



Deputy
Commissioner
Robert G. Nunes

Local Officials Directory

Municipal Calendar

IGR's & Bulletins

Workshops, Seminars & Events

What's New

DOR 360



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

Dan Bertrand, Editor
Marilyn Browne, Editor Emeritus

Editorial Board: Robert Nunes,
Robert Bliss, Zack Blake, Amy
Handfield

In this Issue:

- ['Tis the Season](#)
- [Gov. Patrick Lays Out Plan To Close \\$540M Budget Gap](#)
- [BOA Staffer Provides Insights Into "Disasters and Town Management"](#)

'Tis the Season

Tax-rate setting season has its own rhythm. It started slowly this year, as it does every year, with approval of Great Barrington's rate on August 29. The tempo picked up slightly with 17 rates approved in September, and another 15 in October.

At that point, getting to 353 tax rates approved seems a rather tall order, given that November and December both have holidays. But the process gets up tempo in November as the various moving parts required to set a tax rate are completed; last month the Bureau of Accounts (BOA) certified 108 tax rates, and so far in December 47 more tax rates have been set. The total for FY13, 188 as of this morning, is 27 more than at the same point a year ago.

Of course, tax rates cannot be set if property adjustments are not approved. The Bureau of Local Assessment (BLA) has approved 303 LA-13 reports on new growth, meaning the bulk of these critical reports are already done. Of the 106 communities undergoing a triennial property revaluation this fiscal year, 68 have received final certification and 90 have received preliminary certification.

The relatively smooth processing of tax rates this year is testament to the hard work of our experienced BOA and BLA staff, and your hard work in city and town halls across the Commonwealth.

I have no doubt that some tax rates will be approved Dec. 24, just as has been the case in year's past, but it is our goal to set as many tax rates as possible prior to the holiday.

You can follow along in real time by clicking [here](#).

I wish you the best in this holiday season, and may all your tax rates be set.

Robert G. Nunes
Deputy Commissioner and Director of Municipal Affairs

Nunesr@dor.state.ma.us

Governor Patrick Lays Out Plan To Close \$540 Million Budget Gap For FY13

Due to slowing economic growth and lower than anticipated tax revenue collections, Governor Deval Patrick has outlined a plan for closing an estimated \$540 million gap in the Fiscal Year 2013 budget.

The Patrick-Murray Administration revised the FY13 tax revenue estimate from \$22.01 billion to \$21.496 billion, a reduction of \$515 million. Because \$25 million of the tax revenue already collected this year is from tax settlements that are one-time in nature and already committed to certain one-time costs, the total shortfall in tax revenues available to support the budget is \$540 million.

"The uncertainty of the fiscal cliff and the resulting slow down in growth, is the direct cause of our budget challenges," said Governor Patrick. "Congress and the President must come to terms on a solution so the private sector will continue to make the kind of investments that create jobs, grow state and federal tax revenue collections and contribute to a lasting economic recovery. Until then, just as we have throughout the course of this Administration, we face these challenges together and take a balanced, purposeful approach to dealing with them."

To close the budget gap, Governor Patrick has outlined a balanced plan that includes budgetary reductions and other fiscally prudent solutions, including the reallocation of savings from the Commonwealth's borrowing and health care costs, to help address the tax revenue shortfall and ensure the FY13 budget is balanced.

The Governor's proposed plan ensures virtually all impacted programs and services will receive no less funding than last year and that no cuts will be made to Chapter 70 education funding. The plan continues to make record investments in education, innovation and infrastructure to grow jobs and attract private sector investment.

"This plan is a sensible way to deal with the impact on state revenues while maintaining the critical investments that are necessary for long-term economic growth," said Lieutenant Governor Timothy Murray. "We are still investing the highest level of K-12 education funding in state history and our capital investment program is double what it was when the Patrick-Murray Administration took office."

"Consistent with our track record of proactive fiscal management we are implementing a balanced and responsible set of budget adjustments today based on the best information currently available to us in order to ensure we continue to live within our means," said Secretary of Administration and Finance Jay Gonzalez. "The balanced approach we are taking today is consistent with fiscal policies established by the Patrick-Murray Administration that have allowed the Commonwealth to weather the recession better than most other states, improve our fiscal

position for the long-term, and achieve the highest credit ratings in state history."

