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CITY & TOWN

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Joseph J. Chessey, Jr., Deputy Commissioner

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New Local Option Law Supports Brownfields Redevelopment

Written by J. Todd Fernandez, Director, Governor's Office of Brownfields Revitalization
Todd.Fernandez@state.ma.us; 617-973-8621

Uncollected past property tax obligations often present insurmountable financial impediments to redevelopment of abandoned contaminated industrial properties. As a result, municipal officials must frequently decide whether to pursue collecting accrued back taxes or to forgo them in favor of supporting the redevelopment of urban brownfields. The decision hinges on more than a consideration of the numbers.

Abandoned industrial and commercial properties may impose more burdensome costs upon communities than unpaid back taxes. Such properties may invite crime, blight, inner-city job loss, vandalism and urban sprawl. The dollar costs of these consequences are incalculable, and the human and community impact is severe.

In response, the administration and the legislature enacted a "brownfields bill" in August 1998 that makes several changes to existing law and adds a number of new procedures to help address these serious social and economic problems. For one thing, the new law alters the liability exposure for innocent subsequent owners and secured lenders, and reduces the burden on municipalities. The law also provides $30 million for loans and grants through MassDevelopment, creates a $15 million state loan-guarantee and cost-over run insurance program for private bank loans, and establishes state tax credits up to 50 percent of cleanup costs.

Recognizing that back taxes were a serious problem and that municipalities possessed very little ability to abate them, drafters of the bill included provisions, codified as M.G.L. Ch. 59 §59A, to deal with this difficulty. This new statute makes available a local-option provision that allows municipalities to negotiate outstanding tax obligations associated with contaminated industrial or commercial properties.

Specifically, the brownfields tax abatement law provides as follows:

- The municipality has authority to negotiate an agreement with a private purchaser.
- The private purchaser must be an innocent owner.
- The subject property must be zoned for commercial or industrial use.
- The property must contain oil or hazardous materials.
- The municipality has full discretion to determine terms of repayment, if any.
- The mayor or board of selectmen must sign the agreement.
- The agreement must specify the amount of outstanding obligation, payment term, interest rate (if applicable), and "any other contractual obligations arranged between the parties." It must be notarized and attested to by the town or city clerk, with copies distributed to a number of entities.
- The agreement does not require approval by the Department of Revenue.
- Municipalities must adopt an "implementation by-law" concurrently with the acceptance of this provision that sets forth in detail the person or persons authorized to negotiate and bind the municipality. The by-law should also delineate the scope of abatement authority (e.g., all accrued principal, interest and penalties, or some variation on those categories). A proposed implementation by-law will be generated by the Governor's Office of Brownfields Revitalization in conjunction with DOR.

Municipalities should consider accepting this law in order that it might exercise its provisions when an appropriate situation arises. Regardless of when and how these provisions are utilized, having the authority in place provides flexibility that would not otherwise be available. For example, a provision in MassDevelopment's loan program allows for "priority projects" eligible for up to $2 million in program funds. To access these monies, however, a municipality has to demonstrate a significant financial commitment to the project. Such a commitment can be in the form of a tax abatement program administered under Ch. 59 § 59A.

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LEGAL

in Our Opinion

Q: *A buyer and seller agreed on a purchase price for a property. A separate agreement required the buyer to give to the seller the right to repurchase the property if the buyer defaulted on the mortgage or ceased to be employed by the seller. Under the terms of the agreement, the repurchase price was fixed at varying percentages of the then appraised value of the property depending on the year of resale. Should the assessors consider the repurchase agreement in valuing the property?*

A: No. It is a well-established rule that real estate taxes are assessed on the whole value of the parcel and not merely on the interest of the person being assessed.[1] In other words, the assessment must be based on the parcel's highest and best use, not its value to the current owner. If the terms of a private agreement restrict or affect the use and enjoyment of the property in a way that would affect the parcel's value for a potential buyer, then the private agreement would be relevant to the parcel's value for assessment purposes.[2] If, however, the private agreement merely affects the owner's economic benefits, then the assessors should disregard the agreement. The private agreement, in the case at hand, does not affect the enjoyment of the parcel. Even though the agreement may contain unfavorable economic terms, the agreement has no bearing on the parcel's value. Consequently, the assessors should not discount the parcel's valuation.

Q: *Who is liable for delinquent personal property taxes if the personal property is sold?*

A: The seller is responsible for the taxes. Personal property taxes are assessed to the owner as of January 1 preceding the start of the fiscal year.[3] There is no lien with personal property taxes. Consequently, only the assessed owner is personally liable for the taxes. Even though there may be an agreement between buyer and seller as to the payment of the outstanding personal property taxes, the collector can only bring a civil suit against the assessed owner (seller).[4]

Q: *If a civil suit is barred by the six-year statute of limitations, what remedies are available to the town collector in the collection of delinquent personal property taxes?*

A: The remedies are (a) set-off and (b) denial, revocation or suspension of licenses and permits. Set-off is a viable remedy if the town owes the assessed owner an abatement refund or money for goods or services.[5] Under set-off, the treasurer may on his own initiative, or shall, upon direction of the collector, direct payment of such amounts to the collector to be applied against the outstanding taxes. The remedy of set-off is permissible only if the assessed owner is the same legal entity or person to whom the refund or payment is owed. The alternative remedy is a local option statute that requires the adoption of a local by-law to put into effect.[6] Under the terms of this statute, a community can deny, revoke or suspend certain licenses and permits if the permit applicant owes taxes, or business was conducted "on or about the real estate whose owner has neglected or refused to pay any local taxes, fees, assessments, betterments or any other municipal charges. …" This law would not apply in the case of unpaid personal property taxes assessed to a firm which did business on real estate where another business is now operating. ■

compiled by James Crowley

1. *Donovan v. Haverhill,* 247 Mass. 69 (1923).
2. *Lodge v. Swampscott,* 216 Mass. 260 (1913).
3. M.G.L. Ch. 59 Sec. 18.
4. M.G.L. Ch. 60 Sec. 35.
5. M.G.L. Ch. 60 Sec. 93.
6. M.G.L. Ch. 40 Sec. 57.

