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DOR 360



City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

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Working on Training

DLS has just completed the first phase of a plan to develop professional training modules for DLS staff, and to improve the quality of both internal and external training, goals outlined in the FY14 Strategic Plan.

Each DLS bureau and the IT section submitted at least three training modules last week. These courses will now be fleshed out over the next three months before we start offering them to DLS staff in the spring. It is entirely possible that some of these courses may also be presented at the various association schools to which DLS sends instructors, but we will road test them first internally.

I am excited by the level of enthusiasm I am seeing for this project, which is designed to assist in DLS succession planning, improving the overall skills of staff, provide cross-training to DLS employees, and improving the level of proficiency in the delivery of Course 101 for assessors, the New Officials Finance Forum, and Municipal Law.

In terms of succession planning alone, it is necessary to begin to implement a comprehensive professional development plan for all DLS staff. With slightly more than 70 current employees, DLS could lose up to 17 of those employees prior to December 31, 2016 due to retirement. Knowledge needs to be passed on.

To improve our presentations, each DLS employee who will be

involved in either internal or external training was asked to self-assess their presentation and course development skills. The results of these surveys will lead us to offering new training for trainers for both internal and external courses.

So we are tackling both the issue of course development and of presentation skills. The courses include such topics as "Introduction to the Legislative Process," "Land of Low Value Foreclosures," "Legal Aspects of Municipal Debt," "Debt Managements," "The Schedule A Review Process," "Equalized Valuation (EQV) Process," "New Growth Review," "Navigating the Databank and Creating Custom Reports," "Navigating the Schedule A Upload Process," "Gateway System Administration Basics," and "DOR CAMA Basics."

I will keep you informed as this important project moves forward. And I wish you the best in this holiday season. May all your tax rates be set.

Robert G. Nunes
Deputy Commissioner and Director of Municipal Affairs
Nunesr@dor.state.ma.us

DLS by the Numbers

In order to provide an update on the progress of the ongoing tax rate and certification season, below please find an overview of the ongoing process:

Preliminary Certifications: 93 Communities Approved

Final Certification: 69 Final Certifications

La4/ New Growth: 267 Approved (315 Submitted)

Tax Rates: 130 Approved

Balance Sheets: 232 Approved

Aggregate Free Cash Approved Total: \$757,380,045

State Releases FY2014 Matching Funds for Community Preservation

Lisa Juskiewicz - Director of the Municipal Databank

On November 15th, the Division of Local Services (DLS) processed the annual distribution of state funds to the 148 communities that adopted the Community Preservation Act (CPA) statute and collected the local surcharges during FY2013. The state match totaled \$54.9 million and was funded through the traditional Registry of Deeds revenue collections and a one-time infusion of \$25 million in state surplus revenue. The combined revenue sources allowed for a first round match of 52.22 percent. This is the first time the first round state match has been over 50 percent since FY2010. Without the additional revenue added to the trust fund this year, cities and towns in the program would have received a first round match of less than 31 percent and total state funding of \$32.7 million.

According to the Community Preservation Act, there are three potential rounds for distributing the state match.

- Round 1 distributes 80% of CPA trust fund balance to all CPA participants
- Round 2 equity distribution (only for those with 3% surcharge)
- Round 3 surplus distribution (only for those with 3% surcharge)

When there are sufficient available funds in the trust fund to match the net surcharge committed, the CPA statute requires the Division to provide a 100 percent match. For the first six years of the program, the revenue stream into the trust fund was enough to provide for a 100 percent match. In those years when the trust fund balance is not sufficient to provide for a 100 percent match, the Commissioner of Revenue has discretion as to whether all of the three rounds will be used. In FY2009, the first year that there was not enough money to provide a 100 percent match, the Commissioner chose to distribute matching funds using only the first and second rounds. By holding back the Round 3 surplus distribution, we were able to reserve a little additional funding for FY2010, decreasing the rapid reduction in the state match slightly. Since FY2010, DLS has calculated the state match using all three rounds.

In FY2013, 148 communities assessed the surcharge on property tax bills making them eligible for the state match in FY2014. Of the 148 communities eligible, 75 have adopted the CPA at 3 percent making them eligible for all three rounds. There are a number of communities that have adopted the surcharge at three percent and continue to receive a 100 percent state match. Of the 75 communities that adopted the maximum three percent surcharge, 23 are receiving a 100 percent state match. These communities collectively account for only \$3.5 million of the total \$92.5 million committed statewide by all communities that have adopted the surcharge. In addition to the 23 communities with a 100 percent match, there are five communities with a state match over 90 percent and another five communities receiving between 80 and 89 percent state matches.

