



CITY & TOWN

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New Rules for School Building Assistance

written by Jeff Wulfson, Department of Education

Modifications to the Commonwealth's school building assistance (SBA) program give municipalities and school districts greater flexibility to devise appropriate solutions to their school building needs. They also promote efficient and effective use of state funding and encourage planning for school projects consistent with the state's goals for the preservation of open space and downtown areas. In July, the governor signed into law the most far-reaching changes since SBA was enacted in 1948.¹ At the same time, the Board of Education made companion changes to the program regulations.² The SBA program has now been made a permanent part of the general laws.³ There is no longer a sunset date for the program's expiration. Current funding for SBA is more than \$300 million annually.

The old, fixed reimbursement rates have been eliminated. New reimbursement rates established for each town are based on equalized property valuations, per capita income, and the percentage of low-income students in the district. These rates will be updated annually. In addition, projects can earn additional "incentive" points for reusing existing buildings, providing adequate maintenance, using construction managers and/or meeting energy efficiency standards. The automatic 90 percent reimbursement rate for approved racial desegregation projects has been eliminated. For the next five years, districts with approved desegregation plans will have 10 points added to their reimbursement rate, and for the five years following that, five points will be added.

Districts can now receive reimbursement for more cost effective alternatives

to construction. Examples include leasing space, entering into tuition agreements with neighboring districts, or utilizing modular classrooms on a temporary basis. Beginning in FY2001, major repair projects, including replacement of roofs, mechanical systems or windows, will again be eligible for state funding. Work required to meet building code or accessibility requirements, to improve energy efficiency or to remedy structural or environmental safety hazards will also qualify.

The reform legislation encourages the reuse and expansion of existing buildings, minimizing the need to take open space for the construction of new school buildings. Although the space standards in the SBA regulations have not yet been changed, they are under review. The Department of Education (DOE) expects changes to be made sometime next year. In the meantime, districts may request waivers of the current standards, if needed to allow the reuse of existing buildings.

A new interagency SBA advisory board has been established to assist in the review of project applications and to provide advice to the Commissioner of Education on individual projects and general policies. Under the new regulations, a more thorough review of available options will take place prior to project approval. Districts should notify DOE as soon as a particular need is identified to ensure that all appropriate options are considered in the feasibility study. In many cases the initial study will identify additional options or issues for further analysis. Requests for new capacity to meet future enrollment projections must include adequate supporting documentation for those projections.

The changed regulations eliminate fixed deadlines for the various steps in the application process. School districts may now submit applications at any time during the year. After review, DOE will grant appropriate approvals as soon as the requirements of each step have been met. Because of the emphasis on ensuring that all options are fully considered, DOE can no longer commit to granting final approval in the same year in which applications are submitted.

The new statute includes grandfather provisions for projects already in the planning stage. In particular, projects which have already received DOE approval and which are on the priority list awaiting funding will receive the old reimbursement rates. In addition, projects which receive a local vote for design or construction by December 30, 2000, have a completed application by June 30, 2001, and receive Board of Education approval by August 30, 2001, are also eligible for the old rates.

Since districts have submitted a record number of project applications for SBA
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LEGAL

in Our Opinion

Open Meeting Law

The Appeals Court recently had to decide whether the chairman of the Longmeadow board of selectmen's attendance at a nonpublic meeting constituted a violation of the Open Meeting Law. The case is *Pearson v. Board of Selectmen of Longmeadow*.¹

In 1996, the city of Springfield planned to reopen the King Philip Stockade for recreational purposes. Although the Stockade is in Springfield, Western Drive in the town of Longmeadow was proposed as the access to the Stockade. Residents of Western Drive became alarmed at the thought of their neighborhood being overrun by motor vehicles travelling to and from the Stockade. Statements from Springfield officials did not alleviate the residents' fears. The Longmeadow board of selectmen, therefore, scheduled an emergency meeting for the evening of May 22, 1996 to discuss the residents' traffic concerns. On that afternoon, the chairman of the board of selectmen decided to cancel the evening meeting. He made this decision after consulting with the other selectmen and the town's executive secretary by telephone. That evening, the chairman attended a nonpublic meeting. Other attendees were two residents of Western Drive, the town's executive secretary, the mayor of Springfield, and two other Springfield officials. At the meeting, the mayor proposed that vehicles only use Western Drive on a temporary basis until the city could construct a new entrance to the Stockade. The chairman requested that the city delay the opening of the facility for 10 days to permit the Longmeadow board of selectmen to deliberate and vote on any proposed agreement that would be drafted by the Longmeadow town counsel and the Springfield city solicitor.

On May 28, 1996 there was a community wide meeting in Longmeadow to discuss the Springfield mayor's proposal. Then, at a subsequent selectmen's meeting, the board deliberated and voted on the agreement. Thereupon, registered voters of Longmeadow complained to the Hampden County district attorney that the May 22 meeting had violated the Open Meeting Law. The Hampden district attorney described that meeting as a fact gathering session at which no vote or decision was made. He concluded that the May 22 meeting had complied with the law.

Under the Open Meeting Law, three or more registered voters, the attorney general or the district attorney can file a complaint in the Supreme Judicial Court or superior court.² In this instance, three registered voters brought suit in Hampden County Superior Court. The court ruled in favor of the selectmen, and the plaintiffs appealed to the Appeals Court.

The Open Meeting Law provides that all meetings of a governmental body shall be open to the public, and no quorum of a governmental body shall meet in private to decide on or deliberate on any matter, except as provided by law. The statute further provides that a governmental body includes all subcommittees. At issue was whether a single member of a governmental body who attends a meeting with officials of another city or town is a "subcommittee" under the terms of the Open Meeting Law.

