City and Town

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Electronic Funds Transfer for Employers

by Diana Obbard

Electronic Funds Transfer (EFT) is a faster and more efficient way for cities and towns to send both tax and child support wage withholding payments to the Department of Revenue (DOR), rather than by mailing them in the form of checks. All employers may now take advantage of this option.

Currently, DOR notifies municipalities to withhold an employee's wages when the employee has a child support order. State and federal laws require all Massachusetts employers, including cities and towns, to report new or rehired employees and independent contractors to the Department of Revenue within 14 days of hire. DOR matches this new hire information against its database of individuals with child support orders. If there is a match, DOR notifies the employer to withhold the court ordered child support and remit the funds to DOR for distribution to the families. Employers must send the withheld wages to DOR within three business days of the payroll date — a time-consuming and often paper-laden and expensive process. Using EFT to send this money to DOR benefits the employer and DOR as well as the families that receive the money.

There are many benefits to municipalities that use EFT. For example, municipal employees do not need to spend time generating and signing checks. Also, EFT reduces postage costs and eliminates data entry. In addition, EFT ensures that the payments are sent directly to DOR's account. This eliminates the problems associated with lost or stolen checks, and misposted funds. Not only do families receive their payments more quickly, but the number of telephone calls — to both the employer and DOR — from anxious parents asking "Where is my check?" plummets. In addition, employers know exactly when their accounts have been debited.

Using EFT also saves the Commonwealth money. Currently, DOR sends wage withholding notices to tens of thousands of employers. In turn, a mountain of envelopes containing paper wage withholding checks and payment coupons arrive at DOR each day. This mountain of mail must be opened, the contents either scanned (back and front) or data entered, identified, deposited, credited to the appropriate noncustodial parent(s) and disbursed to custodial parents within two business days. Unfortunately, all too often, checks arrive at DOR with incomplete identification or with remittance information no longer with the check. Consequently, DOR staff spend valuable time trying to recreate this information before a payment can be sent to the family.

The financial cost to DOR, and thus to the taxpayer, is great. For example, if a mid-sized city sends wage withholding payments to DOR for 250 employees via paper check, it costs the Commonwealth $7,000 each year to data enter all of the information necessary to process the payments. If this same city were to remit using EFT, the Commonwealth's costs would decrease by almost 33 percent.

Best of all, EFT can be implemented without any significant up-front investment, such as additional computers or remittance processing hardware. It requires one of two formats, either CCD+ or CTX/820, both of which require an addenda line. The addenda line is an electronic trail indicating where the money has come from and where it needs to go (e.g., from City of Boston to DOR for employee John Smith). Once employers have installed the EFT software required by their bank, the pertinent information can be entered and saved, thus eliminating the need to input it again in the future. To learn more about EFT, municipalities

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From the Acting Deputy Commissioner

The last few months of the calendar year are the busiest for the Division of Local Services (DLS) staff involved in the tax rate approval process. Although we have already entered this busy time period, it is not too late to emphasize the importance of timely tax rate setting by communities.

Although DLS has realized an overall reduction of staff over the last few years, we will make every effort possible to accommodate cities and towns. By the same token, communities must also try to ensure the timely submission of their tax documents. Consequently, we have some suggestions to facilitate tax rate setting:

1. Establish the date your community wishes to send out tax bills and then work backwards to determine when vital tasks should be accomplished.

2. Be aware of periods of heavy workloads for various local officials and DLS, and plan accordingly.

3. Notify DLS when your timetables change and provide preliminary information whenever possible.

4. Build in plenty of time for unforeseen occurrences to be sure you can accomplish your goals realistically.

Tax rate approval is predicated on receipt of complete and accurate data, the number of communities in the pipeline ahead of your community and the availability of local finance officials to answer questions.

Tax rate setting involves many participants and if we all work together, we can achieve our mutual goal of getting those tax rates set on time.

Gerard D. Perry
Acting Deputy Commissioner

Legal

in Our Opinion

Court Decides Open Meeting Law Issue

by James Crowley

The Appeals Court was asked to decide whether the Belmont Board of Selectmen had violated the Open Meeting Law by holding an executive session at McLean Hospital to discuss land use with hospital officials. The case is *Allen v. Board of Selectmen of Belmont*, Mass. App. (2003).

The Belmont Board of Selectmen had been concerned about potential development at McLean Hospital. On May 12, 1999, at 3:58 P.M. the Belmont town clerk posted notice of a special meeting of the selectmen to take place at McLean Hospital at 2:30 P.M. on May 14, 1999. The meeting actually began at 2:00 P.M. on May 14. As you are probably aware, the Open Meeting Law (M.G.L. Ch. 39 Sec. 23B) has established a 48-hour notice requirement for meetings of any governmental body except in case of emergency. In this instance, the Belmont town clerk's notice was two hours short of the required 48 hours. When the meeting began, the Belmont selectmen voted to go into executive session and cited the real property exception to the Open Meeting Law. By that provision set forth in M.G.L. Ch. 39 Sec. 23B (6), a governmental body can exclude the public "to consider the purchase, exchange, lease or value of real property, if such discussions may have a detrimental effect on the negotiating position of the governmental body and a person, firm, or corporation."

Shortly thereafter, at a May 17, 1999, town meeting, the Belmont selectmen discussed the substance of the May 14 meeting and asked town meeting to fund a negotiated agreement with the hospital. After being informed of the proposal, town meeting agreed to pay McLean Hospital $2.2 million in that regard. In June 1999 some residents of Belmont sued the selectmen. They claimed the selectmen wrongfully excluded the public from the May 14 meeting in order to make a secret land deal with the hospital.

In this instance, as permitted by statute, three registered voters brought suit in superior court. The court ruled in favor of the selectmen and the plaintiffs appealed to the Appeals Court.

In the case at hand, the plaintiffs contended the selectmen violated the Open Meeting Law on three grounds. First, they claimed the selectmen failed to give 48 hours notice of the meeting and did not list the exact location of the meeting at McLean Hospital. Second, plaintiffs argued there should not have been an executive session since the selectmen improperly relied on the real property exception to the Open Meeting Law. Third, they alleged the selectmen produced an inadequate written record of the May 14 meeting.