Local Option Law
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Adoption of Section 59A, however, is merely a preparatory step. Of greater importance is attracting the interest of the private sector in contaminated sites. There are many relatively low-cost actions a municipality may take to advance this process.

Repositioning Properties

Most municipalities do not have sufficient money to clean up and redevelop properties on their own. A municipality, however, can significantly reposition properties for redevelopment.

Redeveloping a brownfield requires removing obstacles. One obstacle may be the unavailability of critical information about a property. Who owns the it? What contamination is there? What is the back tax debt? What is the zoning? What is the commitment of the municipality? Not knowing these things may be enough to make a developer look elsewhere — turning to industrial parks and greenfields.

Here are a few suggestions as to how a municipality may best prepare its own brownfields for consideration by private developers and businesses:

- **Create an inventory of suspected contaminated commercial and industrial sites.** The list does not have to be complete or official. Ask the city council members or selectmen to give you a list from their own personal knowledge of sites they see driving around their neighborhoods.

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FOCUS on Municipal Finance

Local Revenue Components

Four sources of revenue support local spending: the property tax levy, state aid, local receipts and other revenues.[1] In this issue we look at each source as a percent of the total FY1999 budget in each Massachusetts city and town. We identify the five communities with the highest percentages of the total, as well as the five lowest, with respect to each component. The article also discusses how those percentages have changed over time for the state as a whole.

Property Tax Levy

The property tax levy is the revenue a city or town raises through real and personal property taxes. Since 1982, the amount of money a community can raise from this source has been constrained by the limits imposed by Proposition 2½. The amount of a community's levy is limited to 2.5 percent of the total assessed value (commonly known as the levy ceiling). Also annual increases in the levy are limited to no more than 2.5 percent of the prior year's levy limit, plus certified new growth and any additional property taxes authorized by override referenda. Communities can also increase their levy limit temporarily through debt or capital outlay expenditure exclusion referenda.

Statewide in FY1999, the property tax provided slightly more than half of local revenues (50.2 percent). For most communities, the property tax constitutes the largest single source of revenue. The five communities with the highest share of local revenue provided by the property tax levy are New Marlborough (86.07 percent), Dover (83.32 percent), Sherborn (82.99 percent), Stow (81.19 percent) and Dunstable (81.01 percent). All of these communities that rely heavily on the property tax are relatively small towns that belong to regional school districts. In a regional school district, all education aid is paid directly to the school district, so the towns appear to receive little state aid (six percent or less of total revenues for these towns). The five communities with the lowest percentage share are Lawrence (16.94 percent), Chelsea (22.42 percent), Fall River (23.14 percent), Winchendon (24.99 percent) and Holyoke (25.11 percent). These communities receive a high portion of their total budgets from state aid.

State Aid

In FY1999 state aid provided 27.3 percent of the total receipts statewide. State aid is allocated directly to cities, towns and regional school districts through the Cherry Sheet programs. Cherry Sheet aid includes distributions that provide funds according to various formulas, reimbursements for all or part of the costs incurred during a prior period for certain programs or services, and offset items that are funds which must be spent for specific municipal functions. Chapter 70 aid, the largest single distribution program, is education aid designed to ensure equitable and adequate funding of schools. The Chapter 70 aid bridges the gap between a community's educational costs and their ability to raise enough revenue to meet those needs. Lottery aid is a general purpose financial assistance program. Any additional lottery money is allocated by an equalizing formula giving more aid to communities with lower property values and large populations and less aid to those with higher values and smaller populations. This amount is then added to the prior year's base. The five communities receiving the highest percentage of state aid are cities with large populations but low property values: Lawrence (67.99 percent), Holyoke (62.76 percent), Springfield (60.59 percent), Chelsea (60.30 percent), and Fall River (59.90 percent). Equalized valuations are used in several of the Cherry Sheet distribution formulas. When ranked on equalized property values per capita, these five cities are at or near the bottom — Lawrence (351), Holyoke (345), Springfield (350), Chelsea (344) and Fall River (337). The five with the lowest percentage provided by state aid are communities with higher property values and fewer students resulting from a large number of summer residents: Chilmark (0.15 percent), Aquinnah (formerly Gay Head) (0.40 percent), Nantucket (1.48 percent), Dennis (2.14 percent), and Gosnold (2.15 percent). Chilmark, Aquinnah and Dennis are in regional school districts and therefore receive less direct aid for education. When ranked on equalized valuations per capita, these towns are at or near the top of the list: Chilmark (1), Aquinnah (3), Nantucket (4), Dennis (31) and Gosnold (2).

Local Receipts

Local receipts are revenues generated at the local level from a variety of different sources. Motor vehicle excise; fines, licenses and permits; charges for water, sewer and trash collection services; and investment income are some of the most common. Local receipts can be included in the general fund or reserved for a specific departmental use. Local receipts comprised 17.5 percent of statewide revenues. The five communities generating the largest percentage share of revenues through local receipts are Norwood (46.71 percent), Russell (39.88 percent), Haverhill (39.67 percent), Yarmouth (34.34 percent), and Provincetown (33.77 percent). Some of these towns have additional sources of revenues in this category. For example, Norwood has a municipal light depart-

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Revenue Components as a Percentage of Total Receipts