In reading the statute, the Appeals Court noted that the word "deliberation" was defined as "a verbal exchange between a quorum of members of a governmental body." In the court's view, a meeting of a "subcommittee" of a governmental body, under a plain reading

of the statute, logically could not include a subcommittee of one. The plaintiffs had relied on an earlier Appeals Court decision involving the Town of Canton. In *Nigro v. Conservation Commission of Canton*, the Appeals Court had held that a three member subcommittee of the seven member Canton conservation commission must comply with the Open Meeting Law when the subcommittee engages in fact finding and making reports to the full commission.³ In the case at hand, however, the Appeals Court held that the 1984 Town of Canton decision should not be read to mean that a subcommittee of a governmental body could ever include just one individual.

The Appeals Court also wrote that, even if there had been a violation of the Open Meeting Law, the harm would have been remedied by the independent deliberative action taken at the later meeting of the full board of selectmen. Furthermore, in the court's view, there was no violation of the Open Meeting Law when the May 22 selectmen's meeting was cancelled by telephone and the decision was made for the chairman to attend the nonpublic meeting. According to the court, it would be impractical to hold a public meeting for such acts as scheduling or canceling meetings.

Under the circumstances presented, the Appeals Court ruled that the Longmeadow selectmen had complied with the Open Meeting Law. ■

written by James Crowley

1. 49 Mass. App. 119 (2000).

2. M.G.L. Ch. 39, Sec. 23B.

3. Mass. App. 433 (1984).

FOCUS

on Municipal Finance

FY2000 Multiple Tax Rates

Cities and towns certified as assessing property at full and fair cash value may elect to shift the tax levy burden within and among the major property classes under limits established by law. At an annual public hearing, the board of selectmen or the city council, with the consent of the mayor, separately consider four different local options. These are a residential exemption, an open space discount, a small commercial exemption, and a split tax rate. In FY2000 11 municipalities elected to grant a residential exemption; three opted for the small commercial exemption; two chose the open space option and 100 voted a split tax rate.

The residential exemption excludes part of the value of an eligible taxpayer's principal residence. The amount exempted may be up to 20 percent of the average assessed value of the total residential class. Since it is a fixed amount, more is exempted proportionally from eligible lower valued properties than from those with higher values. Thus, the levy burden is shifted within the residential class only from owner-occupied and lower valued properties, to higher valued ones and to those not eligible for the exemption, such as vacant land, rental properties and seasonal homes. In FY2000, two communities choosing this option have a large number of seasonal homes (Tisbury, Nantucket), while eight (Boston, Brookline, Cambridge, Chelsea, Marlborough, Somerville, Waltham, Watertown) have a substantial number of apartments. The majority granted the maximum 20 percent exemption, with exclusions of from \$38,000 to \$89,600 of value.¹

The open space discount reduces the tax burden for properties classified by the assessors as open space, defined

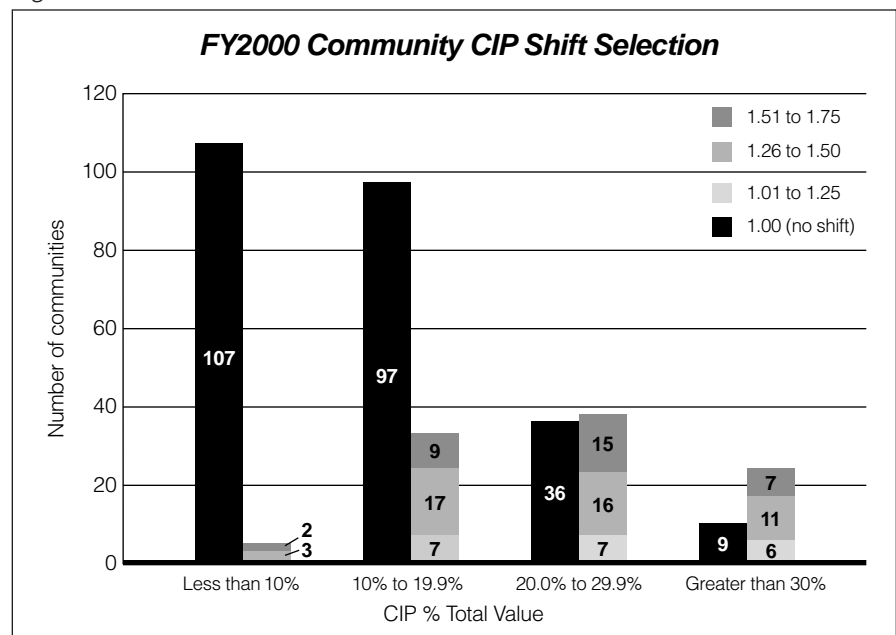
as land in an open or natural condition contributing to the public benefit and enjoyment. Such land may not include chapter land (M.G.L. Ch. 61, 61A, 61B), property held for income production, or property with a permanent conservation restriction. The discount may be up to 25 percent. The levy burden is shifted to the residential class, which assumes a slightly higher tax rate. The two communities choosing this option in FY2000, Bedford and Paxton, have less than two percent of their total assessed value in the open space class. They chose 25 and 10 percent discounts respectively.

