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CITY & TOWN

Mitchell Adams, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Options for Funding Title 5 Repairs

written by James R. Johnson

Bay State homeowners faced with repairing or replacing failing septic systems have two methods of borrowing the money: the Homeowner Septic Repair Loan Program and the Massachusetts Water Pollution Abatement Trust. In addition, the new personal income tax credit provides further assistance. Regulations governing the septic inspection program — known as Title 5 — were promulgated by the state's Department of Environmental Protection (DEP) in 1995. Under Title 5, septic systems must pass inspection before a property can be sold. If there are problems, the system must be repaired or replaced.

Owners of property with a deteriorating or failed septic system can apply for a loan of from $1,000 to $25,000 from an approved bank under the Homeowner Septic Repair Loan program. The program offers low interest rates to eligible homeowners, condominium owners and associations. The interest rate depends on income, the number of dependents and the location of the property. It varies from zero to five percent. Eligible homeowners must get a repair contract and construction permit and then submit board of health-approved plans with their loan application. The term of the loan can vary from three to 20 years. The loan must be paid in full upon sale, refinancing or transfer of the property.

Over two dozen banks throughout the Commonwealth participate. The program is a joint effort of the Department of Revenue, the Department of Environmental Protection and the Massachusetts Housing Finance Agency (MHFA). Revenue Commissioner Mitchell Adams commented, "We are impressed with the rapid growth in both the number of loans to homeowners and in the number of participating banks. The effectiveness of this program is a tribute to the collaborative work of several state agencies, and we are delighted that DOR is playing a key role not only in the funding, but also in ensuring public awareness of this important program." MHFA, which purchases the loans from participating banks, reports that as of January 16, 1998, 144 loans which total $1,400,000 have been funded. The average loan amount is $9,700. For information on participating banks, contact MHFA at (617) 844-1020 or 1333.

New Massachusetts income tax credit for septic system repairs

Under the other source of funding for Title 5 problems, over 160 municipalities have secured grants from the Massachusetts Water Pollution Abatement Trust which can be used to make loans to homeowners who need to bring their septic systems into compliance with Title 5 regulations. The property owner repays the municipality by having a portion of the cost, with interest, added to the annual property tax bill for up to 20 years as an apportioned betterment. Division of Local Services issued an *Informational Guideline Release* (IGR 94-208) which outlines accounting and reporting procedures for assessors, collectors, accountants and treasurers.

The Massachusetts legislature has just authorized a new credit against Massachusetts personal income taxes which will help to offset the cost of septic system repairs. The credit is calculated at 40 percent of eligible costs up to $15,000. The maximum credit of $6,000 (reduced by the amount of any subsidies from the bank loan or betterment programs) can be taken in installments up to $1,500 per year for up to four years. If a homeowner had the work performed in 1995 or 1996, the DOR rules allow the costs to be used in calculating the credit for 1997. TIR 97-12, issued by DOR on December 9, gives details on the credit which is available for the first time for taxpayers filing returns for calendar 1997. Information on the credit is available in Schedule SC in the 1997 Form 1 package. Taxpayers with questions should call the DOR main information lines at (617) 887-MDOR or (800) 392-6089. ■

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LEGAL

in Our Opinion

Smoking Ban Approved by Court

In a highly publicized decision, the Supreme Judicial Court, in *Town of Plymouth v. Civil Service Commission,* 426 Mass. 1 (1997), upheld the termination of a Plymouth police officer for smoking tobacco.

The Town of Plymouth had hired a permanent police officer in January 1989. Since she was hired after January 1, 1988, she was subject to M.G.L. Ch.41 Sec.101A. That statute states: "Subsequent to January first, nineteen hundred and eighty-eight, no person who smokes any tobacco product shall be eligible for appointment as a police officer or firefighter in a city or town and no person so appointed after said date shall continue in such office or position if such person thereafter smokes any tobacco products. The personnel administrator shall promulgate regulations for the implementation of this section." The police officer, who was a civil service employee, also became subject to the personnel administrator's rule prohibiting smoking which was promulgated in October 1988 in accordance with the terms of this statute. The officer was made fully aware of the smoking prohibition before she accepted employment with the town.

The officer performed without incident as a police officer until 1993. At that time, the police chief, who had received complaints from other officers that she had been smoking cigarettes in the police cruiser in violation of the state law, suspended her without pay for five days. The police chief also notified the Plymouth town manager. At the recommendation of the police chief, the town manager terminated her as a police officer on July 30, 1993. She immediately appealed to the Civil Service Commission.

After a hearing, the commission ruled that the town did not have a reasonable basis to terminate the officer and conditionally reinstated her if she participated in a smoking treatment program and could show that she no longer smoked cigarettes. The commission found that her termination was excessive since M.G.L. Ch.41 Sec.101A did not automatically require termination for violation of the no smoking policy. The commission relied on the statutory language of M.G.L. Ch.41 Sec.101A as well as its practice of discretionary action with employees who use alcohol to excess in violation of M.G.L. Ch.31 Sec. 50.

On further appeal, the case was heard by the Supreme Judicial Court. The court first rejected the Civil Service Commission's argument that the personnel administrator's rule of mandatory termination for smoking had exceeded the statute. In the court's view, the personnel administrator had promulgated a lawful rule in accordance with the strict terms of M.G.L. Ch.41 Sec.101A. The decision of the Civil Service Commission to reinstate the police officer therefore directly conflicted with the personnel administrator's rule.

Secondly, the court held that the commission could not modify the termination penalty. In the court's view, the commission erred in comparing smoking prohibition in M.G.L. Ch.41 Sec.101A with alcohol prohibition found in M.G.L. Ch.31 Sec.50. The latter statute provides in pertinent part that "No person habitually using intoxicating liquors to excess shall be appointed to or employed or retained in any civil service position." The court rejected the commission's ruling that it was unreasonable to keep an employee with a serious drinking problem on the job and then terminate an employee for smoking. The court held that the two statutes differed in their language and their legislative purposes. The court reasoned that the legislature in using words like "habitually" and "to excess" in M.G.L. Ch.31 Section 50 intended to grant flexibility to the appointing authority and to the Civil Service Commission in enforcing the statute. The court noted the absence of similar language in M.G.L. Ch.41 Sec.101A. Furthermore, the court reasoned that the legislature by delegating rule making authority to the personnel administrator had removed any need for individual decision making where the smoking ban was violated.