Municipality	Tax levy	State aid	Local receipts	All other	Total receipts
Abington	50.37%	28.28%	13.93%	7.41%	26,529,952
Acton	76.01%	7.07%	13.90%	3.02%	43,893,535
Acushnet	40.67%	36.24%	17.92%	5.18%	16,157,540
Adams	56.23%	19.55%	9.70%	14.52%	9,801,799
Agawam	50.08%	30.37%	15.46%	4.09%	49,427,002
Alford	80.28%	3.04%	8.72%	7.96%	835,290
Amesbury	44.16%	34.36%	16.04%	5.45%	34,609,144
Amherst	42.74%	26.04%	24.76%	6.46%	48,288,606
Andover	67.38%	9.88%	17.94%	4.81%	86,205,568
Aquinnah	65.63%	0.40%	18.82%	15.16%	1,872,975
Arlington	62.72%	19.14%	16.07%	2.07%	83,615,267
Ashburnham	65.54%	9.88%	20.68%	3.89%	7,085,634
Ashby	72.86%	12.39%	8.58%	6.18%	3,331,713
Ashfield	70.38%	11.20%	13.08%	5.34%	2,722,537
Ashland	65.02%	14.15%	19.56%	1.28%	27,602,669
Athol	47.18%	19.08%	22.96%	10.78%	10,595,924
Attleboro	38.87%	38.11%	21.51%	1.51%	77,078,483
Auburn	59.00%	19.65%	15.15%	6.20%	25,939,051
Avon	65.48%	13.14%	10.58%	10.81%	10,928,757
Ayer	53.76%	27.17%	15.41%	3.66%	17,763,656
Barnstable	62.97%	8.89%	23.29%	4.85%	95,324,678
Barre	52.24%	13.06%	26.42%	8.27%	5,931,149
Becket	72.47%	5.46%	9.30%	12.77%	3,300,298
Bedford	63.26%	8.00%	13.18%	15.56%	42,022,008
Belchertown	42.50%	39.81%	10.32%	7.37%	23,893,910
Bellingham	51.82%	29.88%	12.87%	5.43%	30,867,027
Belmont	59.80%	10.77%	20.95%	8.48%	60,990,072
Berkley	38.88%	50.02%	6.74%	4.36%	9,095,849
Berlin	63.37%	16.50%	6.93%	13.20%	5,352,181
Bernardston	68.35%	15.43%	9.55%	6.68%	2,785,415
Beverly	56.77%	16.56%	24.85%	1.82%	75,672,109
Billerica	58.58%	23.64%	13.36%	4.41%	83,082,089
Blackstone	55.37%	12.51%	16.29%	15.83%	9,868,157
Blandford	66.01%	9.76%	16.88%	7.35%	1,610,881
Bolton	76.20%	8.63%	5.66%	9.51%	9,420,403
Boston	51.07%	31.86%	15.51%	1.56%	1,604,210,644
Bourne	58.74%	17.57%	17.50%	6.20%	32,920,857
Boxborough	73.47%	9.11%	10.22%	7.19%	10,372,709
Boxford	74.02%	10.78%	8.91%	6.28%	17,411,861
Boylston	66.15%	10.14%	14.26%	9.44%	6,834,053
Braintree	55.13%	14.73%	26.36%	3.78%	77,212,889
Brewster	68.37%	7.45%	18.75%	5.42%	22,417,800
Bridgewater	53.27%	14.59%	22.48%	9.66%	29,477,578
Brimfield	47.46%	28.74%	11.06%	12.75%	5,753,707
Brockton	29.13%	49.09%	16.96%	4.82%	222,691,414
Brookfield	35.24%	40.25%	12.17%	12.34%	5,661,768
Brookline	63.91%	9.51%	22.87%	3.72%	144,274,647
Buckland	67.95%	9.76%	13.64%	8.66%	2,720,883
Burlington	68.67%	10.25%	15.88%	5.21%	63,461,351
Cambridge	49.83%	13.26%	22.88%	14.04%	319,101,237
Canton	64.64%	10.30%	20.06%	5.01%	45,655,699
Carlisle	78.11%	10.50%	7.60%	3.79%	12,822,035
Carver	42.42%	42.65%	5.76%	9.17%	24,868,916
Charlemont	65.03%	10.67%	8.18%	16.11%	2,141,705
Charlton	66.83%	10.63%	14.02%	8.52%	11,178,358
Chatham	66.70%	2.22%	18.99%	12.10%	25,301,618
Chelmsford	65.24%	18.69%	9.84%	6.23%	66,766,400
Chelsea	22.42%	60.30%	17.24%	0.05%	86,241,340
Cheshire	55.12%	20.15%	20.92%	3.81%	3,072,121
Chester	70.09%	12.94%	13.45%	3.52%	1,535,278
Chesterfield	75.93%	12.05%	5.34%	6.68%	1,735,663
Chicopee	37.66%	43.24%	17.99%	1.11%	101,504,263
Chilmark	68.06%	0.15%	13.36%	18.42%	4,207,998
Clarksburg	32.76%	56.11%	8.78%	2.35%	2,644,440
Clinton	40.69%	44.89%	13.66%	0.75%	23,059,971
Cohasset	65.66%	8.16%	15.81%	10.37%	21,462,161
Colrain	75.60%	13.24%	5.95%	5.21%	2,018,482
Concord	78.85%	8.70%	8.67%	3.77%	40,807,319
Conway	56.69%	25.98%	4.57%	12.76%	3,717,184
Cummington	61.89%	9.53%	9.67%	18.90%	1,437,159
Dalton	61.12%	12.34%	12.57%	13.98%	9,825,986
Danvers	57.79%	12.18%	25.03%	5.01%	58,572,852
Dartmouth	56.67%	19.99%	19.72%	3.63%	43,492,497
Dedham	65.96%	13.78%	15.15%	5.11%	50,012,601
Deerfield	50.69%	17.78%	18.32%	13.21%	9,175,584
Dennis	64.61%	2.14%	22.26%	10.99%	29,479,027
Dighton	66.99%	8.72%	12.66%	11.64%	7,756,600
Douglas	44.89%	39.09%	9.67%	6.34%	13,090,972
Dover	83.32%	3.24%	9.26%	4.18%	13,858,628
Dracut	47.54%	35.68%	12.95%	3.83%	44,950,879
Dudley	47.24%	15.35%	28.90%	8.51%	8,995,845
Dunstable	81.01%	5.43%	5.87%	7.69%	4,090,485
Duxbury	67.28%	8.80%	17.47%	6.45%	36,543,388
E. Bridgewater	44.69%	39.23%	8.90%	7.19%	25,295,634
E. Brookfield	46.64%	12.99%	19.84%	20.53%	2,182,116
E. Longmeadow	64.68%	15.97%	12.84%	6.51%	28,243,103
Eastham	77.71%	3.09%	10.87%	8.32%	12,416,893
Easthampton	39.07%	36.31%	17.20%	7.43%	27,032,185
Easton	55.37%	23.04%	15.92%	5.67%	39,110,241