First allowed in FY1994, the small commercial exemption excludes a percentage of the assessed value of each eligible parcel. Only commercial real property valued at less than \$1 million and occupied by certified small businesses (10 or fewer employees) is eligible. The resulting decreased class value causes a slightly higher commercial and industrial tax rate; the personal property tax rate is not affected. Thus

the levy burden is shifted to those in the commercial and industrial class not eligible for the exemption. The three communities choosing this option (Avon, Braintree, Somerset) granted the maximum 10 percent exemption. All three have commercial and industrial properties ranging from small "mom and pop" operations to large retail malls or power plants.

In FY2000 approximately 29 percent of the municipalities shifted some of the tax burden from the residential and open space classes (R&O) to the commercial, industrial and personal property classes (CIP). The adoption of a split rate does not change the total property tax levy; rather, it determines the share of the total to be borne by each class. If a municipality decides to have a single tax rate, the levy share of each property class is proportionate to its share of the total assessed value. In other words, if the residential portion of the total assessed value is 80 percent, *continued on page six* ➔

Figure 1



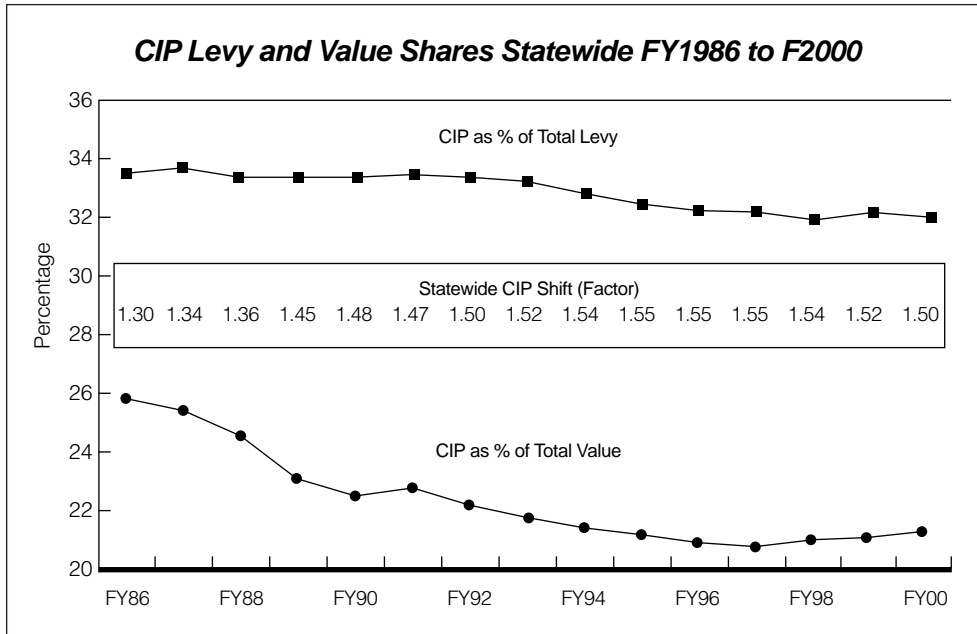
FY2000 Multiple Tax Rates, CIP Shifts and Amount Shifted