According to the court, the legislative purpose of both statutes was also different. Since M.G.L. Ch.31 Sec.50 concerned the abuse of alcohol, the court believed that participation in an alcohol treatment program (as opposed to termination) was a means to address the problem and also improve job performance. Unlike M.G.L. Ch.31 Sec.50 which pertained to all employees, M.G.L. Ch.41 Sec.101A applied only to police officers and firefighters. In the court's view, there was a legitimate legislative purpose in reducing the number of public safety officers who received disability benefits as a result of smoking. For monetary considerations, the legislature apparently had made a policy decision that new hires in police and fire departments should not be smokers.

For these reasons, the court set aside the commission's decision to reinstate the police officer and entered judgment for the town. ■

written by James Crowley

FOCUS on Municipal Finance

Trends in Motor Vehicle Excise Collections

Motor Vehicle Excise (MVE) collections constitute the largest locally generated source of revenue after property taxes. This article explores how MVE collections have varied over time, as well as how they differ between communities, and discusses some factors influencing fluctuations. The percent of total FY97 budget generated by MVE receipts for every city and town is included. The article also identifies the average age of vehicles and average MVE bill for every municipality in the state.

MVE collection data comes from the tax rate recapitulation sheet, submitted to the Division of Local Services by every city and town each year. For the 339 communities that have finalized their FY98 Tax Recapitulation Sheets, and for all municipalities for FY80 through FY97, actual MVE collections are included. For the 12 communities which had not set their FY98 tax rates when this article was written, the article substitutes certified MVE estimates. The Registry of Motor Vehicles provided information on the average age of vehicles and the average bills.

Statewide Trends

Figure 1 shows total MVE collections from FY80 through FY97. Between FY80 and FY82 motor vehicle excise collections dropped 58 percent due to Proposition 2½ which reduced the rate on motor vehicles from $66.00 per thousand to the current level of $25.00 per thousand. This reduction in rates went into effect on January 1, 1981. Consequently, bills issued during the first half of FY81, between July 1 and December 31, 1980, were billed at the higher rate. Bills issued during the second half of FY81 were billed at the lower rate. Therefore FY82, the first full fiscal year using the lower rates, realized the lowest amount of MVE collected in the last 17 years.

From FY83 through FY86 revenues consistently increased, paralleling a growing Massachusetts economy. During FY87 the Registry of Motor Vehicles (RMV) installed a new computer system which caused a backlog in billing. Consequently, some FY87 and FY88 bills were not collected until FY89, resulting in lowered FY87 and FY88 collections and increased FY89 collections. Reflecting the economic recession, MVE collections decreased by over 15 percent in FY90 and then remained relatively stable through FY92.

In 1992 the Registry of Motor Vehicles began to implement a non-renewal program which was an expansion of a program previously applied only to non-payment of parking tickets or abandonment of a vehicle. The new program authorized the RMV to place licenses and registrations in non-re-