The superior court judge had agreed with the plaintiffs that there had been procedural deficiencies on the part of the selectmen but found these procedural flaws to be de minimis. On appeal, the Appeals Court concurred there were notice deficiencies. In addition, the Appeals Court ruled that there should not have been an executive session. The court held that the real property exception was enacted to permit confidentiality in negotiating contracts concerning real property. In the court's view, there were no valid reasons for holding an executive session at McLean Hospital on May 14 since hospital officials and their lawyer were present at the meeting. Yet, the Appeals Court wrote that it was not necessary

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Focus on Municipal Finance

The Tax Levy

by Debbie Wagner and Terry Williams

The tax levy is the revenue a community raises through real and personal property taxes. Property taxes are levied against all non-exempt real and personal property, which is classified into residential, open space, commercial, industrial or personal property classes. The tax rate is expressed as dollars per thousand dollars of the property valuation. These tax rates apply singly to all property classes in a municipality or are "split" between residential/open space and commercial/industrial/personal property.

The property tax levy is the largest source of revenue for most communities. Other revenue sources are state aid, local receipts, and other available funds, such as free cash and stabilization funds. While the levy is the largest source of revenue for cities and towns, there are vast differences in the level of contribution to the total budget of communities in Massachusetts. Statewide in FY03, the levy was responsible for an average of 50.8 percent of municipal revenue, but varied from almost 84 percent in Alford and Dover to only 15 percent in Lawrence. This is because formulas for the distribution of state aid generally are weighted to give greater assistance to communities with lower property wealth and incomes.

The Effects of Proposition 2½

Proposition 2½ is a law that places two constraints on the amount of the tax levy that can be raised by a city or town and how much the levy can be increased from year to year. These constraints are called the levy ceiling and the levy limit. The levy ceiling is determined by multiplying the total full and fair cash value of all taxable real and personal property in a community by 2.5 percent. The levy ceiling may change annually as property is added or deleted from the tax rolls and due to adjustments for market value fluctuations. Secondly, and more importantly, is the levy limit, which is the maximum amount that a community can raise through taxation in any given year. The levy limit must be below, or at most equal to, the levy ceiling.

The following is the levy limit calculation: *Prior Year's Levy Limit × 1.025 + New Growth = Current Year Levy Limit*

The levy limit is increased from year to year as long as it remains below that year's levy ceiling. Each year, a community's levy limit automatically increases by 2.5 percent over the previous year's levy limit. New growth is defined as a calculation of the net increase in municipal property values because of new construction/subdivision or return of exempt property to the tax roles. A community is not obligated to tax to the limit annually. The difference between the actual tax levy and the levy limit is called excess capacity.

Proposition 2½ does, however, allow a community to increase its levy limit through the passage of an override and exceed its levy limit, or levy ceiling, through passage of a debt or capital outlay expenditure exclusion.

Prior to the passage of Proposition 2½, there was no limitation on the amount of taxes that could be levied by a community. Municipal budgets were, therefore, expenditure driven. The limitations imposed by Proposition 2½ have caused municipal budgeting to be a revenue driven process. This is illustrated below.

Tax Levy Trends

Prior to Proposition 2½:
Total Municipal Budget – State Aid – Other Available Sources – Local Receipts = Tax Levy

After Proposition 2½: Tax Levy + State Aid + Other Available Sources + Local Receipts = Total Municipal Budget

In Massachusetts, over the past 10 years, the total tax levy has increased 61.8 percent as illustrated by the top line of *Figure 1*. Taxes on residential/open space property increased 69.5 percent in the 10-year period from 1993 to 2003 while commercial, industrial and personal property saw an increase of 46.7 percent. The percentage of taxes derived from the various classes of property has shifted during this period, becoming more reliant on residential and open space property classes. The residential sector comprised 66.73 percent of the total tax levy in 1993, while taxes in commercial, industrial and personal property classes made up 33.27 percent.

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FY2003 Quarterly vs. Semi-Annual Tax Billing

	Number of communities	FY2003 tax levy
Quarterly communities with split tax rate	79	$4,700,127,419
Quarterly communities with single tax rate	143	$2,311,144,714
Total quarterly communities	222	$7,011,272,133
Semi-annual communities with split tax rate	21	$ 499,075,192
Semi-annual communities with single tax rate	108	$ 983,673,788
Total Semi-annual communities	129	$1,482,748,980
Total communities	**351**	**$8,494,021,113**

Table 1

Fiscal Year 2002–2003 Tax Levies by Community

	Billing cycle	FY02 tax levy	FY03 tax levy	FY02 to FY03 levy amt. chg.	FY02 to FY03 levy pct. chg.
Abington*	S	15,903,048	16,282,000	378,952	2.38
Acton*	Q	40,454,689	41,920,810	1,466,121	3.62
Acushnet**	S	8,750,139	9,316,490	566,351	6.47
Adams**	S	5,669,814	5,801,541	131,727	2.32
Agawam**	Q	30,406,026	33,194,695	2,788,669	9.17
Alford*	S	783,517	814,042	30,525	3.90
Amesbury*	Q	22,549,770	23,744,731	1,194,961	5.30
Amherst*	Q	23,759,715	24,785,016	1,025,301	4.32
Andover**	Q	69,830,570	75,831,101	6,000,531	8.59
Aquinnah*	S	1,416,456	1,771,509	355,053	25.07
Arlington*	Q	59,097,732	61,246,845	2,149,113	3.64
Ashburnham*	S	6,098,208	6,467,645	369,437	6.06
Ashby*	S	2,919,044	3,063,014	143,970	4.93
Ashfield*	Q	2,100,149	2,192,478	92,329	4.40
Ashland*	Q	21,586,678	22,758,644	1,171,966	5.43
Athol*	S	6,332,480	6,280,219	–52,261	–0.83
Attleboro**	Q	34,526,001	36,927,175	2,401,174	6.95
Auburn**	Q	18,021,035	19,729,220	1,708,185	9.48
Avon**	Q	9,260,886	9,580,807	319,921	3.45
Ayer**	S	10,732,766	10,989,738	256,972	2.39
Barnstable*	S	69,349,433	70,590,891	1,241,458	1.79
Barre*	S	3,551,205	4,054,880	503,675	14.18
Becket*	Q	2,610,287	2,896,751	286,464	10.97
Bedford**	Q	31,266,438	32,492,525	1,226,087	3.92
Belchertown*	Q	12,969,530	13,811,781	842,251	6.49
Bellingham**	Q	19,005,475	20,024,427	1,018,952	5.36
Belmont*	S	42,929,550	47,163,788	4,234,238	9.86
Berkley*	Q	4,399,110	4,502,075	102,965	2.34
Berlin*	S	4,363,767	4,715,902	352,135	8.07
Bernardston*	S	2,420,579	2,133,679	–286,900	–11.85
Beverly**	Q	51,667,914	53,879,220	2,211,306	4.28
Billerica**	Q	59,912,785	63,886,839	3,974,054	6.63
Blackstone*	Q	9,004,809	9,587,881	583,072	6.48
Blandford*	Q	1,408,954	1,549,007	140,053	9.94
Bolton*	S	9,610,344	10,317,392	707,048	7.36
Boston**	Q	972,233,769	1,035,270,811	63,037,042	6.48
Bourne*	Q	22,387,778	23,777,368	1,389,590	6.21
Boxborough*	Q	9,867,357	10,964,599	1,097,242	11.12
Boxford*	Q	15,465,866	16,239,695	773,829	5.00
Boylston*	S	5,546,103	5,997,740	451,637	8.14
Braintree**	Q	48,435,032	50,222,695	1,787,663	3.69
Brewster*	S	17,269,208	17,681,902	412,694	2.39
Bridgewater*	S	19,580,662	20,943,632	1,362,970	6.96
Brimfield*	Q	3,655,513	4,070,138	414,625	11.34
Brockton**	Q	73,392,767	75,847,168	2,454,401	3.34
Brookfield*	Q	2,640,180	2,896,632	256,452	9.71
Brookline**	Q	104,560,825	109,532,059	4,971,234	4.75
Buckland*	Q	2,046,162	2,057,336	11,174	0.55
Burlington**	Q	50,354,340	53,177,347	2,823,007	5.61
Cambridge**	S	187,444,551	197,720,546	10,275,995	5.48
Canton**	Q	35,616,911	37,235,432	1,618,521	4.54
Carlisle*	S	13,675,655	14,805,319	1,129,664	8.26
Carver**	S	11,776,006	12,187,934	411,928	3.50
Charlemont*	S	1,387,289	1,574,823	187,534	13.52
Charlton*	S	9,924,961	10,369,795	444,834	4.48
Chatham*	S	18,878,651	19,311,939	433,288	2.30
Chelmsford*	Q	51,143,632	53,275,946	2,132,314	4.17
Chelsea**	Q	22,527,779	23,403,707	875,928	3.89
Cheshire*	S	1,858,945	2,006,257	147,312	7.92
Chester*	Q	1,322,635	1,474,166	151,531	11.46