City/Town	CIP % of Valuation	Max CIP Shift	Actual CIP Shift	\$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate	CIP % of Valuation	Max CIP Shift	Actual CIP Shift	\$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate
Abington	14.40	1.50	1.00		19.10	19.10	19.10	7.50	1.50	1.00		21.49	21.49	21.49
Acton	14.40	1.50	1.00		17.43	17.43	17.43	7.50	1.50	1.00		16.65	16.65	16.65
Acushnet	10.40	1.50	1.25	180	14.09	18.14	14.51	23.60	1.50	1.50	4,677	2.38	2.38	2.38
Adams	20.70	1.50	1.14	163	17.63	20.86	18.30	4.80	1.00	1.00		13.47	13.47	13.47
Agawam	28.50	1.50	1.25	1,895	15.00	20.77	16.64	15.30	1.75	1.75	1,172	16.12	32.62	18.64
Afford	3.80	1.50	1.00		7.74	7.74	7.74	7.20	1.00	1.00		15.09	15.09	15.09
Amesbury	18.30	1.50	1.00		17.88	17.88	17.88	11.00	1.00	1.00		18.65	18.65	18.65
Amherst	13.70	1.50	1.00		19.67	19.67	19.67	11.60	1.00	1.00		12.10	12.10	12.10
Andover	24.10	1.50	1.26	3,861	14.65	20.11	15.96	9.10	1.50	1.00		18.70	18.70	18.70
Aquinnah	2.50	1.50	1.00		6.65	6.65	6.65	13.80	1.50	1.00		14.46	14.46	14.46
Arlington	8.70	1.50	1.00		17.66	17.66	17.66	21.90	1.00	1.00		18.46	18.46	18.46
Ashburnham	4.70	1.50	1.00		18.60	18.60	18.60	32.70	1.50	1.00	1,155	14.81	17.12	15.57
Ashby	5.00	1.50	1.00		17.72	17.72	17.72	18.80	1.50	1.00		11.95	11.95	11.95
Ashfield	9.20	1.50	1.00		16.98	16.98	16.98	23.60	1.69	1.69	5,759	14.75	31.67	18.74
Ashland	11.30	1.50	1.10	209	16.19	18.04	16.40	26.70	1.50	1.00		15.00	15.00	15.00
Athol	14.80	1.50	1.00		14.95	14.95	14.95	10.60	1.50	1.00		8.64	8.64	8.64
Attleboro	19.40	1.75	1.50	3,028	15.34	26.16	17.44	16.40	1.50	1.50	450	13.67	22.73	15.16
Auburn	31.10	1.50	1.46	2,278	13.32	24.54	16.81	7.50	1.50	1.00		16.99	16.99	16.99
Avon (C)	49.90	1.35	1.30	1,149	12.43	23.18	17.76	2.00	1.50	1.00		11.38	11.38	11.38
Ayer	52.90	1.31	1.29	1,512	11.32	21.63	16.77	9.10	1.50	1.00		15.69	15.69	15.69
Barnstable	15.90	1.50	1.00		12.80	12.80	12.80	10.00	1.00	1.00		12.20	12.20	12.20
Barre	13.40	1.50	1.00		17.30	17.30	17.30	5.60	1.50	1.00		15.66	15.66	15.66
Becket	7.80	1.50	1.00		12.06	12.06	12.06	4.20	1.50	1.00		14.84	14.84	14.84
Bedford (O)	28.50	1.75	1.70	5,634	12.16	28.68	16.87	14.10	1.50	1.00		17.98	17.98	17.98
Belchertown	7.30	1.50	1.00		18.94	18.94	18.94	11.90	1.50	1.00		10.60	10.60	10.60
Bellingham	35.70	1.50	1.00		13.82	13.82	13.82	22.30	1.50	1.00		20.43	20.43	20.43
Belmont	6.00	1.50	1.00		12.32	12.32	12.32	7.50	1.50	1.00		11.71	11.71	11.71
Berkley	5.50	1.50	1.00		12.13	12.13	12.13	15.20	1.00	1.00		17.02	17.02	17.02
Berlin	30.40	1.50	1.00		15.19	15.19	15.19	12.00	1.50	1.00		16.24	16.24	16.24
Bernardston	16.10	1.50	1.00		17.42	17.42	17.42	7.70	1.50	1.00		6.24	6.24	6.24
Beverly	12.20	1.75	1.50	2,764	14.49	23.36	15.57	8.00	1.00	1.00		10.42	10.42	10.42
Billerica	26.60	1.75	1.65	8,745	13.90	30.00	18.18	90.90	1.04	1.04	104	3.54	5.64	5.45
Blackstone	7.90	1.50	1.00		14.96	14.96	14.96	12.10	1.50	1.00		13.35	13.35	13.35
Blandford	9.80	1.50	1.00		13.46	13.46	13.46	49.00	1.48	1.48	10,684	10.41	28.61	19.33
Bolton	12.90	1.50	1.00		16.41	16.41	16.41	21.00	1.15	1.15	451	15.14	18.13	15.77
Boston (R)	44.30	1.58	1.58	221,676	13.15	34.21	21.68	23.60	1.75	1.75	6,835	10.46	23.84	13.62
Bourne	14.30	1.50	1.00		12.80	12.80	12.80	9.30	1.50	1.00		11.46	11.46	11.46
