts (DRCOG), Jerry McElroy, Eileen Doherty (Colorado Gerontological Society), Karen Willis, and Luke James-Erickson (Consumer Direct Colorado)

Action Items:

- Form Nominations Committee by October 8 SAPGA meeting
- Review housing draft for update to Action Plan
- Review input from Homestead Exemption forum and discuss recommendations at September 10 meeting
- Review potential housing goals and recommendations for update to Action Plan

Meeting Notes

Welcome, Roll Call, and Approval of Minutes

- Meeting called to order by Karen Brown at 12:05 with a quorum present
- July minutes were approved
- August meeting agenda was approved

Introduction of New SAPGA Members

Jim Collins, Mayor of Las Animas and Adult Services coordinator for Otero County Area Agency on Aging, was present and offered a brief overview of his background.

Nominations Committee Bylaw

An amendment to SAPGA bylaws which will create a Nominations Committee was passed unanimously. John Zabawa made the motion with a second by Maureen McDonald.

Property Tax Benefit Programs Across the US – Greg Sobetski

Greg Sobetski, an economist with Legislative Council Staff, shared research he had gathered at the request of Rep. Bob Rankin. Greg was looking into various types of property tax or income tax

programs available to older adults across the US. There were five types of programs commonly found around the country:

Property Tax Exemptions: Reduces the value of a home that is subject to taxation resulting in qualifying older adults paying lower taxes. In turn, governments receive less revenue. There is no benefit to renters and the benefit may be portable.

Tax Credits: Reduces the amount of property tax owed or reimburses qualifying taxpayers for a portion of property tax paid when income taxes are filed. Governments receive less revenue. There is no benefit to renters and the benefit may be portable.

Circuit Breaker Programs: Provides a monetary benefit that is largest for low-income older adults and cuts off above a certain income threshold. These types of programs may be property tax based or income tax based. Low income older adults receive some monetary benefit while high income older adults do not benefit. Governments either receive less revenue or they expend funds. These programs are often available to renters (if income-based) and may be portable.

Property Tax Freezes: These programs freeze a property's taxable value, preventing higher taxes as a result of property appreciation. Taxes are not discounted at first but savings increase over time which means government revenue losses are low at first but grow later on. There is no benefit to renters and is not portable.

Property Tax Deferral Programs: Property taxes are deferred for qualifying individuals until the taxpayer moves, passes away, or is otherwise disqualified. Governments set a lien equal to tax liability and apply an annual interest rate against the taxpayer's home. In turn, the eligible older adult avoids paying property taxes and can utilize accumulated home equity. Governments experience revenue distortions but there is no outright revenue loss. These programs are not portable.

Eligibility criteria all mentioned programs involve age, income, wealth, residency (in-home or in-state), and home equity (deferral programs). Colorado has the property tax exemption, a property tax deferral program, and the property tax/rent/heat credit rebate. The Colorado Constitution requires uniform taxation of residential property which complicates the establishment of a property tax credit or freeze.

Homestead Exemption Breakout Groups

Group One – Jarett Hughes

Group One felt that the Senior Property Tax Exemption, as currently structured, is a good program and that the main question is how do we ensure its sustainability? With regard to means testing the program through an income-based program, there were concerns over the administrative aspects being labor intensive which would in turn make the program less cost effective overall. There was discussion of having a hybrid system, perhaps where a tax freeze becomes available at a certain age or year of program eligibility.

Group Two – Natalie O’Donnell Wood

As with Group One, Group Two felt Colorado’s current property tax exemption is structured well and is appealing to many older adults. According to Jim Collins, the deferral program is quite popular in Southeastern Colorado even though it is seldom used compared to the property tax exemption. It was noted that a circuit breaker program is difficult politically.

Group Three – Rich Mauro

Group Three discussed the potential benefit of a hybrid circuit breaker model similar to other states. They also felt the property tax deferral to be a valuable program that is significantly underutilized. In the deferral program, home value appreciation and increased equity can be used as an asset to the older adults, much in the way reverse mortgages work. They also talked about the positive impact an expanded property tax/rent/heat credit rebate program. It was noted that much of the discussion around tax benefits for older adults revolves around the property tax exemption when, in reality, there are a number of programs that benefit eligible older adults.

Long Term Supports and Services (LTSS) Overview – Todd Coffey, Manager at State Unit on Aging (SUA)

Todd Coffey, from the State Unit on Aging, joined SAPGA to provide an overview of community-based LTSS. Services provided through the Area Agencies on Aging (AAAs) are funded with federal support through the Older Americans Act (OAA), (\$19.2 million) and State Funding for Senior Services, \$24.8 million. These services are provided to adults aged 60+ with an emphasis on frail, elderly, low-income, rural, and underserved older adults with significant needs.

Regional AAAs provide a variety of services, some of which can be tailored to community needs (e.g., snow removal, wood chopping) and some which are more general and commonplace including: congregate and home-delivered meals, transportation, material aid (e.g., eyeglasses, hearing aids), information and referral, in-home care/chore services, legal assistance, and health promotion. When the OAA was reauthorized in 2000 the National Family Caregiver Support Program (NFCSP) was included. Services provided through the NFCSP include respite care, counseling and training, assess assistance, and supplemental services.

Draft Housing Report

All SAPGA members have received a draft housing update to the 2018 Action Plan for review. Comments and conceptual edits can be made to Jarett Hughes with discussion about the draft section and potential recommendations and goals planned for September.

Meeting Adjourned at 2:51 pm