Edgartown	70.66%	3.26%	21.16%	4.92%	16,731,018
Egremont	72.93%	4.13%	16.02%	6.92%	2,594,320
Erving	61.94%	6.85%	13.63%	17.59%	4,854,754
Essex	62.82%	14.03%	17.44%	5.71%	6,797,762
Everett	57.53%	25.18%	14.89%	2.41%	82,318,195
Fairhaven	39.81%	28.54%	15.63%	16.02%	34,134,202
Fall River	23.14%	59.90%	13.69%	3.27%	166,766,557
Falmouth	66.68%	9.09%	16.56%	7.66%	66,406,547
Fitchburg	29.15%	48.37%	21.57%	0.90%	77,966,759
Florida	56.62%	27.80%	5.16%	10.41%	2,076,406
Foxborough	54.47%	22.43%	17.35%	5.76%	32,630,626
Framingham	60.08%	13.24%	21.44%	5.25%	147,627,226
Franklin	48.37%	29.19%	17.42%	5.01%	59,472,594
Freetown	61.10%	15.21%	12.86%	10.84%	12,164,969
Gardner	28.60%	47.43%	20.87%	3.10%	38,041,474
Georgetown	52.61%	22.30%	16.21%	8.88%	14,672,127
Gill	67.05%	13.44%	6.35%	13.16%	1,638,087
Gloucester	56.02%	18.18%	19.87%	5.93%	63,352,212
Goshen	78.96%	7.60%	7.56%	5.88%	1,392,646
Gosnold	28.58%	2.15%	28.67%	40.59%	838,158
Grafton	51.68%	26.56%	7.94%	13.81%	22,030,721
Granby	44.17%	32.69%	11.72%	11.42%	10,028,481
Granville	52.44%	35.05%	6.28%	6.23%	2,942,021
Grt. Barrington	68.07%	6.22%	16.74%	8.98%	13,508,519
Greenfield	38.75%	31.29%	13.06%	16.90%	40,154,319
Groton	71.39%	4.16%	20.96%	3.49%	17,033,544
Groveland	68.28%	11.93%	17.24%	2.54%	7,879,369
Hadley	53.84%	16.25%	23.23%	6.69%	9,271,565
Halifax	45.84%	26.98%	17.18%	10.00%	12,775,544
Hamilton	75.07%	4.97%	13.76%	6.20%	14,166,134
Hampden	80.78%	9.21%	9.34%	0.68%	6,377,293
Hancock	50.78%	17.67%	20.91%	10.64%	1,128,583
Hanover	60.78%	19.04%	16.28%	3.90%	30,159,793
Hanson	65.28%	11.27%	13.48%	9.97%	13,510,971
Hardwick	56.20%	16.15%	14.91%	12.74%	3,375,248
Harvard	61.08%	27.42%	8.81%	2.69%	12,913,574
Harwich	62.16%	7.91%	18.95%	10.97%	31,775,726
Hatfield	53.28%	17.10%	20.46%	9.17%	6,161,906
Haverhill	28.96%	28.78%	39.67%	2.59%	152,092,598
Hawley	59.37%	18.05%	3.62%	18.96%	569,033
Heath	61.25%	21.16%	8.69%	8.90%	1,368,964
Hingham	69.95%	10.40%	13.87%	5.78%	46,653,475
Hinsdale	51.12%	7.67%	7.47%	33.74%	3,467,899
Holbrook	51.52%	26.52%	14.40%	7.56%	20,958,152
Holden	65.70%	8.17%	21.54%	4.59%	24,048,628
Holland	63.94%	20.39%	6.79%	8.89%	4,108,690
Holliston	60.93%	23.53%	11.59%	3.94%	28,636,443
Holyoke	25.11%	62.76%	8.33%	3.81%	113,962,681
Hopedale	48.10%	34.71%	12.62%	4.57%	11,832,011
Hopkinton	67.07%	11.94%	16.05%	4.94%	28,594,120
Hubbardston	68.24%	8.80%	15.11%	7.86%	3,874,974
Hudson	51.38%	21.08%	18.90%	8.64%	34,567,855
Hull	52.61%	26.89%	15.92%	4.58%	25,469,344
Huntington	61.77%	12.92%	17.72%	7.60%	2,382,624
Ipswich	57.94%	15.80%	17.77%	8.48%	25,645,015
Kingston	63.35%	16.49%	14.57%	5.59%	19,784,554
Lakeville	59.87%	23.03%	12.42%	4.68%	13,353,425
Lancaster	58.21%	10.56%	14.87%	16.36%	8,443,124
Lanesborough	66.25%	15.97%	10.70%	7.09%	5,859,762
Lawrence	16.94%	67.99%	13.28%	1.79%	162,473,275
Lee	53.17%	18.45%	20.35%	8.04%	11,851,565
Leicester	33.84%	51.31%	6.06%	8.79%	18,369,063
Lenox	45.52%	18.61%	25.63%	10.24%	13,959,344
Leominster	37.85%	40.78%	12.60%	8.77%	75,923,965
Leverett	71.39%	11.78%	7.76%	9.07%	3,227,825
Lexington	64.16%	8.19%	23.54%	4.11%	91,845,007
Leyden	77.45%	9.61%	6.85%	6.10%	890,945
Lincoln	66.74%	12.72%	9.72%	10.82%	19,196,763
Littleton	66.43%	10.31%	19.12%	4.14%	17,166,279
Longmeadow	65.46%	14.00%	13.56%	6.99%	35,733,844
Lowell	26.36%	55.14%	14.46%	4.04%	236,284,839
Ludlow	43.26%	33.41%	17.63%	5.70%	34,111,171
Lunenburg	61.99%	25.00%	8.14%	4.87%	15,360,395
Lynn	29.55%	58.85%	9.40%	2.21%	183,044,855
Lynnfield	68.26%	12.73%	10.72%	8.30%	22,208,380
Malden	40.80%	36.63%	22.37%	0.20%	97,755,501
Manchester	69.26%	5.32%	21.18%	4.25%	15,546,489
Mansfield	48.94%	20.42%	16.89%	13.76%	51,532,186
Marblehead	63.39%	7.34%	21.75%	7.52%	44,154,132
Marion	73.02%	4.48%	12.97%	9.53%	11,408,416
Marlborough	63.21%	14.10%	20.13%	2.57%	76,290,797
Marshfield	50.34%	23.70%	19.58%	6.38%	53,085,348
Mashpee	63.37%	13.70%	9.12%	13.81%	30,873,444
Mattapoisett	67.25%	5.83%	21.65%	5.27%	13,852,553
Maynard	61.95%	20.53%	12.95%	4.57%	20,499,592
Medfield	65.25%	14.65%	17.15%	2.95%	26,847,960
Medford	52.14%	25.82%	19.27%	2.77%	101,024,329
Medway	57.01%	24.82%	14.82%	3.36%	25,177,263
Melrose	55.28%	22.46%	16.45%	5.81%	51,506,698
Mendon	69.02%	5.35%	16.66%	8.97%	6,652,830
Merrimac	49.77%	12.46%	23.47%	14.30%	9,003,708