	Billing cycle	FY02 tax levy	FY03 tax levy	FY02 to FY03 levy amt. chg.	FY02 to FY03 levy pct. chg.
Chesterfield*	Q	1,451,612	1,582,667	131,055	9.03
Chicopee**	S	44,281,500	46,570,212	2,288,712	5.17
Chilmark*	S	3,853,917	4,176,993	323,076	8.38
Clarksburg*	Q	855,369	864,095	8,726	1.02
Clinton**	Q	11,742,979	12,070,404	327,425	2.79
Cohasset*	Q	17,871,592	19,217,733	1,346,141	7.53
Colrain*	S	1,622,352	1,714,289	91,937	5.67
Concord*	Q	39,068,687	42,496,029	3,427,342	8.77
Conway*	S	2,297,922	2,532,523	234,601	10.21
Cummington*	S	997,536	1,028,876	31,340	3.14
Dalton*	S	6,553,033	6,749,009	195,976	2.99
Danvers**	Q	39,402,916	41,247,862	1,844,946	4.68
Dartmouth*	Q	30,182,976	31,480,465	1,297,489	4.30
Dedham**	Q	39,982,575	42,729,469	2,746,894	6.87
Deerfield*	S	5,103,180	5,269,538	166,358	3.26
Dennis*	S	22,143,276	22,935,072	791,796	3.58
Dighton**	S	6,761,611	7,602,130	840,519	12.43
Douglas*	Q	7,646,374	8,165,651	519,277	6.79
Dover*	Q	15,214,062	15,775,934	561,872	3.69
Dracut*	Q	24,179,790	25,271,688	1,091,898	4.52
Dudley*	Q	5,461,958	6,048,916	586,958	10.75
Dunstable*	S	3,839,832	5,053,431	1,213,599	31.61
Duxbury*	Q	28,466,107	31,058,814	2,592,707	9.11
E. Bridgewater*	S	13,088,724	13,127,503	38,779	0.30
E. Brookfield*	S	1,644,123	1,818,381	174,258	10.60
E. Longmeadow*	S	21,463,868	22,962,708	1,498,840	6.98
Eastham*	S	10,936,314	11,436,300	499,986	4.57
Easthampton*	Q	11,944,238	12,446,107	501,869	4.20
Easton*	Q	24,708,055	25,807,957	1,099,902	4.45
Edgartown*	S	12,911,259	13,347,158	435,899	3.38
Egremont*	Q	2,163,441	2,263,748	100,307	4.64
Erving**	S	4,869,517	5,566,899	697,382	14.32
Essex*	Q	5,549,156	5,965,614	416,458	7.50
Everett**	S	46,675,831	49,806,272	3,130,441	6.71
Fairhaven*	S	15,822,452	16,363,361	540,909	3.42
Fall River**	Q	38,583,216	42,896,168	4,312,952	11.18
Falmouth*	S	51,463,327	53,976,657	2,513,330	4.88
Fitchburg**	S	25,892,377	27,139,422	1,247,045	4.82
Florida**	S	1,281,100	1,323,296	42,196	3.29
Foxborough*	S	21,416,726	22,096,224	679,498	3.17
Framingham**	Q	102,602,969	114,871,058	12,268,089	11.96
Franklin*	Q	35,345,092	37,192,156	1,847,064	5.23
Freetown**	Q	9,452,904	9,819,125	366,221	3.87
Gardner*	S	12,757,559	13,359,928	602,369	4.72
Georgetown*	Q	8,769,136	9,122,728	353,592	4.03
Gill*	S	1,265,796	1,325,561	59,765	4.72
Gloucester**	Q	41,070,715	42,775,347	1,704,632	4.15
Goshen*	S	1,261,975	1,369,389	107,414	8.51
Gosnold*	S	264,082	315,014	50,932	19.29
Grafton*	S	14,376,578	16,025,601	1,649,023	11.47
Granby*	Q	5,192,401	5,504,825	312,424	6.02
Granville*	S	1,729,536	1,786,357	56,821	3.29
Grt. Barrington*	S	10,062,155	10,826,121	763,966	7.59
Greenfield*	Q	17,887,849	19,233,820	1,345,971	7.52
Groton*	Q	15,356,105	17,485,762	2,129,657	13.87
Groveland*	Q	6,360,702	6,885,567	524,865	8.25
Hadley*	Q	5,963,039	6,507,579	544,540	9.13
Halifax*	S	7,314,407	8,012,512	698,105	9.54
Hamilton*	Q	13,633,349	14,444,974	811,625	5.95
Hampden*	Q	6,161,258	6,419,278	258,020	4.19