continued on page six ➡

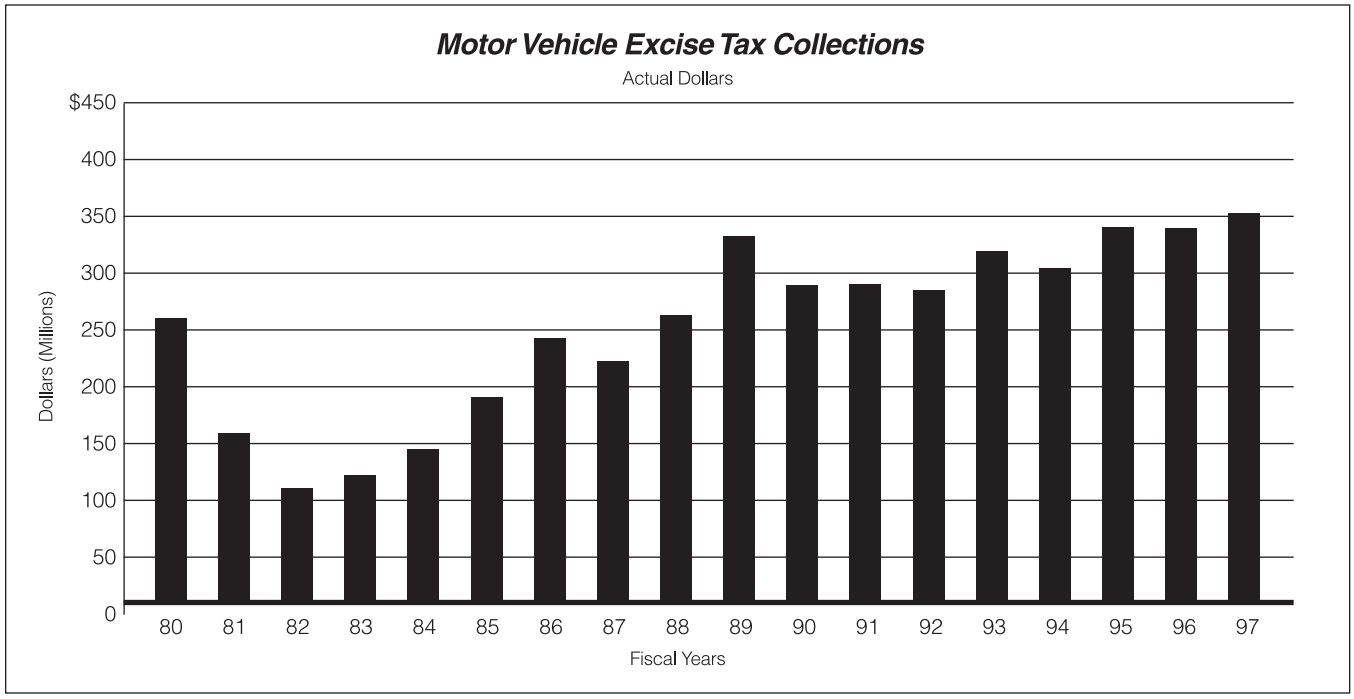

Figure 1

Motor Vehicle Excise Collection FY96 and FY97

MUNICIPALITY	FY96	FY97	FY97 as % Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Abington	739,742	865,953	3.67%	8.23	71.59	221
Acton	1,749,400	1,963,758	4.98%	6.76	109.96	33
Acushnet	485,591	594,315	4.42%	9.00	59.23	328
Adams	454,710	509,038	5.62%	8.33	70.41	233
Agawam	1,756,847	2,035,770	4.69%	8.13	75.50	189
Alford	53,360	48,184	6.16%	8.26	105.01	41
Amesbury	947,980	961,565	3.20%	8.01	75.09	192
Amherst	1,029,520	1,043,282	2.45%	8.43	71.19	225
Andover	2,654,839	3,173,024	4.24%	6.79	107.99	37
Arlington	2,535,529	2,947,864	3.94%	7.56	90.81	91
Ashburnham	358,725	409,550	6.55%	7.91	71.67	220
Ashby	163,353	183,629	5.29%	8.79	60.17	320
Ashfield	94,532	105,855	4.46%	9.05	60.78	317
Ashland	880,969	1,147,779	4.84%	7.43	95.67	69
Athol	499,458	499,458	5.57%	8.74	62.21	307
Attleboro	2,283,204	2,496,915	3.68%	8.31	76.22	183
Auburn	1,393,859	1,432,480	5.93%	7.38	92.88	80
Avon	561,313	549,807	6.08%	8.06	108.06	36
Ayer	492,799	533,305	3.09%	8.90	81.05	155
Barnstable	3,210,662	3,539,678	3.79%	8.31	82.18	148
Barre	283,609	312,166	5.38%	8.44	67.44	265
Becket	114,447	107,429	3.90%	9.05	58.42	333
Bedford	1,018,484	1,096,513	3.04%	7.46	98.57	59
Belchertown	814,023	734,035	3.30%	8.47	68.31	254
Bellingham	1,002,619	1,064,958	3.80%	8.14	73.25	209
Belmont	1,681,413	1,913,281	3.47%	7.37	104.20	43
Berkley	331,712	331,712	4.50%	7.98	70.45	231
Berlin	180,746	179,051	4.03%	9.07	74.24	202
Bernardston	145,597	147,746	6.77%	8.78	65.89	279
Beverly	2,355,779	2,566,671	3.75%	7.96	85.55	124
Billerica	2,867,524	3,050,587	4.20%	7.83	82.72	145
Blackstone	484,115	512,282	6.45%	8.53	65.53	283
Blandford	75,557	70,000	4.96%	9.16	69.34	246
Bolton	334,909	373,643	5.01%	7.38	100.73	49
Boston	27,640,945	30,275,142	2.13%	8.22	106.11	39
Bourne	1,100,965	1,332,647	4.75%	7.93	79.32	168
Boxborough	386,612	390,425	4.66%	6.82	98.51	60
Boxford	813,234	849,548	5.88%	7.10	124.01	9
Boylston	345,693	467,326	8.41%	7.24	92.24	85
Braintree	2,928,333	3,035,223	4.40%	7.43	99.96	52
Brewster	619,599	691,146	3.06%	8.45	76.30	182
Bridgewater	1,256,033	1,432,068	5.81%	7.77	81.23	153
Brimfield	197,676	247,536	4.48%	8.79	68.12	258
Brockton	3,985,056	3,966,366	2.08%	9.00	66.19	278
Brookfield	164,148	174,250	3.58%	8.30	59.79	324
Brookline	3,463,940	3,686,845	2.86%	6.99	120.24	17
Buckland	79,095	85,419	3.55%	8.94	52.46	347
Burlington	2,143,989	2,018,254	3.51%	7.01	102.62	44
Cambridge	3,494,905	4,497,548	1.61%	8.32	88.71	104
Canton	1,708,657	2,197,692	5.24%	6.43	124.35	8
Carlisle	451,255	487,993	4.31%	7.45	113.95	25
Carver	639,239	694,661	3.29%	8.16	69.62	241
Charlemont	71,900	63,601	3.73%	9.70	56.47	339
Charlton	750,510	767,265	8.41%	7.77	75.86	186
Chatham	640,979	656,076	3.14%	8.61	81.82	150
Chelmsford	2,483,641	2,825,988	4.84%	7.37	90.11	98
Chelsea	1,157,965	1,345,194	1.76%	8.33	92.36	82
Cheshire	206,000	206,551	7.01%	8.02	66.67	274
Chester	74,421	73,082	5.14%	9.25	59.28	327
Chesterfield	63,284	65,503	4.22%	9.26	58.60	332