Boxborough	18.80	1.50	1.00		16.88	16.88	16.88	24.40	1.50	1.27	1,558	18.21	25.34	19.95
Boxford	2.60	1.50	1.00		13.55	13.55	13.55	79.90	1.09	1.02	19	9.45	10.47	10.27
Boyston	10.80	1.50	1.10	56	16.89	18.81	17.10	21.50	1.50	1.00		15.46	15.46	15.46
Braintree (C)	30.10	1.52	1.50	6,739	12.24	23.45	15.59	28.90	1.47	1.47	12,662	16.13	29.31	19.94
Brewster	9.30	1.50	1.00		11.92	11.92	11.92	20.90	1.00	1.00		13.11	13.11	13.11
Bridgewater	10.90	1.50	1.00		14.03	14.03	14.03	14.90	1.75	1.45	520	14.45	22.74	15.68
Brimfield	12.10	1.50	1.00		15.97	15.97	15.97	20.30	1.50	1.00		19.19	19.19	19.19
Brockton	26.30	1.50	1.37	6,444	18.06	28.51	20.81	11.80	1.50	1.00		15.14	15.14	15.14
Brookfield	9.60	1.50	1.00		17.29	17.29	17.29	18.10	1.50	1.00		15.24	15.24	15.24
Brookline (R)	11.00	1.75	1.74	7,915	14.83	24.92	14.07	12.40	1.50	1.30	1,377	14.83	20.14	15.49
Buckland	21.20	1.50	1.00		18.64	18.64	18.64	5.30	1.50	1.00		16.51	16.51	16.51
Burlington	42.00	1.56	1.55	10,767	10.30	26.50	17.10	3.50	1.00	1.00		2.50	2.50	2.50
Cambridge (R)	38.60	1.69	1.69	43,952	9.64	25.16	14.86	12.30	1.50	1.00		15.80	15.80	15.80
Canton	24.90	1.50	1.00	3,890	14.21	25.54	17.03	7.30	1.50	1.00		16.53	16.53	16.53
Carlisle	2.20	1.50	1.00		17.80	17.80	17.80	15.60	1.50	1.00		16.60	16.60	16.60
Carver	22.30	1.50	1.37	908	16.83	25.79	18.83	24.30	1.50	1.00		17.16	17.16	17.16
Chatham	15.30	1.50	1.00		20.08	20.08	20.08	27.90	1.50	1.00		21.68	21.68	21.68
Charlton	15.30	1.50	1.00		13.84	13.84	13.84	6.30	1.50	1.00		18.81	18.81	18.81
Chatham	10.40	1.50	1.00		10.08	10.08	10.08	9.40	1.00	1.00		15.30	15.30	15.30
Chelmsford	20.50	1.50	1.00		17.34	17.34	17.34	33.00	1.50	1.00		13.03	13.03	13.03
Chelsea (R)	36.50	1.75	1.75	5,549	14.65	39.73	22.70	13.10	1.50	1.00		16.30	16.30	16.30
Cheshire	9.50	1.50	1.00		11.50	11.50	11.50	5.90	1.50	1.00		15.70	15.70	15.70
Chester	7.60	1.50	1.00		15.70	15.70	15.70	9.30	1.50	1.00		17.57	17.57	17.57
Chester	7.60	1.50	1.00		15.70	15.70	15.70	9.30	1.50	1.00		17.57	17.57	17.57
Chicopee	23.60	1.50	1.50	4,677	16.65	29.54	19.69	23.60	1.50	1.50		2.38	2.38	2.38
Chilmark	2.30	1.50	1.00		2.38	2.38	2.38	4.80	1.00	1.00		13.47	13.47	13.47
Chilmark	2.30	1.50	1.00		2.38	2.38	2.38	4.80	1.00	1.00		13.47	13.47	13.47
Clinton	15.30	1.75	1.75	1,172	16.12	32.62	18.64	15.30	1.75	1.75	1,172	16.12	32.62	18.64
Cohasset	7.20	1.50	1.00		15.09	15.09	15.09	7.20	1.00	1.00		18.65	18.65	18.65
Colrain	11.00	1.50	1.00		18.65	18.65	18.65	11.00	1.00	1.00		12.10	12.10	12.10
Concord	11.60	1.50	1.00		12.10	12.10	12.10	9.10	1.50	1.00		18.70	18.70	18.70
Conway	9.10	1.50	1.00		14.46	14.46	14.46	13.80	1.50	1.00		14.46	14.46	14.46
Cummington	13.80	1.50	1.00		14.46	14.46	14.46	13.80	1.50	1.00		14.46	14.46	14.46
Dalton	21.90	1.50	1.00		18.46	18.46	18.46	21.90	1.00	1.00		18.46	18.46	18.46
Danvers	32.70	1.50	1.10	1,155	14.81	17.12	15.57	32.70	1.50	1.00		14.81	17.12	15.57
Dartmouth	18.80	1.50	1.00		11.95	11.95	11.95	18.80	1.50	1.00		11.95	11.95	11.95
Dedham	23.60	1.69	1.69	5,759	14.75	31.67	18.74	23.60	1.69	1.69	5,759	14.75	31.67	18.74
Deerfield	26.70	1.50	1.00		15.00	15.00	15.00	26.70	1.50	1.00		15.00	15.00	15.00
Dennis	10.60	1.50	1.00		8.64	8.64	8.64	10.60	1.50	1.00		8.64	8.64	8.64
Dighton	16.40	1.50	1.50	450	13.67	22.73	15.16	16.40	1.50	1.50	450	13.67	22.73	15.16
Douglas	7.50	1.50	1.00		16.99									