The table below details the annual state match, the number of communities participating and the first round match for each year of the program:

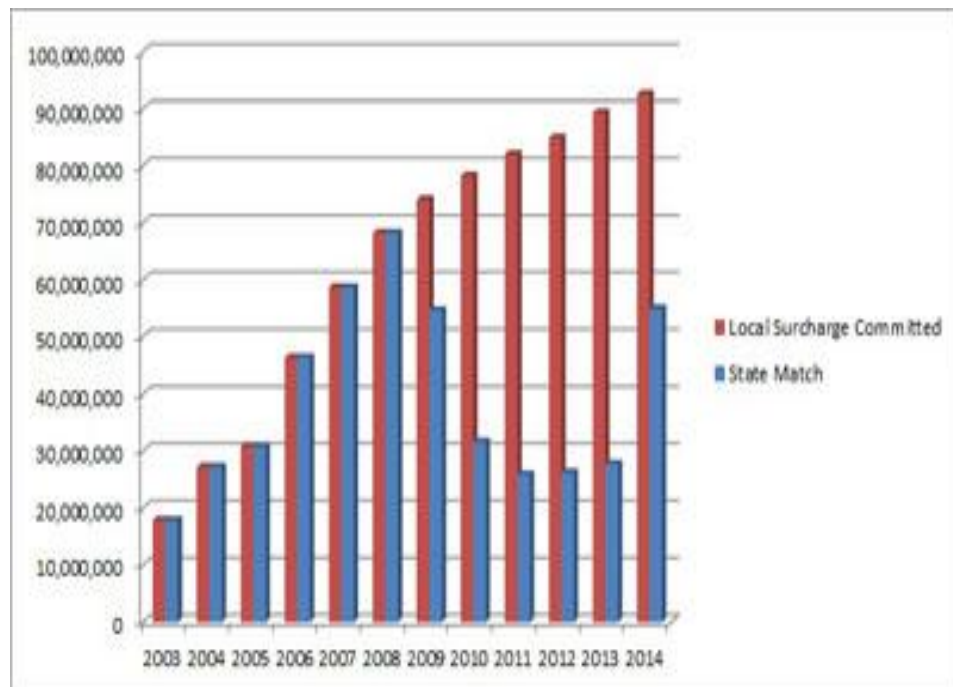
Fiscal Year	State Match	Number of Communities	Percentage Matched
2003	17,854,420	34	100.00%
2004	27,161,342	54	100.00%
2005	30,822,218	61	100.00%
2006	46,337,391	82	100.00%
2007	58,666,783	102	100.00%
2008	68,131,814	113	100.00%
2009	54,614,430	127	67.62%
2010	31,581,103	135	34.81%
2011	25,867,695	142	27.20%
2012	26,182,297	143	26.64%
2013	27,722,042	148	26.83%
2014	54,894,003	148	52.22%

Funding for the state Community Preservation trust fund comes from fees imposed at the Registry of Deeds or in Land Court for recording various documents. These fees are deposited into the trust fund monthly and are used to calculate the state match for the local surcharge imposed on property tax bills. In the last several years, the transaction fees have decreased as a result of the downturn in the real estate market. The decrease in registry

revenues, combined with the increased number of communities participating, has resulted in a significant drop in the percentage of the state match since FY2008, the last year the Commonwealth matched 100 percent of the net surcharge committed.

In an effort to restore funding to the CPA program, language contained in the FY2014 state budget (Section 145 of Chapter 38 of the Acts of 2013) provided for supplemental funding of up to \$25 million. This funding was to come from the Commonwealth's general fund surplus, provided that the state surplus was sufficient to accommodate this transfer. The State Comptroller's office reported in early November that there were sufficient revenues in the state's FY2013 surplus to allow the full \$25 million to be transferred to the Community Preservation trust.

As the chart below illustrates, there has been a significant drop in the amount of the state matching funds in comparison to the amount of the surcharge cities and towns have committed. Without the additional revenue added to the trust fund this year, cities and towns in the program would have received less than a 31 percent state match. This slight increase reflects an uptick in the amount of fees collected at the Registry of Deeds and Land Court, which is consistent with reports of increased property sales. Another factor is that with the distribution date changed from October 15th to November 15th, there was an additional month of collections included in the state fund for distribution month.



As we have done in the past the Municipal Databank has posted the current state match on the Division's website. An Excel file with the details by round can be downloaded from the following link:
<http://www.mass.gov/dor/docs/dls/mdmstuf/cpa/fy14cpapayment.xls>.

This file also includes the data used to create the tables and charts appearing above, as well as the historical state matching funds by community since the beginning of the program.

Ask DLS

This month's *Ask DLS* features frequently asked questions about the issuance of actual property tax bills for the fiscal year.

Must the collector's name appear on the property tax bill?

No. The information required on the bill is set out in [G.L. c. 60, sec. 3A\(a\)](#). The collector's name is not required by that statute. Therefore, our annual tax bill [Informational Guideline Releases \(IGRs\)](#) do not require it to appear as well and the absence of the collector's name on the bills does not invalidate them. The bills must state, however, that they are from the office of the collector and payment is to be made in the name of the city or town.