The Patrick-Murray Administration has established a number of prudent fiscal policies that have been positively reviewed by the rating agencies. One of these policies calls for solving no more than half of any mid-year tax revenue shortfall with rainy day funds or other one-time, non-recurring resources. Accordingly, the plan proposes that only half of the \$540 million budgetary tax revenue shortfall be addressed with rainy day funds and other one-time resources. The other half will be solved with recurring budgetary solutions.

Summary of Budgetary Reductions and Solutions:

- \$225 million or about 1% in the aggregate in spending reductions through 9C cuts in Executive Branch agencies. After accounting for reduced federal revenue related to such reductions, the net amount of the budgetary savings from their cuts is \$157 million. As a result of the hiring controls the Administration imposed in October, over 700 of the new positions that were originally planned and funded in FY13 are being eliminated and will not be filled, resulting in a savings of approximately \$20 million. This will result in the total state workforce having more than 6,000 less positions at the end of FY13 than it did before the recession. A number of new investments for projects and programs in FY13 have been reduced or eliminated, including limiting new or restored funding for investments across a range of government services.
- \$200 million from the Rainy Day Fund, bringing the total draw to \$550 million in FY13 leaving a balance of \$1.2 billion, one of the highest in the country.
- \$25 million from a 1% reduction in the budgets of the Judiciary, Constitutional Officers and other non-executive departments.
- \$98 million in additional federal revenues in support of safety net programs operated by the state on behalf low-income residents.
- \$20 million from a total of \$113 million in savings in state borrowing and health care reform costs. The remainder of this funding will be used to offset some unavoidable deficiencies which must be funded this fiscal year.
- \$20 million from a reduction in the amount of sales tax revenues that will automatically be transferred to the Massachusetts School Building Authority to support local school building costs.
- \$11 million from certain reserve fund surpluses.
- \$9 million from a 1% across the board reduction to unrestricted local aid. The Governor has filed legislation that ensures if lottery profits exceed the \$1.026 billion amount currently budgeted in

FY13, all of such excess proceeds be committed to increasing the amount of unrestricted local aid.

BOA Staffer Provides Insight on "Disasters and Town Management"

DLS Bureau of Accounts

William F. Arrigal III of the Bureau of Accounts spoke in Montague on Dec. 3 as part of a presentation on Disasters and Town Management sponsored by the Franklin Regional Council of Governments. Arrigal is a specialist on municipal borrowing, and explained the options available under Chapter 44 to cities and towns facing the need to respond quickly to a natural disaster clean up.

The topic is especially relevant given the number of disasters that hit Western MA in 2011 and that have necessitated the need to undertake emergency spending and/or financing to pay for clean ups. Arrigal explained emergency financial procedures to about 30 local officials in attendance.

After the August 2011 hurricane, 41 communities requested emergency authority; after the June 2011 tornado, 9 communities sought emergency authority; and after the October 2011 snow storm, 41 communities sought emergency authority. As a issue of great importance to municipalities, DLS will continue to provide support as needed.

To view this and other recent DLS presentations, please use the following link:

<http://www.mass.gov/dor/docs/dls/dlspresentations/presentationindex.pdf>

December Municipal Calendar

15 - Taxpayer - Deadline for Applying for Property Tax Exemptions for Persons

If tax bills are mailed after September 15th, taxpayers have three months from the mailing date to file applications for exemptions.

15 - Accountant/ Superintendent/ School Committee - Submit Amendments to End of School Year Report to DESE

Last filing date to impact next year's Chapter 70 State Aid.

31 - State Treasurer - Notification of Quarterly Local Aid Payments on or Before December 31st

31 - Water/Sewer Commissioners - Deadline for Betterments to be Included on Next Year's Tax Bill (MGL Ch. 80, Sect. 13; Ch. 40, Sect. 42I and Ch. 83, Sect. 27)

31 - Selectmen - Begin to Finalize Budget Recommendation for Review by Finance Committee

31 - Assessors - Mail 3ABC Forms to Charitable Organizations and Forms of List to Personal

Property Owners

31 - Collector - Deadline for Mailing Actual Tax Bills

For communities using the annual preliminary billing system on a quarterly or semi-annual basis, the actual tax bills should be mailed by this date.