Municipality	Tax levy	State aid	Local receipts	All other	Total receipts
Methuen	42.40%	36.77%	18.12%	2.72%	79,440,814
Middleborough	40.28%	39.18%	12.41%	8.13%	41,259,824
Middlefield	75.90%	10.83%	9.13%	4.14%	737,907
Middleton	70.98%	9.79%	10.47%	8.76%	13,222,388
Milford	54.90%	27.79%	12.78%	4.53%	50,567,286
Millbury	46.57%	34.06%	10.15%	9.22%	18,414,197
Millis	55.23%	19.39%	15.35%	10.04%	15,795,424
Millville	64.59%	11.18%	10.55%	13.69%	3,072,387
Milton	60.73%	12.62%	19.31%	7.34%	53,754,178
Monroe	51.82%	16.80%	7.69%	23.68%	488,069
Monson	37.54%	43.67%	12.41%	6.38%	16,139,365
Montague	64.24%	10.89%	19.73%	5.15%	11,166,827
Monterey	78.99%	6.06%	8.65%	6.30%	1,904,767
Montgomery	62.73%	8.18%	7.77%	21.32%	1,161,423
Mt. Washington	55.93%	29.72%	10.06%	4.29%	363,526
Nahant	58.08%	10.00%	28.84%	3.08%	7,716,074
Nantucket	55.47%	1.48%	32.99%	10.07%	51,582,704
Natick	61.82%	12.80%	19.01%	6.38%	72,791,084
Needham	64.16%	8.50%	20.91%	6.43%	73,111,035
New Ashford	47.03%	26.73%	15.42%	10.83%	339,866
New Bedford	26.22%	53.04%	20.73%	0.00%	202,660,414
New Braintree	73.55%	14.34%	6.55%	5.56%	1,114,037
New Marlborough	86.07%	5.56%	8.31%	0.07%	2,391,343
New Salem	54.61%	11.81%	27.11%	6.48%	1,359,801
Newbury	71.89%	13.66%	9.73%	4.73%	10,147,007
Newburyport	61.85%	17.54%	18.15%	2.46%	35,152,781
Newton	67.77%	7.54%	20.68%	4.01%	212,624,482
Norfolk	60.71%	20.25%	14.42%	4.61%	18,364,882
N. Adams	25.24%	56.30%	15.30%	3.16%	30,448,348
N. Andover	60.90%	13.67%	23.36%	2.07%	50,093,573
N. Attleboro	40.87%	29.07%	19.37%	10.69%	54,044,511
N. Brookfield	26.53%	46.82%	15.63%	11.03%	9,054,005
N. Reading	57.10%	15.25%	20.69%	6.97%	32,220,406
Northampton	42.45%	25.48%	31.42%	0.65%	54,321,868
Northborough	67.41%	12.42%	15.45%	4.73%	26,227,734
Northbridge	34.04%	49.64%	11.71%	4.61%	24,309,139
Northfield	66.55%	12.85%	12.12%	8.48%	3,981,705
Norton	41.71%	32.88%	12.31%	13.10%	30,848,974
Norwell	70.19%	12.56%	12.48%	4.77%	23,741,888
Norwood	38.43%	10.92%	46.71%	3.94%	82,253,129
Oak Bluffs*	69.48%	7.27%	16.86%	6.39%	12,515,285
Oakham	62.86%	13.11%	12.56%	11.48%	1,889,373
Orange	29.80%	45.02%	12.97%	12.21%	15,632,583
Orleans	64.18%	3.41%	20.81%	11.60%	17,106,786
Otis	79.40%	4.01%	4.74%	11.85%	2,907,729
Oxford	36.41%	38.59%	5.79%	19.22%	23,819,952
Palmer	37.80%	47.98%	11.30%	2.91%	24,604,846
Paxton	69.75%	8.01%	17.32%	4.92%	6,016,830
Peabody	44.75%	22.58%	27.08%	5.59%	95,043,279
Pelham	65.88%	9.85%	11.45%	12.82%	2,542,848
Pembroke	58.20%	21.12%	14.46%	6.22%	27,834,918
Pepperell	61.95%	8.50%	19.21%	10.34%	14,051,863
Peru	67.83%	21.03%	6.31%	4.83%	995,638
Petersham	55.80%	19.31%	22.32%	2.57%	1,626,922
Phillipston	64.27%	11.21%	10.28%	14.25%	1,724,130
Pittsfield	43.06%	40.93%	15.12%	0.89%	85,980,499
Plainfield	74.72%	10.54%	6.32%	8.43%	952,661
Plainville	50.72%	17.59%	16.66%	15.03%	12,708,186
Plymouth	60.52%	21.12%	12.96%	5.40%	111,011,024
Plympton	69.54%	17.01%	7.37%	6.09%	4,371,799
Princeton	67.09%	13.26%	11.37%	8.28%	6,017,363
Provincetown	50.80%	4.35%	33.77%	11.09%	15,500,807
Quincy	50.55%	20.89%	22.21%	6.35%	177,531,387
Randolph	47.59%	27.65%	15.93%	8.83%	55,167,824
Raynham	66.16%	9.68%	15.16%	9.00%	15,958,008
Reading	53.93%	18.75%	22.92%	4.40%	53,162,851
Rehoboth	75.18%	8.48%	12.86%	3.48%	11,501,078
Revere	42.76%	39.40%	16.04%	1.79%	85,129,688
Richmond	68.08%	13.80%	9.52%	8.60%	3,404,746
Rochester	45.66%	16.36%	27.18%	10.80%	9,289,211
Rockland	42.68%	33.41%	19.24%	4.67%	34,704,535
Rockport	59.70%	12.48%	19.50%	8.32%	20,301,561
Rowe	79.66%	2.26%	4.88%	13.20%	2,029,055
Rowley	66.00%	11.68%	15.76%	6.56%	8,385,478
Royalston	31.74%	9.74%	6.24%	52.28%	2,290,139
Russell	47.18%	7.87%	39.88%	5.07%	2,614,247
Rutland	49.00%	10.84%	24.53%	15.64%	7,716,359
Salem	51.86%	25.05%	20.77%	2.32%	85,180,152
Salisbury	64.74%	5.93%	25.37%	3.96%	12,639,762
Sandisfield	61.92%	6.13%	4.98%	26.97%	1,858,737
Sandwich	67.87%	18.69%	7.17%	6.26%	36,801,002
Saugus	62.97%	15.96%	17.54%	3.53%	47,471,795
Savoy	40.20%	42.30%	5.63%	11.86%	1,268,523
Scituate	57.37%	12.76%	18.89%	10.97%	41,418,810
Seekonk	64.18%	16.78%	13.44%	5.60%	25,848,084
Sharon	68.62%	14.65%	10.58%	6.15%	37,853,834