	Billing cycle	FY02 tax levy	FY03 tax levy	FY02 to FY03 levy amt. chg.	FY02 to FY03 levy pct. chg.
Hancock*	S	594,157	571,738	–22,419	–3.77
Hanover*	S	22,551,078	23,339,503	788,425	3.50
Hanson*	S	10,134,252	11,658,190	1,523,938	15.04
Hardwick*	S	2,099,170	2,154,009	54,839	2.61
Harvard*	Q	9,706,067	10,114,371	408,304	4.21
Harwich*	S	25,517,853	26,736,837	1,218,984	4.78
Hatfield*	S	3,654,295	3,878,934	224,639	6.15
Haverhill**	Q	52,642,762	55,471,869	2,829,107	5.37
Hawley*	S	414,755	457,031	42,276	10.19
Heath*	Q	1,254,433	1,095,096	–159,337	–12.70
Hingham*	Q	38,251,986	39,184,995	933,009	2.44
Hinsdale*	S	1,968,647	2,062,208	93,561	4.75
Holbrook**	Q	13,301,645	14,100,186	798,541	6.00
Holden*	Q	18,201,325	19,724,565	1,523,240	8.37
Holland*	S	3,080,881	3,281,261	200,380	6.50
Holliston*	Q	23,660,165	24,030,162	369,997	1.56
Holyoke**	Q	34,550,207	34,736,230	186,023	0.54
Hopedale**	Q	6,340,439	6,745,143	404,704	6.38
Hopkinton*	Q	27,169,246	28,844,877	1,675,631	6.17
Hubbardston*	Q	3,224,822	3,409,105	184,283	5.71
Hudson**	Q	21,309,256	22,238,416	929,160	4.36
Hull*	S	15,937,879	16,613,254	675,375	4.24
Huntington*	Q	1,787,688	1,816,813	29,125	1.63
Ipswich*	Q	17,958,772	19,337,325	1,378,553	7.68
Kingston*	Q	14,405,626	15,265,754	860,128	5.97
Lakeville*	Q	10,107,403	10,903,331	795,928	7.87
Lancaster*	Q	7,886,505	8,047,353	160,848	2.04
Lanesborough*	Q	4,416,885	4,955,277	538,392	12.19
Lawrence**	Q	28,337,710	31,776,103	3,438,393	12.13
Lee*	S	8,382,244	8,656,268	274,024	3.27
Leicester*	Q	7,211,177	7,524,114	312,937	4.34
Lenox*	S	7,821,787	8,397,227	575,440	7.36
Leominster*	Q	31,656,917	33,292,321	1,635,404	5.17
Leverett*	S	2,923,414	3,043,199	119,785	4.10
Lexington**	Q	72,024,765	75,795,919	3,771,154	5.24
Leyden*	Q	980,354	1,087,716	107,362	10.95
Lincoln*	S	14,713,033	15,630,931	917,898	6.24
Littleton**	S	13,714,226	14,596,801	882,575	6.44
Longmeadow*	Q	26,021,738	28,949,453	2,927,715	11.25
Lowell**	Q	63,014,845	64,179,683	1,164,838	1.85
Ludlow*	Q	19,876,417	20,037,074	160,657	0.81
Lunenburg*	Q	11,538,850	12,133,212	594,362	5.15
Lynn**	Q	65,603,678	68,582,541	2,978,863	4.54
Lynnfield*	Q	19,455,008	20,606,924	1,151,916	5.92
Malden**	Q	44,339,652	46,077,475	1,737,823	3.92
Manchester*	Q	11,899,331	12,683,289	783,958	6.59
Mansfield*	S	32,075,596	33,100,433	1,024,837	3.20
Marblehead*	Q	33,402,444	34,497,302	1,094,858	3.28
Marion*	Q	10,303,143	11,062,929	759,786	7.37
Marlborough**	Q	55,239,982	60,956,295	5,716,313	10.35
Marshfield*	Q	31,585,854	32,872,466	1,286,612	4.07
Mashpee*	Q	23,760,676	26,008,650	2,247,974	9.46
Mattapoisett*	S	10,894,011	11,981,518	1,087,507	9.98
Maynard**	Q	15,251,084	15,156,480	–94,604	–0.62
Medfield*	Q	21,977,379	23,744,164	1,766,785	8.04
Medford**	Q	58,963,303	61,520,934	2,557,631	4.34
Medway*	Q	16,900,012	18,525,950	1,625,938	9.62
Melrose**	Q	31,292,943	32,257,114	964,171	3.08
Mendon*	S	6,156,751	6,961,700	804,949	13.07
Merrimac*	Q	5,692,512	6,085,517	393,005	6.90