MUNICIPALITY	FY96	FY97	FY97 as % of Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Chicopee	2,905,888	3,029,274	3.40%	9.02	67.42	266
Chilmark	83,793	111,773	3.33%	11.44	75.02	194
Clarksburg	74,432	129,292	5.79%	8.35	64.56	291
Clinton	722,370	777,092	4.01%	8.32	69.96	239
Cohasset	704,511	753,970	4.08%	7.78	112.40	28
Colrain	87,148	80,000	3.88%	9.44	58.26	334
Concord	1,586,273	1,751,661	4.70%	7.11	121.97	14
Conway	159,179	112,000	3.42%	8.09	65.82	280
Cummington	49,166	59,490	4.60%	9.41	59.60	325
Dalton	458,020	515,945	5.88%	7.59	80.81	156
Danvers	2,096,897	2,129,781	3.98%	7.46	94.81	74
Dartmouth	1,739,155	1,842,913	4.46%	8.41	71.78	219
Dedham	1,607,917	2,222,453	4.96%	7.68	96.33	65
Deerfield	490,134	461,305	5.17%	8.43	83.46	138
Dennis	1,240,811	1,222,605	4.81%	8.43	79.63	163
Dighton	382,165	407,412	5.86%	8.65	70.40	234
Douglas	393,544	452,500	4.19%	8.29	69.54	244
Dover	680,468	775,056	6.18%	7.08	145.67	2
Dracut	1,792,800	1,937,702	4.98%	7.96	74.95	197
Dudley	572,771	520,000	6.35%	7.85	75.05	193
Dunstable	208,432	240,295	6.60%	7.71	92.25	84
Duxbury	1,453,375	1,579,258	4.75%	7.17	113.97	24
East Bridgewater	724,857	660,061	3.01%	8.63	68.89	249
East Brookfield	146,579	160,809	7.71%	8.14	70.51	230
East Longmeadow	1,015,494	1,131,741	4.31%	8.05	85.60	123
Eastham	384,959	358,787	3.00%	8.96	71.01	226
Easthampton	853,285	881,709	3.84%	8.74	63.86	295
Easton	1,581,633	1,812,703	5.44%	7.52	85.39	127
Edgartown	315,592	335,558	2.35%	10.59	73.02	212
Egremont	107,723	119,457	5.30%	8.50	78.98	173
Erving	68,098	71,514	1.80%	9.26	54.03	344
Essex	299,358	292,502	4.92%	8.27	79.30	169
Everett	1,652,850	2,094,575	2.85%	8.60	87.48	109
Fairhaven	699,929	824,673	3.18%	8.82	60.89	316
Fall River	3,775,222	3,195,381	2.13%	8.93	61.59	313
Falmouth	2,140,558	2,138,688	3.54%	8.23	78.58	174
Fitchburg	1,759,479	1,827,771	2.68%	8.83	65.15	285
Florida	31,238	36,269	2.12%	9.69	45.83	351
Foxborough	1,309,436	1,454,956	4.79%	7.10	99.83	53
Framingham	4,656,173	5,335,580	3.98%	7.47	98.08	61
Franklin	2,197,704	2,269,972	4.47%	7.18	101.30	47
Freetown	647,946	666,201	5.55%	8.41	68.16	255
Gardner	1,045,079	1,132,026	3.47%	7.90	75.01	195
Gay Head	19,524	19,000	1.29%	11.20	56.82	337
Georgetown	552,613	600,691	4.73%	7.71	86.74	116
Gill	82,283	86,020	5.95%	8.77	60.35	319
Gloucester	1,594,184	1,913,059	3.33%	8.38	76.87	180
Goshen	29,754	64,992	4.92%	8.71	62.37	305
Gosnold	8,462	3,000	0.47%	8.50	79.06	172
Grafton	1,143,351	1,141,425	5.93%	7.61	85.45	126
Granby	245,721	488,974	6.12%	8.91	62.39	304
Granville	104,478	92,955	3.63%	9.49	65.26	284
Great Barrington	523,149	549,351	4.01%	8.23	81.35	152
Greenfield	898,764	1,062,242	3.39%	8.81	69.78	240
Groton	690,838	746,750	5.43%	7.53	90.62	93
Groveland	352,857	400,086	5.33%	7.80	75.81	187
Hadley	292,718	317,043	3.89%	8.62	70.58	229
Halifax	412,823	464,300	4.16%	8.30	70.11	237
Hamilton	614,896	595,598	4.78%	7.85	93.07	79
Hampden	339,356	395,039	6.75%	8.33	76.11	184

MUNICIPALITY	FY96	FY97	FY97 as % of Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Hancock	62,311	54,633	5.38%	8.20	79.41	166
Hanover	1,210,247	1,224,489	4.64%	7.27	100.28	51
Hanson	596,173	685,615	5.86%	8.37	74.07	205
Hardwick	141,067	151,027	4.87%	9.24	58.00	335
Harvard	507,915	556,334	4.86%	7.38	108.68	35
Harwich	836,865	963,768	3.47%	8.39	76.07	185
Hatfield	318,503	360,005	5.90%	8.56	98.96	57
Haverhill	2,885,669	3,225,228	2.37%	8.10	76.70	181
Hawley	14,169	17,110	3.35%	10.32	51.54	349
Heath	45,100	46,167	3.59%	8.82	55.37	341
Hingham	1,821,880	1,994,010	4.48%	7.26	111.53	31
Hinsdale	117,622	129,928	5.53%	8.37	62.52	302
Holbrook	635,454	745,712	4.00%	8.41	72.86	213
Holden	1,283,686	1,296,557	6.24%	7.03	94.59	75
Holland	127,253	132,571	3.83%	8.88	63.14	299
Holliston	1,075,634	1,187,001	4.82%	7.32	95.59	70
Holyoke	1,423,955	1,387,669	1.37%	9.91	61.08	314
Hopedale	473,150	504,603	4.78%	7.59	90.65	92
Hopkinton	1,091,244	1,236,618	5.18%	6.92	112.78	26
Hubbardston	252,176	237,869	6.81%	8.10	72.65	215
Hudson	1,116,156	1,327,839	4.09%	7.90	79.48	164
Hull	620,810	666,449	2.90%	8.27	79.79	162
Huntington	101,351	132,738	6.12%	9.11	60.41	318
Ipswich	1,031,411	1,044,580	4.75%	7.78	86.74	117
Kingston	921,317	981,242	5.14%	7.59	90.55	94
Lakeville	607,578	682,464	5.07%	7.98	69.02	247
Lancaster	356,680	415,230	6.12%	8.37	71.25	223
Lanesborough	227,415	229,432	4.43%	8.05	71.87	218
Lawrence	1,881,531	1,500,000	1.03%	10.10	57.40	336
Lee	394,326	380,844	3.65%	8.03	75.19	190
Leicester	530,940	601,908	3.71%	7.90	67.99	261
Lenox	397,240	377,182	2.85%	7.70	89.65	100
Leominster	2,370,613	2,744,443	3.96%	7.95	77.92	178
Leverett	99,140	112,182	4.23%	9.10	66.95	270
Lexington	2,447,192	2,933,883	3.54%	7.06	114.79	23
Leyden	39,043	43,553	5.07%	9.10	55.91	340
Lincoln	647,391	619,676	3.63%	7.10	119.10	18
Littleton	670,477	702,270	4.45%	7.67	85.50	125
Longmeadow	1,472,466	1,526,379	4.71%	7.24	121.03	16
Lowell	3,582,066	3,821,820	1.85%	9.00	65.74	281
Ludlow	1,104,149	1,166,261	3.74%	8.65	67.08	269
Lunenburg	654,994	694,975	4.94%	8.15	74.15	203
Lynn	3,359,527	3,084,301	2.04%	9.53	62.44	303
Lynnfield	1,230,510	1,337,325	6.64%	7.19	126.29	7
Malden	2,275,912	3,328,272	3.96%	8.00	84.19	133
Manchester	521,383	562,625	4.19%	7.77	112.49	27
Mansfield	1,566,829	2,005,738	4.87%	7.21	95.82	68
Marblehead	1,928,799	1,906,503	4.73%	7.53	115.26	22
Marion	341,679	389,438	3.93%	7.98	86.28	120
Marlborough	2,453,823	2,748,871	4.18%	7.61	87.65	108
Marshfield	1,625,080	1,846,785	4.17%	7.71	88.55	106
Mashpee	733,150	796,022	3.03%	7.82	83.36	140
Mattapoisett	473,735	520,127	4.55%	7.86	83.91	134
Maynard	653,392	678,985	3.76%	8.08	75.00	196
Medfield	961,119	1,072,904	4.63%	6.92	118.98	19
Medford	3,197,508	3,299,903	3.65%	7.98	86.14	121
Medway	865,752	867,514	4.12%	7.31	89.74	99
Melrose	1,686,180	1,843,538	3.96%	7.66	89.38	101
Mendon	335,764	430,213	8.28%	7.91	87.42	110
Merrimac	349,464	423,645	5.75%	7.92	75.57	188