Sheffield	80.53%	5.50%	11.39%	2.58%	5,328,331
Shelburne	67.23%	10.90%	12.32%	9.55%	2,535,572
Sherborn	82.99%	4.48%	6.70%	5.82%	11,809,114
Shirley	40.54%	46.79%	8.83%	3.84%	9,160,503
Shrewsbury	51.87%	16.98%	16.27%	14.88%	51,258,068
Shutesbury	60.58%	21.27%	7.82%	10.33%	3,914,015
Somerset	70.64%	9.98%	15.05%	4.33%	36,251,509
Somerville	35.26%	41.13%	17.93%	5.68%	137,620,769
S. Hadley	48.44%	29.91%	17.04%	4.61%	25,848,627
Southampton	52.68%	30.25%	12.49%	4.58%	8,074,881
Southborough	70.64%	5.79%	14.77%	8.81%	19,950,483
Southbridge	25.16%	50.83%	17.75%	6.26%	32,011,761
Southwick	64.04%	9.69%	15.89%	10.38%	11,014,574
Spencer	48.85%	17.57%	21.79%	11.80%	11,673,614
Springfield	27.75%	60.59%	10.68%	0.98%	356,945,338
Sterling	63.43%	6.15%	16.26%	14.16%	11,031,384
Stockbridge	66.83%	2.52%	14.48%	16.17%	5,386,881
Stoneham	54.23%	15.45%	23.58%	6.74%	44,246,502
Stoughton	53.40%	20.42%	22.90%	3.28%	55,328,528
Stow	81.19%	3.52%	9.83%	5.46%	11,442,616
Sturbridge	62.29%	12.05%	20.13%	5.53%	14,389,329
Sudbury	77.18%	10.53%	9.56%	2.73%	41,970,181
Sunderland	54.98%	28.48%	9.63%	6.91%	4,840,284
Sutton	52.93%	28.98%	7.72%	10.37%	14,317,000
Swampscott	67.53%	11.01%	18.71%	2.74%	31,022,480
Swansea	62.14%	29.14%	7.61%	1.11%	22,315,636
Taunton	32.40%	36.61%	21.04%	9.96%	110,071,707
Templeton	39.53%	16.40%	31.97%	12.10%	7,263,337
Tewksbury	55.84%	21.63%	16.16%	6.36%	56,835,630
Tisbury	69.08%	3.97%	13.49%	13.46%	13,207,071
Tolland	75.32%	12.57%	8.84%	3.27%	565,607
Topsfield	72.89%	9.83%	11.84%	5.44%	12,812,962
Townsend	69.18%	10.48%	11.02%	9.32%	10,871,718
Truro	68.47%	5.84%	11.31%	14.38%	7,134,439
Tyngsboro	54.67%	29.67%	9.53%	6.13%	21,259,116
Tyringham	76.67%	8.31%	6.26%	8.76%	942,206
Upton	70.22%	6.89%	18.93%	3.96%	7,856,085
Uxbridge	41.40%	36.74%	11.64%	10.21%	22,356,134
Wakefield	55.91%	14.35%	22.58%	7.15%	54,690,525
Wales	49.34%	32.52%	8.69%	9.45%	2,705,182
Walpole	58.73%	17.11%	20.02%	4.14%	43,716,870
Waltham	59.73%	13.89%	21.62%	4.77%	130,836,474
Ware	41.77%	40.21%	8.70%	9.31%	17,794,155
Wareham	44.02%	32.76%	17.36%	5.86%	40,907,650
Warren	57.80%	12.87%	21.12%	8.21%	5,192,699
Warwick	67.65%	21.92%	7.04%	3.39%	994,744
Washington	64.19%	23.42%	12.36%	0.03%	847,461
Watertown	56.78%	17.28%	23.53%	2.41%	68,596,007
Wayland	74.16%	9.77%	10.46%	5.61%	37,550,895
Webster	39.94%	33.37%	19.16%	7.53%	26,639,268
Wellesley	72.59%	9.33%	13.96%	4.12%	60,646,281
Wellfleet	68.94%	4.50%	11.27%	15.29%	9,535,108
Wendell	60.04%	19.83%	18.41%	1.71%	1,419,675
Wenham	75.70%	6.61%	11.70%	5.98%	7,489,479
W. Boylston	57.45%	21.95%	11.94%	8.66%	12,619,267
W. Bridgewater	60.96%	19.20%	16.29%	3.55%	14,257,587
W. Brookfield	53.30%	9.49%	13.90%	23.31%	4,677,655
W. Newbury	73.00%	4.91%	13.88%	8.21%	7,112,771
W. Springfield	52.80%	25.87%	15.55%	5.77%	57,667,977
W. Stockbridge	79.12%	4.51%	9.35%	7.01%	2,921,132
W. Tisbury	79.34%	10.46%	6.40%	3.79%	7,472,489
Westborough	57.43%	8.73%	22.90%	10.94%	45,683,450
Westfield	38.86%	38.82%	17.55%	4.78%	79,263,009
Westford	64.06%	17.00%	12.39%	6.56%	44,709,121
Westhampton	60.14%	24.82%	6.83%	8.21%	2,740,751
Westminster	63.30%	7.16%	15.32%	14.22%	9,774,301
Weston	73.27%	6.18%	14.08%	6.46%	39,117,974
Westport	56.09%	22.51%	16.38%	5.02%	20,329,859
Westwood	71.83%	7.65%	16.82%	3.70%	37,850,418
Weymouth	46.66%	27.11%	22.13%	4.10%	100,938,684
Whately	69.56%	14.47%	10.05%	5.91%	3,094,499
Whitman	58.20%	10.31%	19.12%	12.37%	19,771,480
Wilbraham	69.05%	5.61%	19.97%	5.37%	21,332,911
Williamsburg	59.75%	19.95%	15.94%	4.36%	3,765,515
Williamstown	56.50%	12.89%	23.80%	6.82%	13,876,727
Wilmington	71.57%	13.18%	12.54%	2.71%	42,887,639
Winchendon	24.99%	56.27%	8.78%	9.97%	20,869,735
Winchester	71.68%	8.75%	15.73%	3.85%	48,306,549
Windsor	66.70%	14.30%	9.55%	9.46%	1,216,835
Winthrop	37.81%	32.10%	21.68%	8.41%	29,651,171
Woburn	56.33%	14.19%	22.89%	6.59%	80,505,879
Worcester	34.60%	46.14%	18.43%	0.83%	374,540,134
Worthington	69.81%	9.47%	9.94%	10.79%	1,649,078
Wrentham	60.38%	21.15%	9.44%	9.02%	19,875,389
Yarmouth	55.62%	2.85%	34.34%	7.19%	49,525,375
State total	**50.20%**	**27.30%**	**17.50%**	**5.00%**	**100.00%**