	CIP % of Valuation	Max CIP Shift	Actual CIP Shift	\$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate		Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate		CIP % of Valuation	Max CIP Shift	Actual CIP Shift	\$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate		CIP % of Valuation	Max CIP Shift	Actual CIP Shift	\$ Shift to CIP (000s)	Actual Res Tax Rate	Actual CIP Tax Rate	Single Tax Rate	
Methuen	15.70	1.50	1.35	2,037	15.17	21.90	16.22		15.34	15.34	15.34		3.60	1.50	1.00		15.34	15.34	15.34		11.10	1.50	1.00		19.80	19.80	19.80	
Middleborough	20.80	1.50	1.10	364	17.02	19.23	17.48		8.55	8.55	8.55		27.80	1.50	1.00		8.55	8.55	8.55		11.10	1.50	1.00		8.66	8.66	8.66	
Middlefield	7.40	1.50	1.00		16.71	16.71	16.71		16.975	16.975	20.14		22.70	1.75	1.75		16.975	16.975	20.14		6.90	1.50	1.00		12.41	12.41	12.41	
Middleton	23.00	1.50	1.00		15.14	15.14	15.14		1.635	1.635	18.18		19.30	1.30	1.30		1.635	1.635	18.18		14.40	1.50	1.00		15.99	15.99	15.99	
Milford	24.50	1.63	1.50	3,598	16.55	29.63	19.75		284	14.35	16.18		26.90	1.50	1.09		284	14.35	16.18		20.30	1.67	1.57		13.65	25.06	15.96	
Millbury	18.40	1.50	1.00		15.66	15.66	15.66			14.79	14.79		8.40	1.00	1.00		14.79	14.79	14.79		9.40	1.50	1.00		18.45	18.45	18.45	
Millis	11.90	1.50	1.00		18.17	18.17	18.17			13.85	13.85		10.70	1.50	1.00		13.85	13.85	13.85		14.40	1.50	1.18		18.16	18.16	18.16	
Milwille	5.60	1.50	1.00		16.98	16.98	16.98		4,354	17.12	34.88		15.80	1.75	1.75		17.12	34.88	19.93		36.50	1.68	1.68		11.71	27.53	16.37	
Milton	4.50	1.75	1.40	613	15.03	21.45	15.32			14.38	14.38		7.80	1.50	1.00		14.38	14.38	14.38		18.00	1.50	1.00		18.62	18.62	18.62	
Monroe	73.30	1.13	1.00		13.35	13.35	13.35			13.30	13.30		18.60	1.50	1.00		13.30	13.30	13.30		18.70	1.50	1.00		13.06	13.06	13.06	
Monson	12.60	1.50	1.00		18.24	18.24	18.24			16.73	16.73		23.30	1.50	1.00		16.73	16.73	16.73		26.60	1.50	1.00		17.70	17.70	17.70	
Montague	32.80	1.50	1.20	492	16.74	22.26	18.55			15.88	15.88		8.80	1.50	1.00		15.88	15.88	15.88		5.70	1.50	1.00		20.39	20.39	20.39	
Monterey	5.50	1.50	1.00		9.32	9.32	9.32		43	3.22	5.06		94.10	1.02	1.02		3.22	5.06	4.95		8.00	1.50	1.00		13.09	13.09	13.09	
Montgomery	5.70	1.50	1.00		13.94	13.94	13.94			14.32	14.32		12.60	1.50	1.00		14.32	14.32	14.32		22.10	1.75	1.64		13.39	24.93	15.20	
Mt. Washington	5.20	1.50	1.00		5.68	5.68	5.68			12.04	12.04		7.30	1.50	1.00		12.04	12.04	12.04		5.20	1.50	1.00		15.02	15.02	15.02	
Nahant	3.40	1.50	1.00		12.91	12.91	12.91		85	14.57	23.82		14.30	1.50	1.50		14.57	23.82	15.89		18.00	1.75	1.60		14.12	26.01	16.25	
Natick	9.60	1.75	1.75	2,074	5.77	10.57	6.04			13.65	13.65		5.80	1.50	1.00		13.65	13.65	13.65		13.10	1.50	1.00		9.50	9.50	9.50	
Naticket (R)	28.00	1.50	1.00		15.12	15.12	15.12		8,241	14.23	31.65		27.70	1.75	1.66		14.23	31.65	19.06		9.80	1.50	1.00		9.43	9.43	9.43	
Needham	16.40	1.50	1.46	3,691	11.76	18.88	12.93			13.69	13.69		24.40	1.50	1.00		13.69	13.69	13.69		11.70	1.50	1.00		20.15	20.15	20.15	
New Ashford	34.40	1.50	1.30	15	5.49	8.47	6.52			10.21	10.21		10.10	1.50	1.00		10.21	10.21	10.21		5.40	1.50	1.00		13.46	13.46	13.46	
New Bedford	23.40	1.75	1.64	8,337	16.23	33.11	20.19			14.30	14.30		20.20	1.50	1.00		14.30	14.30	14.30		21.00	1.50	1.00		18.00	18.00	18.00	
New Braintree	10.40	1.50	1.00		16.82	16.82	16.82		5,218	11.59	24.71		29.80	1.65	1.65		11.59	24.71	14.97		38.80	1.50	1.19		13.52	18.29	15.37	
New Marlborough	9.10	1.50	1.00		10.84	10.84	10.84			14.90	14.90		5.60	1.50	1.00		14.90	14.90	14.90		11.50	1.50	1.00		13.83	13.83	13.83	
New Salem	6.10	1.50	1.00		14.20	14.20	14.20			13.85	13.85		5.30	1.50	1.00		13.85	13.85	13.85		3.50	1.50	1.00		12.74	12.74	12.74	
Newbury	5.80	1.50	1.00		13.36	13.36	13.36		1,667	15.16	23.08		27.70	1.50	1.33		15.16	23.08	17.35		31.70	1.50	1.42		18.22	32.16	22.63	
Newburyport	19.50	1.50	1.00		16.81	16.81	16.81			20.68	20.68		7.00	1.50	1.00		20.68	20.68	20.68		11.70	1.50	1.00		14.46	14.46	14.46	
Newton	11.70	1.75	1.72	12,660	12.06	22.97	13.34			15.94	15.94		17.50	1.50	1.00		15.94	15.94	15.94		4.70	1.50	1.00		8.30	8.30	8.30	
Norfolk	5.20	1.50	1.00		15.86	15.86	15.86			14.78	14.78		24.10	1.50	1.00		14.78	14.78	14.78		42.10	1.48	1.00		15.12	15.12	15.12	
N. Adams	27.40	1.50	1.50	1,068	15.64	28.91	19.27			14.48	14.48		3.50	1.50	1.00		14.48	14.48	14.48		20.50	1.50	1.49		16.40	27.98	18.78	
N. Andover	17.00	1.50	1.16	893	14.91	17.88	15.41			15.99	15.99		13.20	1.50	1.00		15.99	15.99	15.99		14.40	1.50	1.00		16.48	16.48	16.48	
N. Attleborough	26.10	1.50	1.00		14.88	14.88	14.88			13.34	13.34		15.80	1.50	1.00		13.34	13.34	13.34		5.10	1.50	1.00		18.50	18.50	18.50	
N. Brookfield	14.30	1.50	1.00		13.62	13.62	13.62			22.19	22.19		4.00	1.50	1.00		22.19	22.19	22.19		22.20	1.50	1.00		17.58	17.58	17.58	
N. Reading	16.50	1.50	1.00		16.14	16.14	16.14		4,998	13.18	26.66		41.00	1.48	1.48		13.18	26.66	18.01		4.90	1.50	1.00		11.97	11.97	11.97	
Northampton	25.40	1.50	1.00		16.07	16.07	16.07		7,715	13.97	25.97		19.20	1.75	1.75		13.97	25.97	14.84		10.30	1.50	1.00		9.93	9.93	9.93	
Northborough	20.90	1.50	1.00		16.84	16.84	16.84			16.67	16.67		11.30	1.50	1.00		16.67	16.67	16.67		18.90	1.50	1.48		2.679	21.09	14.25	
Northbridge	14.70	1.50	1.00		14.50	14.50	14.50			14.94	14.94		7.60	1.50	1.00		14.94	14.94	14.94		14.30	1.50	1.38		15.67	23.01	16.72	
Northfield	32.60	1.50	1.00		14.46	14.46	14.46			14.30	14.30		21.60	1.50	1.00		14.30	14.30	14.30		20.40	1.50	1.00		19.09	19.09	19.09	
Norton	15.40	1.50	1.00		14.26	14.26	14.26			15.78	15.78		25.50	1.50	1.00		15.78	15.78	15.78		12.90	1.50	1.00		20.30	20.30	20.30	
Norwell	18.10	1.50	1.00		14.54	14.54	14.54			15.56	15.56		12.60	1.50	1.00		15.56	15.56	15.56		11.80	1.50	1.00		18.30	18.30	18.30	
Norwood	32.00	1.50	1.34	3,596	12.17	19.41	14.49			12.32	12.32		15.50	1.50	1.00		12.32	12.32	12.32		10.00	1.50	1.00		14.87	14.87	14.87	
Oak Bluffs	10.20	1.50	1.00		11.85	11.85	11.85		12,482	20.80	36.05		27.50	1.50	1.44		20.80	36.05	25.00		20.90	1.50	1.00		14.59	14.59	14.59	
Oakham	7.90	1.50	1.00		13.05	13.05	13.05			16.12	16.12		14.40	1.50	1.00		16.12	16.12	16.12		30.90	1.75	1.61		14.36	31.77	19.73	
Orange	20.50	1.50	1.00		20.18	20.18	20.18			9.63	9.63		13.30	1.50	1.00		9.63	9.63	9.63		12.70	1.50	1.00		16.34	16.34	16.34	
Orleans	11.60	1.50	1.00		8.46	8.46	8.46		416	14.51	16.57		13.90	1.50	1.12		14.51	16.57	14.80		6.90	1.50	1.00		13.82	12.92	13.76	
Otis	8.10	1.50	1.00		9.08																							