MUNICIPALITY	FY96	FY97	FY97 as % Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Methuen	2,257,332	2,228,165	3.28%	8.12	73.79	206
Middleborough	1,086,359	1,093,550	3.05%	8.54	65.04	286
Middlefield	28,981	23,454	3.73%	9.33	55.18	343
Middleton	451,754	527,031	5.01%	7.78	95.05	73
Milford	1,787,000	1,855,325	4.00%	7.86	84.40	132
Millbury	822,396	885,182	5.12%	7.88	80.24	159
Millis	544,946	622,457	4.49%	7.61	87.09	112
Millville	154,730	187,430	6.74%	8.76	67.44	264
Milton	2,005,120	2,032,397	4.20%	7.56	102.48	45
Monroe	6,673	6,340	1.38%	8.22	59.89	323
Monson	436,216	506,807	3.57%	9.01	62.58	301
Montague	393,618	473,565	4.78%	9.11	62.31	306
Monterey	65,830	79,793	4.54%	8.46	87.16	111
Montgomery	57,598	50,000	5.12%	8.86	64.29	294
Mount Washington	8,860	11,570	3.44%	10.16	84.55	131
Nahant	272,655	313,501	4.46%	7.84	90.33	97
Nantucket	946,094	962,996	2.06%	9.91	92.66	81
Natick	2,315,404	3,003,300	4.79%	7.23	99.77	54
Needham	2,822,329	2,895,237	4.48%	6.75	123.37	11
New Ashford	13,382	12,396	3.28%	8.12	70.41	232
New Bedford	3,105,287	3,471,567	1.94%	9.26	58.92	330
New Braintree	52,372	56,430	4.71%	8.56	66.48	276
New Marlborough	102,464	98,793	4.17%	9.26	67.33	267
New Salem	52,182	66,148	5.39%	9.10	61.73	310
Newbury	495,325	569,691	6.31%	7.74	87.00	113
Newburyport	1,429,263	1,141,707	3.71%	7.48	91.30	87
Newton	6,998,507	8,654,331	4.35%	6.96	123.58	10
Norfolk	711,025	778,902	4.98%	7.15	101.80	46
North Adams	623,706	651,283	2.23%	8.80	61.65	311
North Andover	2,228,185	2,319,264	5.52%	6.98	112.24	29
North Attleborough	1,730,411	1,930,412	4.38%	7.75	82.31	146
North Brookfield	257,036	267,730	3.45%	8.64	63.61	297
North Reading	1,188,982	1,185,328	4.13%	7.62	96.31	66
Northampton	1,468,779	1,546,766	3.13%	8.57	70.09	238
Northborough	1,305,894	1,396,675	6.33%	7.13	110.95	32
Northbridge	739,668	867,087	4.22%	8.18	71.22	224
Northfield	167,250	186,916	5.33%	8.12	68.02	260
Norton	1,115,723	1,171,116	4.14%	7.86	83.77	136
Norwell	996,027	993,854	4.63%	7.37	112.22	30
Norwood	2,459,577	2,593,807	3.15%	7.29	101.16	48
Oak Bluffs	248,072	300,991	2.23%	10.71	68.79	250
Oakham	97,073	123,311	6.75%	7.81	70.23	235
Orange	322,501	366,193	2.90%	9.34	53.36	346
Orleans	529,752	642,551	3.85%	8.97	82.95	143
Otis	106,459	94,966	4.02%	8.98	67.45	263
Oxford	872,719	873,013	4.74%	7.85	74.10	204
Palmer	690,818	727,343	3.38%	9.15	63.46	298
Paxton	346,680	371,821	7.07%	7.05	105.82	40
Peabody	3,301,057	3,840,437	4.30%	7.65	91.15	88
Pelham	86,778	86,802	4.21%	8.34	68.13	257
Pembroke	1,031,795	1,274,381	5.00%	7.86	80.58	158
Pepperell	717,256	716,437	5.77%	8.16	73.10	210
Peru	44,893	42,807	4.24%	8.91	52.02	348
Petersham	63,774	69,334	3.82%	8.05	62.84	300
Phillipston	96,656	93,889	7.13%	8.70	64.50	292
Pittsfield	2,822,531	2,794,694	3.55%	7.92	78.04	176
Plainfield	29,319	33,407	3.14%	9.73	58.74	331
Plainville	520,457	590,424	5.75%	7.53	83.71	137
Plymouth	3,079,130	3,188,966	3.12%	7.87	81.06	154
Plympton	192,111	196,801	4.91%	8.50	74.81	199