	Billing cycle	FY02 tax levy	FY03 tax levy	FY02 to FY03 levy amt. chg.	FY02 to FY03 levy pct. chg.
Methuen**	Q	41,381,324	43,633,135	2,251,811	5.44
Middleborough**	S	19,425,930	20,820,798	1,394,868	7.18
Middlefield*	Q	696,762	732,647	35,885	5.15
Middleton*	Q	11,661,513	12,452,073	790,560	6.78
Milford**	Q	33,565,770	35,841,398	2,275,628	6.78
Millbury*	Q	11,902,558	12,694,995	792,437	6.66
Millis*	Q	10,374,354	10,763,990	389,636	3.76
Millville*	Q	2,483,891	2,628,925	145,034	5.84
Milton**	Q	38,529,666	40,393,474	1,863,808	4.84
Monroe**	S	268,324	362,754	94,430	35.19
Monson*	Q	7,669,191	7,935,813	266,622	3.48
Montague**	S	8,167,482	9,409,171	1,241,689	15.20
Monterey*	S	1,658,906	1,924,658	265,752	16.02
Montgomery*	Q	853,928	867,491	13,563	1.59
Mt. Washington*	S	239,530	250,385	10,855	4.53
Nahant*	S	5,031,005	5,189,180	158,175	3.14
Nantucket**	Q	34,582,652	37,722,257	3,139,605	9.08
Natick*	Q	51,549,010	54,138,834	2,589,824	5.02
Needham**	Q	53,954,053	56,685,265	2,731,212	5.06
New Ashford**	S	228,879	205,196	−23,683	−10.35
New Bedford**	Q	61,194,359	64,227,689	3,033,330	4.96
New Braintree*	S	955,532	1,022,304	66,772	6.99
New Marlborough*	S	2,150,740	2,311,805	161,065	7.49
New Salem*	S	848,923	927,206	78,283	9.22
Newbury*	Q	8,592,259	9,183,865	591,606	6.89
Newburyport*	Q	27,219,367	28,801,922	1,582,555	5.81
Newton**	Q	162,278,417	180,170,220	17,891,803	11.03
Norfolk*	Q	13,006,294	13,611,518	605,224	4.65
N. Adams**	Q	7,906,485	8,155,380	248,895	3.15
N. Andover**	Q	37,983,634	41,385,147	3,401,513	8.96
N. Attleborough*	Q	26,167,686	28,015,231	1,847,545	7.06
N. Brookfield*	Q	2,850,164	3,109,316	259,152	9.09
N. Reading*	Q	21,412,222	22,295,318	883,096	4.12
Northampton*	Q	27,665,217	29,018,279	1,353,062	4.89
Northborough*	Q	22,441,418	23,808,396	1,366,978	6.09
Northbridge*	Q	10,732,658	11,164,036	431,378	4.02
Northfield*	S	3,685,211	3,519,882	−165,329	−4.49
Norton*	S	17,207,901	18,119,584	911,683	5.30
Norwell*	Q	20,883,620	21,899,661	1,016,041	4.87
Norwood**	S	35,563,490	36,827,980	1,264,490	3.56
Oak Bluffs*	Q	11,038,189	12,091,460	1,053,271	9.54
Oakham*	S	1,346,260	1,405,346	59,086	4.39
Orange*	S	5,668,148	5,749,531	81,383	1.44
Orleans*	S	12,520,699	12,863,740	343,041	2.74
Otis*	Q	2,427,048	2,474,080	47,032	1.94
Oxford*	S	10,410,324	11,062,185	651,861	6.26
Palmer*	Q	10,562,841	11,024,096	461,255	4.37
Paxton**	S	4,929,831	5,406,333	476,502	9.67
Peabody**	Q	52,210,055	59,292,711	7,082,656	13.57
Pelham*	Q	1,989,246	2,104,273	115,027	5.78
Pembroke*	Q	19,580,395	20,805,313	1,224,918	6.26
Pepperell*	Q	10,334,626	10,773,697	439,071	4.25
Peru*	S	818,490	825,537	7,047	0.86
Petersham*	S	1,262,543	1,616,538	353,995	28.04
Phillipston*	S	1,449,769	1,478,006	28,237	1.95
Pittsfield**	Q	44,960,717	47,142,695	2,181,978	4.85
Plainfield*	S	753,450	763,099	9,649	1.28
Plainville*	S	8,858,350	9,057,223	198,873	2.25
Plymouth*	Q	76,393,522	78,703,110	2,309,588	3.02
Plympton*	S	3,571,386	4,086,816	515,430	14.43

	Billing cycle	FY02 tax levy	FY03 tax levy	FY02 to FY03 levy amt. chg.	FY02 to FY03 levy pct. chg.
Princeton*	S	4,665,488	4,984,969	319,481	6.85
Provincetown*	Q	8,979,868	9,591,300	611,432	6.81
Quincy**	Q	115,667,307	124,607,482	8,940,175	7.73
Randolph**	Q	30,376,272	31,495,042	1,118,770	3.68
Raynham**	Q	13,993,647	15,266,211	1,272,564	9.09
Reading*	Q	31,448,955	32,607,690	1,158,735	3.68
Rehoboth*	Q	10,125,386	11,078,785	953,399	9.42
Revere**	Q	40,020,736	42,015,569	1,994,833	4.98
Richmond*	Q	2,699,100	2,789,702	90,602	3.36
Rochester*	S	5,624,591	5,736,455	111,864	1.99
Rockland*	Q	17,279,872	18,107,583	827,711	4.79
Rockport*	S	12,701,386	13,018,424	317,038	2.50
Rowe**	S	2,197,466	2,265,641	68,175	3.10
Rowley*	Q	6,930,501	7,384,804	454,303	6.56
Royalston*	S	903,492	1,002,136	98,644	10.92
Russell**	S	1,441,906	1,554,237	112,331	7.79
Rutland*	S	5,183,772	5,590,924	407,152	7.85
Salem**	Q	49,573,048	52,196,844	2,623,796	5.29
Salisbury*	Q	9,455,240	9,904,998	449,758	4.76
Sandisfield*	S	1,256,127	1,390,770	134,643	10.72
Sandwich*	Q	32,216,435	33,264,162	1,047,727	3.25
Saugus**	Q	33,760,231	34,780,026	1,019,795	3.02
Savoy*	S	605,529	636,553	31,024	5.12
Scituate*	Q	27,999,450	28,739,176	739,726	2.64
Seekonk**	Q	19,543,583	20,508,092	964,509	4.94
Sharon*	S	30,593,681	36,567,486	5,973,805	19.53
Sheffield*	Q	4,785,616	5,019,209	233,593	4.88
Shelburne*	Q	1,746,390	1,811,806	65,416	3.75
Sherborn*	S	12,394,757	13,470,758	1,076,001	8.68
Shirley*	Q	4,733,427	5,381,962	648,535	13.70
Shrewsbury*	Q	36,060,964	37,027,302	966,338	2.68
Shutesbury*	Q	2,699,557	2,849,340	149,783	5.55
Somerset**	Q	27,526,330	29,421,173	1,894,843	6.88
Somerville**	Q	61,269,021	66,781,087	5,512,066	9.00
S. Hadley*	Q	15,902,867	15,641,353	−261,514	−1.64
Southampton*	Q	4,934,414	5,474,425	540,011	10.94
Southborough*	Q	19,012,584	20,581,232	1,568,648	8.25
Southbridge*	Q	8,709,052	9,549,051	839,999	9.65
Southwick*	S	8,610,572	9,201,118	590,546	6.86
Spencer*	Q	6,554,609	7,329,313	774,704	11.82
Springfield**	Q	111,317,506	115,874,781	4,557,275	4.09
Sterling*	Q	9,438,802	9,903,293	464,491	4.92
Stockbridge*	S	3,650,337	3,704,767	54,430	1.49
Stoneham**	Q	28,638,431	29,657,460	1,019,029	3.56
Stoughton**	S	33,316,771	33,601,801	285,030	0.86
Stow*	Q	11,605,302	12,465,960	860,658	7.42
Sturbridge*	S	11,080,687	12,220,001	1,139,314	10.28
Sudbury**	Q	44,823,263	48,628,888	3,805,625	8.49
Sunderland*	S	3,008,272	3,083,435	75,163	2.50
Sutton*	S	9,664,425	9,891,130	226,705	2.35
Swampscott**	Q	26,056,504	27,015,440	958,936	3.68
Swansea**	Q	15,862,382	16,456,601	594,219	3.75
Taunton**	Q	41,911,169	44,024,075	2,112,906	5.04
Templeton*	Q	4,380,626	4,553,980	173,354	3.96
Tewksbury**	Q	38,080,992	40,619,921	2,538,929	6.67
Tisbury**	Q	11,698,350	12,490,508	792,158	6.77
Tolland*	S	500,132	584,603	84,471	16.89
Topsfield*	S	11,349,448	12,194,625	845,177	7.45
Townsend*	Q	9,214,428	9,471,719	257,291	2.79
Truro*	S	6,969,288	7,512,790	543,502	7.80