FY2000 Multiple Tax Rates
 → continued from page three

Figure 2



then it raises 80 percent of the property taxes. This option allows the community to change only the levy proportion.

The Classification Act of 1979 established two limits on the ability of cities and towns to shift the property tax burden. First, the CIP levy share may only be increased as much as 50 percent over what it would otherwise be with a single tax rate. Second, the residential share may be no less than 65 percent of the single tax rate levy share. Chapter 200 of the Acts of 1988 modified these shift limits. Under its provisions, if a community's maximum shift results in a residential share larger than the prior year's, the CIP levy share may increase as much as 75 percent. However, the residential levy share cannot be reduced below 50 percent of its single tax rate share nor can it be less than the levy share in any year since the community was first certified.²

Of the 350 communities reporting in FY2000, most (297) had an allowable CIP shift of 50 percent. Eight could not

shift that much, while 47 communities could have shifted between 50 and 75 percent. The actual CIP levy share increase chosen by the 100 communities that shift varies from 2 to 75 percent. Only 24 opted to shift to their maximum. (Table 1)

Municipalities choose to shift the tax burden to the commercial, industrial and personal property classes for many different reasons. The relative proportion of the CIP assessed value seems to be an important factor in deciding to shift. Figure 1 shows that the actual number of communities adopting a split tax rate increases as the CIP value share increases. For the 112 communities with the lowest CIP share, only 5 percent shift. For those with 10–19.9 percent of their assessed value in CIP, about one-fourth choose to shift. When the CIP share increases to between 20 and 29.9 percent, slightly more than half shift. Of those communities with a CIP value share greater than 30 percent, more than two-thirds shifted some of the tax burden from the residential

and open space classes. In Figure 1 it can also be noted that as the CIP share of the assessed value increases, communities are more likely to shift a larger percentage of the total levy share onto the CIP.

Most of the communities that chose a split tax rate in FY2000 have been adopting split rates for more than 10 years. In fact, since FY1988 the number of municipalities choosing to shift has remained fairly constant. The largest number to shift in any fiscal year was 107. About 114 communities in all have ever opted to shift, but five of these did so for one year only. FY1995 was the last time a community adopted a shift for the first

time. Since that year, four communities have stopped shifting and not one new community has adopted a shift. The statewide CIP share of total assessed value has decreased from almost 26 percent to 21 percent since FY1986. Despite this, the CIP share of the total tax levy has stayed fairly constant at around 33 percent. In order to maintain this levy share, communities have increased the statewide CIP shift 30 to 50 percent. When looking at the Figure 2, this pattern can be easily seen. In addition one can note a slight increase in the statewide CIP assessed value share since FY1997, accompanied by a slight decline in the CIP shift. This is a trend to be watched over the next few years. ■

written by Regina McArdle
 statistical analysis by Donna Demirai

1. See City & Town article of June 2000 for a fuller explanation of this option.
2. For further information on this topic, refer to the classification computer based training module (CBT) available on the Division's website.

DLS UPDATE

2000 Valuation of State-Owned Land

The valuation of state-owned land, undertaken once every five years, includes land eligible for Cherry Sheet reimbursement and specific Metropolitan District Commission (MDC) watershed land.¹ Overall, the new value of state-owned land, as of January 1, 2000 is more than \$2 billion, a 50 percent increase from its 1995 level. The increase reflects not only a rise in land values across the Commonwealth but also acquisitions of land particularly by the Division of Environmental Management and Division of Fisheries and Wildlife, as well as by the MDC in the Wachusett watershed areas. The Division of Local Services' Bureau of Local Assessment (BLA) sent notices of the new state-owned land values to assessors throughout the state in mid-June.