MUNICIPALITY	FY96	FY97	FY97 as % of Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Princeton	276,382	311,694	6.09%	7.53	94.52	76
Provincetown	258,195	235,790	1.46%	9.54	79.82	161
Quincy	4,902,098	5,299,676	3.28%	7.84	86.69	118
Randolph	2,242,577	2,345,534	4.97%	7.69	90.91	90
Raynham	918,136	1,117,422	8.42%	7.17	94.46	77
Reading	1,779,898	1,882,245	4.00%	7.07	95.98	67
Rehoboth	686,016	761,951	7.46%	8.69	77.04	179
Revere	1,988,743	2,141,869	2.87%	8.37	79.28	170
Richmond	136,991	135,970	4.07%	7.59	90.34	96
Rochester	318,587	345,159	4.05%	8.61	72.46	216
Rockland	1,041,235	1,054,345	3.42%	8.30	73.61	207
Rockport	468,073	530,110	2.92%	8.02	80.78	157
Rowe	21,052	27,326	1.04%	8.92	61.92	308
Rowley	320,392	372,385	5.02%	8.22	79.22	171
Royalston	44,992	49,500	5.06%	9.56	55.28	342
Russell	79,109	75,000	3.19%	9.38	59.38	326
Rutland	370,585	419,936	6.14%	7.56	77.98	177
Salem	1,877,661	2,145,383	2.87%	8.32	79.41	165
Salisbury	464,775	610,829	5.61%	8.38	81.50	151
Sandisfield	57,611	57,727	4.29%	9.28	74.75	200
Sandwich	1,298,750	1,484,056	4.40%	7.68	85.02	128
Saugus	1,742,687	1,922,706	4.26%	7.97	84.80	129
Savoy	41,022	43,684	4.19%	9.15	60.12	322
Scituate	1,327,763	1,519,612	4.54%	7.60	94.08	78
Seekonk	1,148,221	1,164,750	5.10%	8.06	88.07	107
Sharon	1,530,560	1,623,862	4.93%	6.61	123.23	12
Sheffield	228,318	266,024	5.67%	9.46	73.42	208
Shelburne	115,940	106,830	4.42%	9.23	64.91	288
Sherborn	428,650	485,857	4.40%	7.35	126.56	6
Shirley	312,078	312,202	4.16%	8.07	70.17	236
Shrewsbury	2,488,162	2,560,266	5.91%	7.07	100.50	50
Shutesbury	89,180	102,086	3.08%	8.62	61.61	312
Somerset	1,064,940	1,108,878	3.25%	8.14	72.85	214
Somerville	3,943,949	2,643,776	2.19%	8.80	68.60	251
South Hadley	1,029,073	1,048,457	4.35%	8.00	75.14	191
Southampton	322,109	374,718	4.94%	8.54	69.59	242
Southborough	1,051,259	1,069,092	6.92%	6.90	136.11	4
Southbridge	840,348	858,974	2.95%	8.51	69.49	245
Southwick	463,011	585,547	5.92%	9.32	64.46	293
Spencer	694,358	765,193	7.95%	8.10	70.62	228
Springfield	5,670,065	5,723,071	1.78%	9.87	64.94	287
Sterling	499,821	597,976	6.19%	7.52	89.11	103
Stockbridge	159,685	188,534	3.32%	8.38	90.98	89
Stoneham	1,769,791	1,800,317	4.42%	7.40	98.90	58
Stoughton	1,963,084	2,153,849	4.44%	7.61	89.19	102
Stow	465,772	505,296	5.02%	7.65	90.44	95
Sturbridge	639,965	656,804	4.83%	7.39	86.91	114
Sudbury	1,659,197	1,758,786	4.69%	6.98	128.19	5
Sunderland	207,375	195,234	4.61%	8.61	66.84	273
Sutton	629,909	654,253	5.28%	7.50	83.78	135
Swampscott	1,180,379	1,173,046	4.12%	7.46	96.45	64
Swansea	918,718	982,550	4.85%	8.57	67.12	268
Taunton	2,598,142	3,231,495	3.29%	8.33	69.56	243
Templeton	374,721	453,225	6.52%	8.40	66.40	277
Tewksbury	2,105,632	2,257,455	4.47%	7.49	79.93	160
Tisbury	273,529	291,057	2.25%	10.50	68.39	253
Tolland	22,660	24,467	4.52%	9.01	64.58	290
Topsfield	563,294	601,125	5.63%	7.40	108.69	34
Townsend	525,206	579,256	5.97%	8.11	66.94	271
Truro	164,712	141,120	2.28%	9.67	72.08	217