	Billing cycle	FY02 tax levy	FY03 tax levy	FY02 to FY03 levy amt. chg.	FY02 to FY03 levy pct. chg.
Tyngsborough*	S	14,277,178	15,191,267	914,089	6.40
Tyringham*	S	725,484	805,702	80,218	11.06
Upton*	Q	7,175,157	8,408,413	1,233,256	17.19
Uxbridge*	Q	11,577,667	12,793,220	1,215,553	10.50
Wakefield**	Q	34,469,425	35,822,630	1,353,205	3.93
Wales*	Q	1,610,472	1,746,653	136,181	8.46
Walpole**	Q	33,504,554	34,676,697	1,172,143	3.50
Waltham**	Q	97,132,870	101,680,104	4,547,234	4.68
Ware*	Q	7,822,220	8,157,797	335,577	4.29
Wareham*	Q	20,259,203	21,359,660	1,100,457	5.43
Warren*	Q	3,052,861	3,485,424	432,563	14.17
Warwick*	S	967,606	945,027	−22,579	−2.33
Washington*	S	534,679	604,152	69,473	12.99
Watertown**	Q	47,383,825	50,894,357	3,510,532	7.41
Wayland*	Q	32,206,775	35,153,906	2,947,131	9.15
Webster**	Q	12,884,785	12,355,365	−529,420	−4.11
Wellesley*	Q	54,017,799	58,376,899	4,359,100	8.07
Wellfleet*	S	8,153,565	8,557,554	403,989	4.95
Wendell*	S	1,062,689	995,466	−67,223	−6.33
Wenham*	Q	6,979,381	7,584,430	605,049	8.67
W. Boylston*	Q	8,307,494	8,929,556	622,062	7.49
W. Bridgewater**	Q	10,819,853	11,504,200	684,347	6.32
W. Brookfield*	S	3,006,666	3,121,597	114,931	3.82
W. Newbury*	Q	6,189,299	6,593,513	404,214	6.53
W. Springfield**	Q	33,835,493	35,456,298	1,620,805	4.79
W. Stockbridge*	Q	2,455,956	2,752,549	296,593	12.08
W. Tisbury*	Q	7,425,622	8,152,654	727,032	9.79
Westborough*	Q	32,237,035	38,509,743	6,272,708	19.46
Westfield**	Q	37,463,570	39,626,040	2,162,470	5.77
Westover**	Q	40,164,237	42,722,288	2,558,051	6.37
Westhampton*	Q	1,986,136	2,087,394	101,258	5.10
Westminster*	S	8,822,258	8,925,042	102,784	1.17
Weston*	Q	36,205,314	39,573,384	3,368,070	9.30
Westport*	Q	13,652,251	14,539,829	887,578	6.50
Westwood**	Q	33,132,948	37,288,629	4,155,681	12.54
Weymouth**	Q	52,878,103	57,391,273	4,513,170	8.54
Whately*	S	2,378,598	2,452,327	73,729	3.10
Whitman*	Q	12,824,425	15,038,411	2,213,986	17.26
Wilbraham*	Q	18,264,119	19,010,204	746,085	4.08
Williamsburg*	Q	2,677,999	2,887,784	209,785	7.83
Williamstown*	S	8,942,774	9,327,187	384,413	4.30
Wilmington**	Q	38,780,894	40,749,931	1,969,037	5.08
Winchendon*	S	6,227,658	6,378,917	151,259	2.43
Winchester*	Q	40,563,261	46,828,377	6,265,116	15.45
Windsor*	S	836,156	926,466	90,310	10.80
Winthrop*	Q	15,131,386	16,098,094	966,708	6.39
Woburn**	Q	54,201,268	57,961,899	3,760,631	6.94
Worcester**	Q	141,504,500	149,270,088	7,765,588	5.49
Worthington*	Q	1,603,493	1,647,924	44,431	2.77
Wrentham*	Q	15,700,949	16,659,921	958,972	6.11
Yarmouth*	Q	32,070,726	32,308,380	237,654	0.74
State totals		**8,003,918,196**	**8,494,021,113**	**490,102,917**	**6.12**