Reimbursable state-owned land varies greatly in its purpose, location and size. It includes harbor islands, ski areas, state forests, endangered wildlife habitats, state parks and state prisons, to mention but a few. Properties are located in 288 communities in every corner of the state from Provincetown to Williamstown. Sites range in size from a fraction of an acre to over 20,000 acres. At project completion BLA tallied the numbers and found that it had valued over 500,000 acres.

The state reimburses communities for loss of tax revenues because the land is being used for public purposes and, therefore, is exempt from local property taxation. In all cases the compensation is for land only. For the watershed lands (Chapter 59), the MDC makes a valuation-based payment to communities from Massachusetts Water Resources Authority funds at the end of each fiscal year. The other state-owned land (Chapter 58) must have been on the municipi-

pal tax rolls prior to state acquisition to be eligible for reimbursement. Cities and towns receiving money under Chapter 58 see their payment annually in November. This year's revaluation will be used as the basis for the FY2002 Cherry Sheet calculations. The actual amount of the payments will depend on the funding level voted by the Legislature. The Cherry Sheet program is the larger of the two reimbursement programs. It includes 75 percent of the land, valued at more than \$1.8 billion. The MDC watershed program has the remaining 25 percent of the land, which is valued at over \$273 million.

1. M.G.L. Ch. 58, Secs. 13-17 and Ch. 59, Sec. 5G.

Small Commercial Exemption Eligibility

The small commercial exemption is one of the property tax classification options available to communities when setting the annual property tax rate. Under that option, the board of selectmen or mayor, with the approval of the city council, may exempt up to 10 percent of the value of commercial parcels occupied by qualifying small businesses.¹ The small commercial exemption lowers taxes on parcels occupied by small businesses and shifts those taxes to other commercial and industrial taxpayers. Eligible small businesses are defined as those having an average annual employment of no more than 10 persons.

If a business is a sole proprietorship or partnership, the assessors may now determine eligibility.² Previously, a sole proprietorship or partnership could not receive the exemption unless the Department of Labor and Workforce Development (formerly called the Department of Employment and Training) had certified that the business met the employment criterion in the annual list pro-

vided to local assessors. In many cases, however, otherwise eligible sole proprietorships and partnerships do not appear on that list because they are not legally required to file the reports used by the Department to determine annual average employment. The legislation also requires that the amount of any exemption applied to a parcel be shown on the tax bill.³

1. M.G.L. Ch 59, Sec. 51.

2. Chapter 159, Secs. 115-117 of the Acts of 2000.

3. M.G.L. Ch. 60, Sec. 3A.

Cape Communities Receive Land Bank Grants

Cape communities received letters from the Division of Local Services in November announcing the distribution of \$4.5 million under the new Cape Cod Open Space Acquisition Program. The Legislature established this program with the enactment of Chapter 293 of the Acts of 1998, permitting each Cape town to impose an additional surtax of three percent of the amount of the tax bill on every parcel of real estate. All of the 15 towns in Barnstable County accepted the act.

As part of the Cape Cod Open Space Acquisition Program, the Legislature appropriated \$15 million to fund the Cape Cod Land and Aquifer Protection Fund. Every Cape community is entitled to receive a grant from this fund. Subject to the availability of monies, the fund will provide an annual amount equal to 50 percent of the amount the town collected in land bank surtaxes during the preceding fiscal year. The amount of surtax collected in FY2000 by the 15 Cape Cod communities was \$8,967,274. The 50 percent reimbursements total \$4,483,637.

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Municipal Fiscal Calendar

January 1

Assessors: Property tax assessment date.

Treasurer: File IRS Form 5500 (report of employee benefit plan).

School Building Assistance ➔ continued from page one

funding in the past two years, the waiting period for funding is expected to increase. Districts with approved projects may continue to do temporary borrowing to allow construction to start prior to the receipt of state funds.

The new statute, regulations, explanatory information, and other related ma-

terials are posted on the school building assistance page of the Department of Education's school finance website (finance1.doe.mass.edu). ■

1. St. 2000, Ch. 159, sec. 140.
2. 603 CMR 38.00.
3. M.G.L. Ch. 70B.

E-Mail Available

Need to communicate with someone at the Division of Local Services (DLS)? Why not use e-mail? Local officials can now go to the DLS website (www.state.ma.us/dls) to send an e-mail to individual DLS employees. To access the e-mail feature, click on Directory, then click on the office you wish to contact. Beside the name and telephone number of each DLS staff person are the words "Send e-mail" in blue. To send an e-mail, simply click on the e-mail link next to the name of the person you wish to contact, write your message, and send it. ■

Land Bank Grants ➔ continued from page seven

Funds collected under the Open Space Program may be expended, upon appropriation, for land acquisition purposes only. Any real property interest purchased with Land Bank funds must be retained in a natural, scenic or open condition. Monies from the Land Bank Fund may not be used to purchase land improved with buildings or other structures, or to demolish improvements to land. Each community has appointed a Town Open Space Committee to carry out the provision of the program with respect to acquiring open space. Property may be acquired only upon a recommendation by the Town Open Space Committee and a majority vote of town meeting, or in Barnstable, of the town council. ■

City & Town



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Jean McCarthy, Editor

To obtain information or publications, contact the Division of Local Services via:

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