MUNICIPALITY	FY96	FY97	FY97 as % of Total Budget	Average Age	Average Bill	Rank in Avg. Bill
Tyngsborough	669,240	764,076	4.29%	7.96	83.22	141
Tyringham	28,488	27,242	3.17%	7.77	78.40	175
Upton	458,363	419,924	6.12%	7.68	86.41	119
Uxbridge	626,598	730,995	4.17%	8.23	70.79	227
Wakefield	2,040,588	2,102,214	4.47%	7.46	97.40	63
Wales	96,730	107,278	4.68%	9.41	59.16	329
Walpole	1,870,285	1,872,474	4.74%	7.42	99.47	55
Waltham	3,642,302	3,851,036	3.33%	7.93	88.59	105
Ware	500,511	566,555	3.86%	8.96	61.73	309
Wareham	1,164,099	1,295,460	3.46%	8.70	66.65	275
Warren	233,625	216,969	4.19%	9.07	56.65	338
Warwick	38,359	36,318	3.67%	9.13	53.43	345
Washington	44,001	37,221	4.82%	7.74	68.03	259
Watertown	2,065,754	2,537,835	4.21%	7.61	95.32	71
Wayland	1,267,703	1,338,146	3.90%	7.02	121.95	15
Webster	916,532	1,047,533	4.18%	8.30	74.67	201
Wellesley	2,544,170	3,016,942	5.53%	6.80	143.53	3
Wellfleet	209,569	224,118	2.46%	9.41	68.15	256
Wendell	39,896	43,225	3.33%	10.08	50.46	350
Wenham	326,829	321,123	4.85%	7.76	104.68	42
West Boylston	556,923	601,533	5.14%	7.50	91.69	86
West Bridgewater	624,334	676,595	4.94%	8.43	83.15	142
West Brookfield	219,914	200,422	4.21%	8.16	69.01	248
West Newbury	324,137	331,322	4.77%	7.62	97.50	62
West Springfield	1,820,508	1,862,753	3.80%	8.49	79.37	167
West Stockbridge	110,228	120,067	4.32%	8.40	82.75	144
West Tisbury	139,226	142,222	2.01%	10.96	60.13	321
Westborough	1,649,999	1,847,576	4.65%	6.68	118.27	20
Westfield	2,301,597	2,174,729	2.93%	8.62	73.03	211
Westford	1,531,464	1,707,363	4.71%	7.19	99.42	56
Westhampton	84,789	107,466	4.04%	8.76	66.91	272
Westminster	495,350	568,070	6.17%	7.88	86.00	122
Weston	1,406,001	1,485,217	4.25%	6.79	162.77	1
Westport	896,477	1,024,104	5.73%	8.78	65.56	282
Westwood	1,323,908	1,496,775	4.37%	6.84	122.82	13
Weymouth	3,312,026	3,831,931	4.38%	7.94	82.06	149
Whately	91,437	109,090	3.93%	9.26	63.82	296
Whitman	722,569	785,649	4.62%	8.40	68.46	252
Wilbraham	970,447	1,082,359	5.82%	7.71	95.30	72
Williamsburg	150,419	141,415	4.17%	9.03	61.00	315
Williamstown	420,380	439,278	3.62%	7.89	82.29	147
Wilmington	1,612,523	1,869,441	4.81%	7.48	92.27	83
Winchendon	470,100	541,479	2.98%	8.34	64.89	289
Winchester	1,865,272	1,965,590	4.37%	7.21	116.32	21
Windsor	63,534	62,980	6.13%	7.93	71.56	222
Winthrop	906,501	754,336	2.77%	8.23	83.45	139
Woburn	3,863,641	3,967,532	5.65%	7.46	106.19	38
Worcester	8,272,827	8,482,507	2.54%	8.12	84.77	130
Worthington	99,496	72,590	4.31%	8.33	67.58	262
Wrentham	690,707	866,340	4.91%	7.91	86.91	115
Yarmouth	1,580,911	1,659,846	3.62%	8.50	74.84	198
State Total	275,851,975	296,396,211	16.57%	8.08	86.01	

* Indicates that FY97 data are estimates.

Table 1

Trends in Motor Vehicle Excise Collections
➡ *continued from page three*

newal status for non-payment of the MVE. Such licenses or registrations cannot be renewed until the MVE is paid along with all fees and charges. This program significantly increased collections in FY93. Collections decreased in FY94, however, after the large increase in FY93.

A portion of the increase in FY95 collections resulted from the RMV's mailing commitments in May rather than July, thereby increasing FY95 and decreasing FY96 totals. Collections in FY97 were 5.86 percent higher than in FY96; this trend is expected to continue through FY98.

Local Trends

Table 1 shows MVE collections for FY96 and FY97, collections as a percent of total budget, the average age of vehicles, the average MVE bill and the rank of the average bill for every city and town. Communities with asterisks had estimated collections for FY97. Average bills were calculated by dividing the total MVE bills committed to local communities by the RMV for calendar year 1997 by the number of bills.

Statewide, MVE collections make up 2.5 percent of total local budgets. The percentage varies from 8.4 percent for Raynham to 0.5 percent for Gosnold, with a statewide community median of 4.4 percent. For the most part, the most populous communities depend on the MVE less as a source of revenue than less populous cities and towns. Of course, interesting exceptions occur. Two island communities, Gosnold with the lowest percentage and Gay Head with the fourth lowest percentage, have small year round populations and also few roads and vehicles.

Since the amount of excise paid relates directly to the age of the motor vehicle, the average age for each community is relevant. Despite the improving economy in the eastern part of the state which might have been expected to stimulate the buying of newer cars, the RMV statistics indicate that people are keeping cars longer. The average age increased by more than one year from FY92 to FY97 (7.0 to 8.1 years). The residents of Chilmark have the oldest vehicles averaging 11.4 years, followed by Gay Head at 11.2 years, West Tisbury at 11.0 years, Oak Bluffs at 10.71 and Edgartown at 10.6 years. Residents of Canton had the lowest average age vehicles, averaging 6.4 years, followed by Sharon at 6.6 years, Westborough at 6.7, Needham at 6.8 years and Acton at 6.8 years. Generally, island communities had the oldest vehicles, and communities in the Route 128 and Route 495 belts had the newest vehicles.

The amount of the motor vehicle excise due is calculated by multiplying the value of the vehicle by the $25.00 rate. The value of the vehicle for the purpose of the excise is the applicable percentage of the manufacturer's suggested retail price for that year. The applicable percentages are:

In the year proceeding the year of manufacture	50%
In the year of manufacture	90%
In the second year	60%
In the third year	40%
In the fourth year	25%
In the fifth and succeeding years	10%

Table 1 shows average MVE bill for each community. Generally, as average age increases, the average bill decreases. The correlation is not perfect, however, since more expensive initial prices of some vehicles increase average bills even though the vehicles are older. The communities with the highest bills were Weston ($163), Dover ($146), Wellesley ($144), Southborough ($136) and Sudbury ($128), all higher income suburbs west of Boston. While the five communities with the highest bills are in the top 10 percent of communities with newer average age of vehicles, none are in the top five communities for newest vehicle. The five communities with the lowest bills are in the 20 percent of communities with the oldest vehicles, but none are the five communities with the oldest average age vehicles. Per capita income appears to be the best predictor of average MVE bill. Based on 1989 data from the U.S. Census Bureau, the three communities with the highest per capita income are Weston ($46,855), Sherborn ($41,614), and Dover ($40,288). They rank 1st, 6th and 2nd respectively in average MVE bill and 7th, 47th and 25th respectively in average age of vehicles. People in these communities appear to have more expensive cars, offsetting the effects of vehicle age.