What does the collector have to do if the following errors are discovered after the actual tax bills for the year are mailed?

In all cases, the collector has the option to reissue the incorrect bills. Reissuing the bills may establish new payment and abatement application due dates for those taxpayers depending on the payment system the community uses. For example, if the community uses the quarterly payment system and the reissued bills are mailed after December 31, May 1 becomes the due date for the balance owed and abatement applications.

A.) The tax rate was not printed on some or all bills.

The bills are valid and do not have to be reissued if both the commitment and bills display the correct valuations and assessed taxes for the year for the properties so that the correct applicable tax rate can be derived. However, taxpayers should be informed of the omission and the year's rates through appropriate means. Those could include, for example, the municipality's website, the local

newspaper, local cable access channel, social media or mail/email notices to taxpayers, particularly to out of town taxpayers who would not have access to public information provided locally.

B.) Last year's tax rate (or other wrong rate) was printed on some or all bills.

The bills are also valid and do not have to be reissued if both the commitment and bills display the correct valuations and assessed taxes for the year for the properties, but the correct applicable rate derived from them differs from the displayed rate. The discrepancy could be resolved on inquiry by taxpayers, however, there is potential for confusion and taxpayers must be notified of the error through appropriate means, as explained above, as soon as possible.

C.) The wrong valuations or assessed taxes were printed on some or all bills.

The bills are not valid and must be reissued if they display wrong valuations or assessed taxes for the fiscal year for the properties. Taxpayers who received those bills were not provided with adequate notice of their tax liability under [G.L. c. 60A, sec. 3A\(a\)](#). Without the correct valuation or assessed taxes, they cannot make informed decisions about applying for abatement and may make insufficient payments.

If the commitment for the bills is also incorrect and understates the valuations or assessed taxes for some properties, the assessors may revise the valuations or assessed taxes for just those properties under [G.L. c. 59, sec. 76](#) and commit the revisions with a warrant to the collector. The reissued bills would show the correct valuation or assessed taxes, based on the original and revised commitment. Otherwise, the assessors would rescind the erroneous commitment and issue a new one before the reissued bills can go out.

D.) The wrong address was used on a bill.

Taxpayers are presumed to have received a tax bill sent to their correct address, e.g., the address of the property or as otherwise directed by the taxpayer. Even if a properly addressed bill is not actually received, the taxpayer is liable for the tax, plus interest and fees if not paid when due.

However, if the bill was misaddressed, e.g., the taxpayer provided a

timely change of address, but the bill inadvertently showed the prior address, interest does not accrue (and abatement rights are not triggered) until a properly addressed bill is issued under [G.L. c. 60, sec. 3](#). The tax is valid and the taxpayer is responsible for its payment, but no interest accrues if payment is made within the due date established by the mailing of the properly addressed bill. See DLS [Opinion 2006-423](#).

What payment or abatement application due date should be shown on the bills when the date falls on a day municipal offices are closed?

[Bulletin 2008-10B](#) provides detailed information about due dates that fall on non-business days. As it explains, under state law, if the due date for a property tax payment or abatement application falls on a Sunday or legal holiday, the due date automatically becomes the next following business day. [G.L. c. 4, sec. 9](#). If it falls on a Saturday and municipal offices are closed on Saturdays by vote of the municipality's legislative body, subject to charter, then the due date is automatically extended to the next following business day as well. [G.L. c. 41, sec. 110A](#).

The due dates for property tax installment payments depend on the type of payment system the community uses and when the bills are mailed. [G.L. c. 59, secs. 57](#) and [57C](#). As explained in our annual tax bill [IGRs](#), the billing and appeals rights notice (bill reverse side) should continue to contain the statutory due dates as prescribed by applicable IGR. However, the front of the bills must display the exact due date of the installment payments, as determined by the date the collector actually completes the mailing of the bills. The due date of the first actual tax installment is also the due date for abatement applications, [G.L. c. 59, sec. 59](#), and that due date must be stated on the front of the actual bills as well. Therefore, whenever the law extends these due dates, the extended date is the actual due date and must be printed instead.

Note that other closures of municipal offices do not extend the due date. If their offices will be closed for all or part of a due date, assessors and collectors should be proactive in making taxpayers aware when applications or payments may be made in person, and the availability of alternatives to apply or pay on time. The tax bill [IGRs](#) require the collector's office hours to be printed on the bill. Any message section on the bill may be used to provide the assessors' hours or provide notice of office closures on the due date. Other means may be used to disseminate information about making timely applications or payments as well, including, for example, a tax bill

stuffer, the municipality's website, the local newspaper, the local cable access channel and social media.