Note: FY1998 data was used for Oak Bluffs
Source: FY1999 tax rate recapitulation sheets

Table 1

Local Revenue Components
➡ *continued from page three*

ment. Haverhill has a hospital. Yarmouth and Provincetown have larger amounts of boat excise and hotel/motel excise. Provincetown also receives tuition payments from surrounding towns without their own high schools. Russell received a one-time revenue from the sale of timber. The five communities generating the lowest percentages of local receipts are all small towns in western Massachusetts: Hawley (3.62 percent), Conway (4.57 percent), Otis (4.74 percent), Rowe (4.88 percent), and Sandisfield (4.9 percent).

Other Revenues

All revenues that do not fall into one of the other categories are included in the Other Revenue category. Free cash, overlay surplus, gifts and bequests, stabilization funds, and trust funds and other reserves are examples of other revenues. Statewide, five percent of the total receipts were included in this category. The communities with the largest percentage of their FY1999 budgets generated by Other Revenues are Royalston (52.28 percent), Gosnold (40.59 percent), Hinsdale (33.74 percent), Sandisfield (26.97 percent) and Monroe (23.68 percent). Royalston and Sandisfield used large amounts of free cash. Hinsdale transferred money from a stabilization fund and water surplus. Gosnold has a harbor fund and another trust fund. Monroe used highway money. The five communities with the lowest percentages in this category are New Bedford (0.00 percent), Washington (0.03 percent), Chelsea (0.05 percent), New Marlborough (0.07 percent) and Malden (0.20 percent). There does not seem to be any clear pattern in this category.

Findings

Comparing local revenue components from FY1992, chosen to reflect the statewide decline in revenues in the recession of the early 1990s, to FY1999, there are changes in the proportionate shares. The property tax provided 52.4 percent of the total in FY1992. It has declined to 50.2 percent in FY1999. In FY1992 state aid comprised 21.5 percent of the total revenues. Since then, it has risen steadily to its FY1999 percent of 27.3. Local Receipts represented 21.3 percent of the total in FY1992. Its share decreased to 17.4 percent in FY1998. In FY1999 it has remained at essentially the same level — 17.5 percent. Other revenues contributed 4.8 percent of the total revenues in FY1992, declined to a low of 4.5 percent in FY1995, and then has remained at approximately five percent since then. The percentage of the total revenues statewide for each of the four components has remained relatively steady for the past five years. ■

written by Jean McCarthy
data provided by Debbie DePerri

1. Free cash, stabilization funds, gifts, trust funds, and other available funds.

Table 2

Local Revenue Components, FY92–99

State totals, Massachusetts cities and towns

Fiscal year	Property tax levy	Percent of total	State aid	Percent of total	Local receipts	Percent of total	All other	Percent of total	Total receipts
92	5,017,705,745	52.40	2,057,507,189	21.50	2,045,127,785	21.30	464,175,959	4.80	9,584,516,681
93	5,249,675,623	52.90	2,191,009,153	22.10	2,035,899,378	20.50	452,635,275	4.60	9,929,219,420
94	5,464,414,052	52.60	2,349,182,814	22.60	2,074,561,533	20.00	505,777,439	4.90	10,393,935,853
95	5,701,066,408	52.10	2,551,580,915	23.30	2,193,878,042	20.10	489,846,880	4.50	10,936,372,238
96	5,920,694,306	51.20	2,794,847,943	24.20	2,303,531,459	19.90	552,264,318	4.80	11,571,338,024
97	6,160,184,909	51.50	3,060,681,746	25.60	2,108,780,330	17.60	621,990,649	5.20	11,951,637,632
98	6,455,892,738	51.10	3,356,233,207	26.60	2,195,664,977	17.40	614,759,620	4.90	12,622,550,534
99	6,752,744,528	50.20	3,675,496,286	27.30	2,358,076,155	17.50	669,416,649	5.00	13,455,733,619