The 10 communities with the lowest average excise bill are all located in western Massachusetts. Six of the 10 are in Franklin County, two in Berkshire County and one in Worcester County. The average ages of vehicles are all above the average of 8.1, ranging from 8.82 to 10.32. The ranking for per capita income ranges from 292 to 346 in these western communities. ■

written by Stanley Nyberg and John Sanguinet

DLS UPDATE

Lawrence Oversight Board Ends

On December 29, 1997, the City of Lawrence Fiscal Oversight Board voted to end its seven and a half year supervision of the city's finances. The oversight board was created in 1990 in order to address Lawrence's chronic inability to balance its budget. The board's role was to ensure that the city's adopted budgets were balanced, to monitor its financial activities during the year in order to prevent further operating deficits and to propose initiatives to improve its weak fiscal management. The board also had to approve all appropriations, including debt authorizations.

Lawrence's financial condition improved significantly under the oversight board. The city was allowed to borrow $13 million to finance cumulative deficits and deferrals of prior years. This borrowing stabilized its cash position and the associated debt service has been fully funded in each annual budget. Since FY95, the city has budgeted prudently, ending each fiscal year with modest surpluses and without overdrawn accounts. These sounder budgeting practices and more concerted efforts to collect outstanding taxes have steadily reduced the city's free cash deficit. The deficit, which reached over $5 million in 1991, is expected to show a positive balance this year. In addition, Lawrence now has a fiscal stability reserve of over $2 million available for emergencies.

Under the oversight board's direction, Lawrence also began several initiatives to strengthen its financial management capacity. These initiatives include installing a new integrated financial management information system, pursuing collections of outstanding receivables and modernizing the assessing department. Completion is expected over the next year or two.

The oversight board was comprised of four state officials, including three staff members of DOR's Division of Local Services. Kathleen Colleary, Attorney in the Property Tax Bureau, served as the board's chairperson and was Revenue Commissioner Mitchell Adams' designee. Frederick Kingsley, Bureau Chief of Municipal Data Management and Technical Assistance represented Secretary of Administration and Finance Charles D. Baker, Judy Luca, Manager in the Bureau of Accounts represented Director of Accounts James Johnson and Jay Sullivan, Administrator, Accountants and Contracts, Finance Bureau Department of Education represented Commissioner of Education Robert V. Antonucci. The city members were Mayor Mary Claire Kennedy, City Council President Steven Kfoury and School Committee member John Housianitis. ■

Written by Melinda Ordway
DOR staff person to the Fiscal Oversight Board

1998! Test Y2K Solutions

If communities and their software/hardware vendors have identified any Year 2000 compliance issues, the proposed solutions should be tested in 1998, preferably in FY97-98. Testing in 1999 will not allow time for additional corrections if the solution falls short of complete compliance. Solutions that require replacement or significantly altered software will need to be implemented. Implemention can include time-consuming data conversion and staff training. When data crosses departmental boundaries, testing must ensure that the complete system works. If different methods are used to solve Y2K problems, different departments may be separately compliant, but the overall system could still fail.

If a community relies on software vendors or service bureaus, the Y2K compliant version of those products or services should be used or at least tested by the community in 1998. Contractual provisions, assurances, warranties relating to Y2K compliance should be carefully reviewed.

If a community has not yet inventoried and assessed potential vulnerabilities among computer systems, embedded chip devices, service bureau contracts, etc., it may be difficult to identify and fund solutions in 1998, leaving little or no time for testing and implementation. In that event, contingency plans should be in place to ensure that "mission-critical" municipal processing can continue. ■

1998 EQV Preparation

Every even numbered year, the Commissioner of Revenue determines the Equalized Valuation (EQV) for each city and town in the Commonwealth. Because property recertification is done on a three-year cycle which varies for individual communities, the Division of Local Services estimates the full and fair cash value of all taxable property as of a common date to ensure equity. DLS is in the process of determining EQVs as of January 1, 1998 and is collecting property sales reports (LA-EQV3S) from each municipality. ■

Municipal Fiscal Calendar

March 1

DOE: *Notify Communities of Estimated Net School Spending Requirement for the Next Year*

Personal Property Owner: *Submit Form of List*
This is a listing of all personal property filed by the owner with the Assessors each year for the purpose of determining taxes in the next fiscal year.

Non-Profit Organization: *Final Filing Date for 3-ABC Forms*
These must be filed on or before March 1 (this deadline may be extended by the Assessors). In no event should the forms be filed later than 30 days after the tax bill is mailed.

March 31

State Treasurer: *Notification of Quarterly Local Aid Payment on or Before March 31*

Opportunities for Training

Assessment Administration: Law, Procedures and Valuation (Course 101) will be held at Holyoke Community College on Tuesday evenings beginning March 31, 1998.

"What's New in Municipal Law" will be held on May 15, 1998 in West Springfield and on May 22, 1998 in Framingham.

New Officials Finance Forum for newly elected or appointed officials will be held in Auburn on Friday, June 5, 1998.

Contact Barbara LaVertue at (617) 626-2340 for more information.

Data Bank Highlight

Motor Vehicle Excise

The Municipal Data Bank has several reports which supply motor vehicle information. The Registry of Motor Vehicles provides the Data Bank with a listing of the number of registered vehicles in each community as of the first of the year. The list identifies the type (car, light truck, etc.) and average age of the vehicles. The Data Bank also has reports that show trends in Motor Vehicle Excise receipts back to FY81. The Actual vs. Estimated Receipts report shows trends in actual collections compared to budgets estimates for Motor Vehicle Excise as well as other local receipt categories listed on the Tax Recap sheet.

To obtain Municipal Data Bank information contact: Stan Nyberg at (617) 626-2377 for printed reports and data files; Burt Lewis at (617) 626-2358 for the On-Line Access System; or use the World Wide Web address below.

City & Town

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. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at **http://www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

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