Notes:
*Single tax rate
**Split tax rate

S: Semiannual
Q: Quarterly

Table 2

Municipal Relief Act **continued from page three**

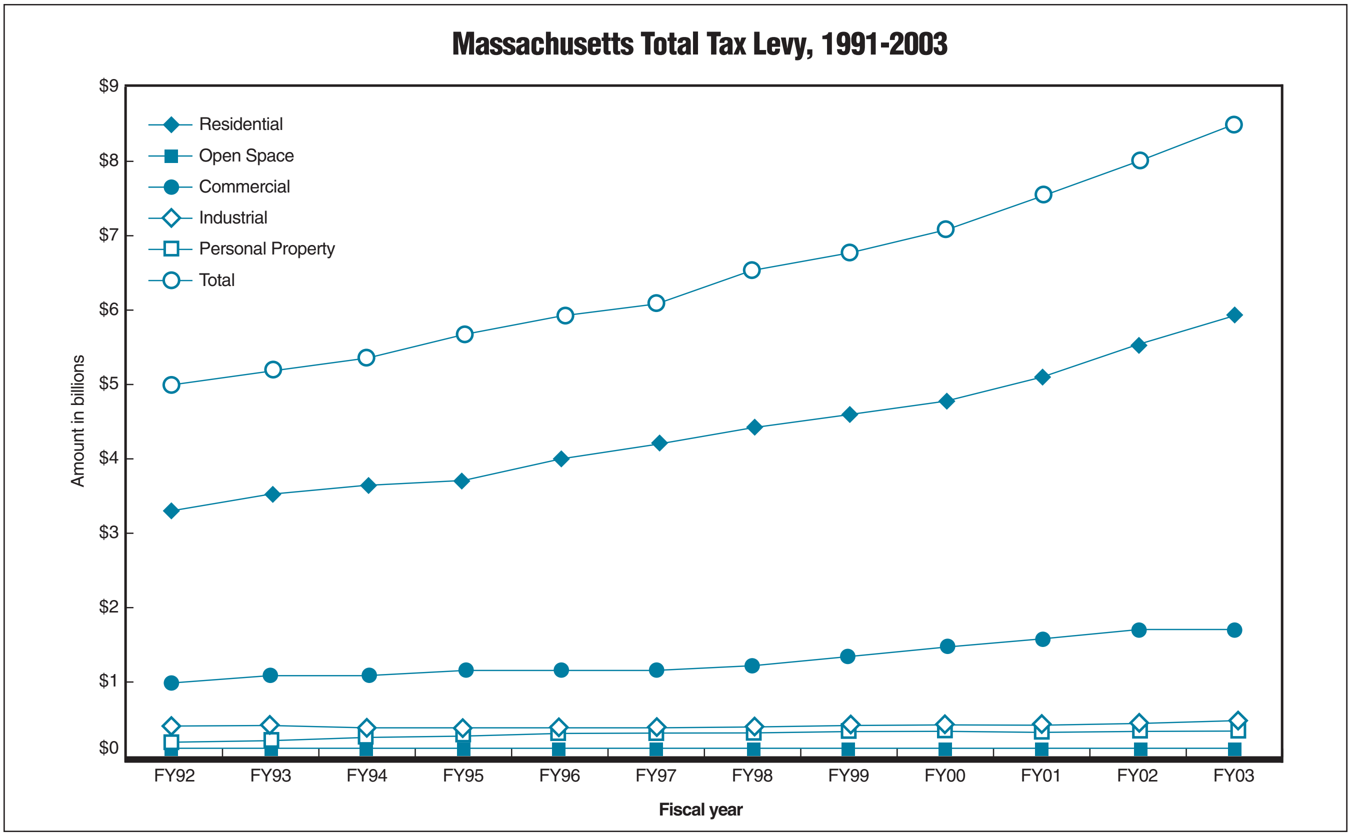

Figure 1

Today the residential/open space portion provides 69.84 percent and the remaining classes have fallen to 30.16 percent of the total tax levy. This shift is occurring for two reasons. Residential parcel counts have increased about 5 percent over the past 10 years while commercial/industrial property counts have remained constant. At the same time, residential valuations have increased at a faster rate than rates in the commercial, industrial, and personal property sectors.

Quarterly Tax Billing

Another aspect of the tax levy is the ability of a community to adopt quarterly tax billing (M.G.L. Ch. 59 Sec. 57C) in place of semi-annual billing. Since 1990, 222 (or 63 percent) of the 351 communities in the state have accepted this provision. Those municipalities had a combined levy in FY03 of $7,011,272,133 (or 82.5 percent) of the total $8,494,021,113 property tax levy. This can be an attractive option for many cities and towns because it results in a more even cash flow, and consequently reduces the need to borrow in anticipation of tax receipts. Communities taking advantage of this option tend to be larger ones, which accounts for the fact that they levy a greater percentage of the total.

"Shifting" the Tax Burden

Larger communities, or those with an appreciable percentage of commercial and industrial property, often take advantage of the annual option to shift a larger portion of the levy to that segment. This gives the residential owner a lower bill than if the tax rate was assessed equally to all classes. A review of the FY03 tax levy shows that 28.5 percent of communities have shifted the tax burden or "split" the tax rate as shown in *Table 1*. Those cities and towns make up over $4.7 billion or 55 percent of the $8.5 billion statewide property tax levy.

Table 2 compares tax levy information for FY02 and FY03 in each community. Statewide the total tax levy increased by nearly one-half billion dollars or 6.12 percent over FY02. Four of the communities added to their tax levy more than 25 percent (Monroe, Dunstable, Petersham, and Aquinnah). Another 48 approved increases of between 10 and 20 percent. Large increases such as these tend to occur in communities that have levied property taxes below the levy limit and then in the subsequent year, assessed additional taxes to the limit without the necessity of a ballot vote. On the other hand, some of these larger increases could have resulted from successful override or debt/capital outlay expenditure exclusion votes. ■

DLS Update

Graziano Appointed Supervisor

Acting Deputy Commissioner Gerard D. Perry is pleased to announce the appointment of Joanne Graziano to the position of appraisal supervisor in the Bureau of Local Assessment.

Joanne has many years of experience working with communities on their valuation processes. She began her career in assessment in the early 1980s by working for valuation consulting firms, where she rose to the rank of District Manager. Subsequently, she worked for the City of Boston in the assessors' office and held various positions there over the course of 12 years, culminating in the position of Deputy Director, Valuation Division. In April 2001, she joined the appraisal staff of the Division of Local Services (DLS).

Joanne received a bachelor of science degree from the University of Rhode Island and attained the designation of Massachusetts Accredited Assessor in 1990. She is an instructor in DLS' Course 101, the basic course for assessors. Though she hails from Rhode Island, Joanne currently resides in Boston.

Local Assessment Bureau Chief Marilyn H. Browne said that "Joanne's extensive background in appraisal, combined with her supervisory skills, make her an excellent choice for this position."

Tax Amnesty Deadline Extended

Cities and towns were authorized by recent legislation to enact a temporary tax amnesty program that provides for the waiver of all or part of interest, collection costs and penalties accrued on delinquent property taxes, motor vehicle excises or boat excises.

The deadline for completing the amnesty programs has now been extended to June 30, 2004. Previously, the program had to end by December 31, 2003. Cities and towns that have already enacted programs may extend their amnesty periods to a date not later than the new deadline.

The amnesty program must be enacted by town meeting, or city council with the approval of the mayor. It may provide for the waiver of all or a uniform percentage of all interest, penalties and collection costs accrued on delinquent property taxes, motor vehicle excises or boat excises, but not on the underlying tax or excise. The taxpayer must pay the tax or excise within the amnesty period established under the program.

For more information on this program, refer to Informational Guideline Release (IGR) No. 03-211. This IGR is available on the Division of Local Services' website under "IGRs" in the Quick Links Box or at www.mass.gov/dls/PUBL/IGR/2003/Igr_03_211.pdf.

Appraisal Contractors

The Bureau of Local Assessment has updated the *List of Appraisal Contractors.* The Bureau compiles this informational listing as a service to cities and towns. It includes the names of firms and individuals desiring to provide professional appraisal services related to property tax assessment in Massachusetts. The list is published on the Department of Revenue's (DOR) Division of Local Services website, www.mass.gov/dls, in the Local Assessment section.

Appearance on the list does not constitute an endorsement of the vendor by the Department of Revenue. The DOR makes no determination regarding the qualifications of those listed. Rather, it is meant to serve only as a source of information regarding contractors available to perform appraisal and revaluation services. Omission from the list does not preclude a community from contracting with a vendor.