Does a city or town that accepts a local option statute or obtains a special act, that permits using a voluntary tax bill check-off for taxpayers to make contributions to certain public purposes, e.g., the education or scholarship fund under [G.L. c. 60, sec. 3C](#) or elderly or low-income disabled persons tax aid fund under [G.L. c. 60, sec. 3D](#), have to get specific approval from the Department of Revenue to add the check-off to its bills?

The form and content of property tax bills are highly regulated by statute, [G.L. c. 60, sec. 3A\(a\)](#), so a tax bill check-off for local contributions must be authorized by a general law or special act. However, the Department of Revenue does not approve the format on an individual community by community basis. The check-off is approved so long as it conforms to the requirements specified in the annual tax bill [IGRs](#).

What may be included in a stuffer mailed with the property tax bills?

The use of tax bill stuffers is also regulated by statute, [G.L. c. 60, sec. 3A\(d\)](#). As explained in the annual tax bill [IGRs](#), the collector may mail a stuffer with the bills if the stuffer (1) contains non-political municipal information, (2) is approved by the mayor or selectboard and (3) does not increase the postage required to mail the bill.

Non-political means information that does not advocate for, or seek to advance or influence a particular policy position or candidate. Municipal informational material means information that originates with the municipality and relates directly to its own operations, services or programs.

We'd like to hear from you. Please send any questions you may have to cityandtown@dor.state.ma.us.

Locations? Locations? Locations?

The Division of Local Services conducts trainings, workshops and seminars throughout the year across the Commonwealth. As an

organization with offices in Boston, Worcester and Springfield, we make a concerted effort to accommodate our stakeholders in a variety of locations and are always looking for different parts of the state to host these events.

In order to continue to provide low and no-cost learning opportunities, we are compiling a list of communities with free space available for future events. This could include a conference room in the library, city or town hall, a senior center, or any similar public building. Ideally, we are looking for a space that could hold 60 individuals in a classroom setting or 75+ in an auditorium setting. Wireless internet accessibility and overhead projectors are also appreciated.

We greatly appreciate any and all suggestions. If your community is willing to host a DLS workshop, event or training, please contact Training Coordinator Donna Quinn at dlsregistration@dor.state.ma.us.

(Editor's Note: In the previous edition of *City & Town*, an incorrect email address was provided for this section. We apologize for any inconvenience this may have caused.)

Announcing Upcoming COMMBUYS Regional Town Hall Meetings

Operational Services Division

Do you want the opportunity to get the best value on your procurement, to take advantage of purchasing economies of scale with other public entities, and to have access to a broader range of suppliers? Is procurement transparency important to you? Do you want the ability to use a tool that supports all of these things without incurring the cost of purchasing such a solution?

If so, please join us at one of our upcoming **COMMBUYS** Regional Town Hall meetings. At these sessions, we will provide you with an overview of the project, information about the readiness program of communications, information on upcoming training and outreach sessions to ensure that you are prepared to use **COMMBUYS** when it is launched in March 2014, and engage you in a discussion of the unique needs of the local buyer community. This session will also be

an opportunity for you to ask any questions you may have about **COMMBUYS**.

The schedule for **COMMBUYS** Regional Town Halls and registration links are as follows:

NORTHEAST: Wednesday, December 11th, 2013 from 10:00am to 11:30am, Aleppo Shriners Auditorium, Wilmington. [Click here to register.](#)

CENTRAL: Monday, December 16th, 2013 from 1:30pm to 3:00pm, Worcester Public Library. [Click here to register.](#)

Please visit our website at www.mass.gov/osd/commbuys for news and updates. If you have any questions, please don't hesitate to email commbuys@state.ma.us.

December Municipal Calendar

December 15	Taxpayer	Deadline for Applying for Property Tax Exemptions for Persons If tax bills are mailed after September 15, taxpayers have 3 months from the mailing date to file applications for exemptions.
December 15	Accountant/ Superintendent/ School Committee	Submit Amendments to End of School Year Report to DESE Last filing date to impact next year's Chapter 70 State Aid.
December 31	Water/Sewer Commissioners	Deadline for Betterments to be Included on Next Year's Tax Bill (M.G.L. Ch. 80, Sec. 13; Ch. 40, Sec. 42I and Ch. 83, Sec. 27)
December 31	Selectmen	Begin to Finalize Budget Recommendation for Review by Finance Committee
December 31	Assessors	Mail 3ABC Forms to

		Charitable Organizations and Forms of List to Personal Property Owners.
December 31	Collector	Deadline for Mailing Actual Tax Bills For communities using the annual preliminary billing system on a quarterly or semi-annual basis, the actual tax bills should be mailed by this date.
Final Day of Each Month	Treasurer	Notification of monthly local aid distribution. Click www.mass.gov/treasury/cash-management to view distribution breakdown.

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