FY99 state totals reflect FY98 data for Oak Bluffs

DLS UPDATE

New Regional Manager

Deputy Commissioner Joseph J. Chessey, Jr. has announced the appointment of Diane Murphy as regional manager for the Worcester and Springfield offices of the Division of Local Services. Diane will oversee the field staff who provide technical assistance to 219 communities in central and western Massachusetts. Diane brings almost 20 years experience in municipal government to her new position. She served for 10 years as assistant to the mayor of Chicopee specializing in program and policy development. Her knowledge of municipal operations, as well as her experience in the area of state and local government relationships, provide an excellent background for her new responsibilities. A resident of Chicopee, Diane has three children and two grandchildren.

Diane replaces Dennis Rindone who served as regional manager for DLS for three and a half years. One of Dennis' accomplishments while at DLS was the institution of the Local Government Partnership (LGP), a program introducing concepts of state and local government into secondary school curricula. Under his leadership, students in 10 high schools participate in the LGP. Dennis is now serving as Executive Secretary of the Town of Princeton. ■

"Corp Book" Supplements Available

Massachusetts Domestic and Foreign Corporations Subject to an Excise, 1999 Supplement is now available. Local boards of assessors have each received a copy. Commonly known as the "corp book," the publication includes a list of all for-profit corporations doing business in Massachusetts. A complete compilation is printed every five years with supplemental lists printed in the intervening years. Assessors use the "corp book" to identify businesses exempt from certain personal property taxes because of their manufacturing status. Manufacturers pay a state excise in lieu of the local personal property tax.

DLS is creating a database program to search and categorize the data published in the 1999 supplement. The program, which will be posted to the DLS website, allows users to search for a corporation by keyword. Questions about the search program can be directed to Burt Lewis at (617) 626-2358. ■

Local Option Law
➡ *continued from page two*

- **Review whether real estate taxes are owed.** Focus on the sites for which back taxes are owed and, thus, over which the municipality may exercise control. Prioritize that list.

- **Resolve ownership issues.** Find out if the owner of title is still an operating entity and whether the property is for sale. Ensure that the property can be and will be easily transferred if a buyer materializes, including resolution of tax liens with the existing owner.

- **If necessary, take the property.** Recent revisions to the state's hazardous waste laws make municipal ownership a very minor concern and municipal ownership eliminates one more party from the transaction. Municipal ownership clarifies title issues neatly.

- **Decide the maximum abatement of back taxes** the municipality will accept with a new owner/developer in **consultation with the head of the City Council or Town Selectmen,** or other designated officials.[1] Advertise that number up front.

- **List the property** with the Massachusetts Alliance for Economic Development (MAED) 800-247-7800; www.massecon.com, local commercial realtors, and notify the regional office of the Massachusetts Office of Business Development (MOBD) (800) 522-7482); www.state.ma.us/mobd.

- **Conduct a preliminary site assessment.** Predevelopment site assessment funds (both loans and grants) are available through MassDevelopment (617-451-2477). Once obtained, add that information to the listing.

- **Start to identify other municipal, state and federal assistance** for marketing, cleanup and development by contacting the newly established Governor's Office of Brownfields Revitalization (617-973-8621), MassDevelopment or the Department of Housing and Community Development.

Today's booming economy presents a unique window of opportunity to attract private dollars to urban brownfields. Redeveloping a brownfield in your community will generate new tax revenues and enhance the quality of life for everyone who works and lives around it. The return on today's investment of time, personnel and tax abatement, can be beneficial long into the future. ■

1. Please remember that the abatement of taxes under this provision must still comply with the law pertaining to charges against overlay accounts.

Municipal Fiscal Calendar

June 15
DOR: *Commissioner Determines and Certifies Pipeline Valuations*

Assessors: *Deadline for Appealing Commissioner's Telephone & Telegraph Valuations*

Assessors: *Make Preliminary Quarterly Tax Commitment*

June 20
Assessors: *Final Date to Make Omitted or Revised Assessments*

June 30
State Treasurer: *Notification of Quarterly Local Aid Payments Before June 30*

Assessors: *Overlay Surplus Closes to Surplus Revenue*

Assessors: *Physical Inventory of All Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)*

Assessors: *Submit Annual Report of Omitted or Revised Assessments*

Assessors: *Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under the Various Clauses of Ch. 59, Sec. 5*

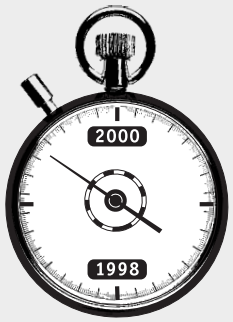
July 1
Collector: *Mail Preliminary Quarterly Tax Bill*

July 15
Accountant: *Certification Date for Free Cash: Anytime After Books are Closed*

Assessors: *Deadline for Appealing Commissioner's Pipeline Valuations to ATB*

July 31
Treasurer: *File IRS Form 5500 (Report of Employee Benefit Plan)*

Countdown to Y2K



Professional Appraisal Services Sought

DOR's Bureau of Local Assessment will release a Request for Responses for Professional Appraisal Services (RFR) to assist it in estimating the fair cash value of certain state owned lands. Bids will be sought regionally.

The RFR will be issued in June 1999. Appraisal companies wishing to bid should check the Commonwealth's Internet procurement site. To locate the RFR go to www.Comm-PASS.com and then select *Open Solicitations,* then choose Department of Revenue as the *Purchasing Entity* and finally pick the Professional Services *Category*. For additional information call Regina McArdle at (617) 626-2368. ■

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 website at **www.state.ma.us/dls** or by writing to PO Box 9490, Boston, MA 02205-9490.

Marilyn H. Browne, Managing Editor

Jean M. McCarthy, Editor

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