Contractors wishing to be included on this list should complete the information form that can be found on the DLS website (www.mass.gov/dls) in the Local Assessment section and submit it annually to the Bureau by December 1. ■

EFT continued from page one

may call the DOR's EFT coordinator at (617) 471-6877.

Employers are the backbone of the child support system and municipalities comprise one of the largest employer blocks. Their contribution to the welfare of the Commonwealth's most vulnerable citizens has made the child support program a potent tool for ensuring that children get the support to which they are entitled. Last year, DOR collected a record $443 million in child support payments, of which 75 percent came from employers. However, only 15 percent of these payments were sent to DOR electronically. EFT represents a great time- and money-saving opportunity for the future. By moving to EFT, municipalities can greatly improve the process of collecting and distributing child support payments. ■

DLS Update

Searchable LA-3 "Arms Length" Sales

The Division of Local Services' (DLS) website (www.mass.gov/dls) now features a program for users to generate reports or Excel spreadsheets for real property sales submitted to the Bureau of Local Assessment. Users can search for sales data by community, property type, sales date, and sales price. The summary information on each sale identifies the address, grantor, grantee, assessment at time of sale, and state property use code. The sales included in the database are those submitted by each community for triennial certification of real estate values or for biennial Equalized Assessed Valuation (EQV) calculation. All sales and especially recent sales may, therefore, not yet be included.

The real property sales data in LA-3s have one important component lacking in other sources of sales data on which real estate, banking, planning, development, and revaluation industries depend: "arms length" codes. The local assessor researches each property sale and determines whether that sale is truly "arms length," reflecting an informed and willing buyer and seller, free of other complications. If the sale is not arms length, the LA-3 has a code to identify the reason, e.g. it is a sale between family members, or it is a bank foreclosure sale, or considerations other than real estate are included in the sale price, etc. Sales that are deemed "arms length" by both local assessors and DLS reviewers are included in the searchable Web database.

The program adds the ability to create a downloadable spreadsheet for the selected data results so that users can efficiently analyze and add to selected data on their own. The program can be especially useful to assessors and appraisers searching for infrequently sold types of property. For example, with a few clicks a user can obtain data on gas station sales or motel sales (submitted by local assessors as valid market sales) statewide within the past few years.

As assessors evaluate the many uses and users of this data, they may elect to submit the sales reports annually and encourage their fellow assessors to do likewise. DLS will assist these efforts. The data with "arms length" determination can be used in conjunction with additional data on such sales available from other sources such as commercial real estate data services and deed registries. The direct address for this program is http://dorapps.dor.state.ma.us/la3/home/home.asp.

Approved Recaps Online

The Division of Local Services (DLS) is encouraging those interested in municipal finance to obtain a wide range of data and information from our website (www.mass.gov/dls). Now, the FY04 tax rate recapitulation sheets are posted on the DLS website as they are approved by the Director of Accounts. They can be accessed from the "Quick Links" box on the home page or by using the Web address www.mass.gov/dls/TaxRates/taxrate.htm.

A list of communities with approved FY04 tax rates can also be accessed in the "Quick Links" box, or click on www.mass.gov/dls/TaxRates/taxrate.pdf. Hats off to Williamstown, the first community in the Commonwealth to receive tax rate approval in FY04.

State House Note Program reports are also available on the DLS website under "Debt and Other Financial Indicators" in the Municipal Data Bank, or use the Web address www.mass.gov/dls/allfiles.htm#indicators. These reports are updated on a monthly basis. ■

Open Meeting continued from page two

to consider whether these flaws were de minimis. Instead, the Appeal Court relied on principles announced in *Pearson v. Selectmen of Longmeadow*, 49 Mass. App. 119 (2000).

In *Pearson*, the Appeals Court had to decide whether attendance by the chairman of the Longmeadow Board of Selectmen at a nonpublic meeting constituted a violation of the Open Meeting Law. The Appeals Court in *Pearson* held 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 a subsequent meeting of the full board of selectmen where there was no claim of improper notice. In the case at hand, the Belmont town meeting discussed what transpired at the May 14 meeting and acted in accordance with the selectmen's proposal. In the court's view, any procedural deficiencies at the May 14 meeting were remedied by the properly noticed and properly conducted subsequent town meeting.

The Appeals Court also found the written record of the May 14 meeting was sufficient. In accordance with M.G.L. Ch. 39 Sec. 23B, the records provided the date of the meeting, time, place and members present. If the records should have given greater detail as to action taken, the subsequent town meeting would also have remedied any flaw in the record.

Consequently, the Appeals Court dismissed the lawsuit against the Belmont selectmen. ■

DLS Profile: Public Finance Section Staff

William Arrigal and Gerald Cole

William Arrigal and **Gerald Cole** work in the Public Finance Section of the Bureau of Accounts. Most of the their duties relate to the State House Note Program. Established in 1910, this program provides a useful service to municipal issuers, especially the smaller towns and districts. In towns and districts that do not have a credit rating from a national credit rating agency, and are borrowing short-term in relatively small amounts, the State House Note Program provides a low-cost certification mechanism.

Bill Arrigal has worked for the Division of Local Services (DLS) for 10 years. Prior to coming to DLS, Bill worked in the financial offices in the City of Boston. He holds a bachelor's degree from the University of Massachusetts at Amherst in liberal arts and said that he especially enjoys "doing research" and "dealing one-on-one with local officials and also working with bank representatives."

Lisa Edinger, treasurer in the town of Chester, said that "Bill is wonderful. I just became the treasurer last May and he walked me through the note renewal process step by step. No matter what bank or town accountant I talk to, they say something complementary about Bill."

Gerry Cole, a native of Scituate, has worked for the Division for about three years and also holds a bachelor's degree from the University of Massachusetts at Amherst in liberal arts. In addition to assisting Bill with the note certification process, he reviews statements of indebtedness, compensating balance reports and treasurers' quarterly cash reconciliations. ■

Mark Your Calendars

Although the Division of Local Services' legal staff recently conducted the "What's New in Municipal Law" seminars, it is not too soon to reserve the dates these seminars will be offered in 2004. Mark your calendars for either Friday, September 24, 2004, at the Best Western Hotel in West Springfield, or Friday, October 1, 2004, at Lantana in Randolph. This year, the Division hosted a total of about 400 participants at both seminars. The morning session provided an overview of the Municipal Relief Act while the afternoon workshops included discussions on assessing and collecting issues, personnel and workforce issues and topics relating to municipal accounting. We look forward to seeing you again next year. ■

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Joan E. Grourke, *Editor*

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