



# CITY & TOWN

Mitchell Adams, Commissioner  
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## Franklin Regional Council of Governments *Written by Sandra Brusio*

The story of the reorganization of Franklin County differs markedly from the recent history of many Massachusetts county governments. With the Middlesex County government abolished recently due to insolvency and Hampden and Worcester Counties slated to be dissolved at the end of FY98, the efforts of the former Franklin County communities to preserve the positive aspects of their former county government are commendable.

Chapter 48 of the Acts of 1997 abolished Middlesex County and provided that the Commonwealth would assume responsibility for the county jail, registry of deeds and court facilities in July 1997. The act also provides for the dissolution of Hampden and Worcester Counties on July 1, 1998, or earlier if they fail to meet required debt payments. Further, Chapter 48 provides state funding for the outstanding obligations of Middlesex County and requires the member communities to repay the state through a continuation of the former county assessment.

Although Franklin County was not plagued by fiscal problems, Section 567 of Chapter 151 of the Acts of 1996 also dissolved Franklin County and provided for state assumption of county jail, registry of deeds and court services. Unlike the state sponsored Middlesex legislation, however, this act was sponsored by Franklin County officials who recognized the need for forward thinking so that they could continue to provide locally desired regional services. Toward this end, the act authorized a charter commission to

explore alternative structures for providing services when the county dissolved (pursuant to the same bill) on June 30, 1997. The conclusion of this process was a new regional government entity, the Franklin Regional Council of Government (FRCOG). This article takes a brief look at the how this new government is structured and the services it provides.

The charter commission finalized its work in five months, followed by unanimous town meeting or council approval of the plan in the 26 former

### *FRCOG provides locally desired regional services*

Franklin County towns. Not averse to sharing a good idea, the new Franklin Regional Council of Government (FRCOG) charter permits other Massachusetts communities to become members.

FRCOG members believe they have achieved their goal of retaining the best attributes of a regional public service provider while avoiding the financial problems associated with many counties. FRCOG's new structure has three branches, the Council, the Franklin Regional Planning Board and the Executive Committee. The Council, made up of representatives from each member community, approves proposals and appropriates funds. The Franklin Regional Planning Board is comprised of a representative from each town's board of selectmen, planning board and 18 at-large members.

The executive committee has five members, two elected on a county-wide basis during the state biennial election, two appointed by the council and one appointed by the regional planning board. This committee has largely assumed the role formerly played by the county commissioners, i.e., to develop policies and create the budget for adoption by the council. An executive director, with the assistance of finance and regional planning directors, oversees the council's directives and manages the day-to-day regional operations.

The council's community members are appointed by their respective boards of selectmen. Each member community has one vote on non-appropriation related issues. Council votes are weighted according to each members' total FRCOG assessment when the vote concerns an appropriation. Thus, the smallest town's (Monroe's), vote carries a weight of 0.45 percent for appropriation votes while the largest town, Greenfield, has 21.03 percent of

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# LEGAL

*in Our Opinion*

**Q:** *Is there a statute of limitations on the collection of motor vehicle excise?*

**A:** Pursuant to M.G.L. Ch.60A Sec.2, there is a six-year limitation period only on Commonwealth excise assessed by the Department of Revenue. There is no limitation period on excise taxes imposed by cities and towns. Although there is no time limit on the continuing validity of a locally assessed excise, there are certainly time limits on the various collection remedies utilized by cities and towns. For example, the Registry of Motor Vehicles promulgated regulations on marking licenses or registrations for non-renewal. These regulations reduce the statutory six-year limitation period on non-renewal markings set forth in M.G.L. Ch.60A Sec.2A to two years for all excise bills issued after December 31, 1993.

In addition, there is a six-year statute of limitations on civil court actions brought by the collector (M.G.L. Ch.260 Sec.2). There is no time limit, however, on certain other remedies. A collector, for example, can utilize the statutory set-off procedure described in M.G.L. Ch.60 Sec.93. Where taxes are delinquent, a community can also deny or revoke certain licenses if town meeting or city council has adopted M.G.L. Ch.40 Sec.57, a local option statute.

**Q:** *A private bus company provides transportation for school children in a certain community. Would motor vehicle excise be assessed by the community where the buses are garaged or by the community afforded the bus service?*

**A:** M.G.L. Ch.60A Sec.6 declares that motor vehicle excise will be levied and collected by the community where the vehicle is customarily kept. Ordinarily, a motor vehicle is customarily kept in the community where the registrant lives or has a principal place of business. If the vehicle is customarily kept

in some other community, then that city or town will assess motor vehicle excise. In our view, the community where a vehicle is regularly parked overnight is the place where the vehicle is customarily kept.

**Q:** *What is the role of town meeting in the acquisition of real estate?*

**A:** M.G.L. Ch.40 Sec.14 provides that the board of selectmen may purchase land provided the purchase has previously been approved by town meeting vote, and an appropriation has previously been raised by loan or otherwise, by two-thirds vote of town meeting.

**Q:** *Can assessors delegate their authority to grant abatements to office staff?*

**A:** No. A board of assessors can act officially only when they or a majority of them are in session as a board at a duly constituted meeting. *Carbone, Incorporated v. Kelly*, 289 Mass. 602. An abatement can be made only at such a meeting. A board is also required to keep a record of its acts.

**Q:** *Can a community increase its tax levy by more than 2.5 percent in any year without voter approval of a debt exclusion or override?*

**A:** Yes. Proposition 2 $\frac{1}{2}$  (M.G.L. Ch.59 Sec.21C) establishes the maximum amount which a community can levy each year. The Division of Local Services annually calculates the community's levy limit by increasing the previous year's levy limit by 2.5 percent as well as by any new growth. The growth figure consists primarily of new construction. As a general matter, the new levy ceiling may not exceed 2.5 percent of the community's full and fair cash value of all taxable property. Under the statute, a community can levy taxes at or below its levy limit for that year regardless of the amount levied in the previous year.

Accordingly, a community's tax levy can increase by more than 2.5 percent over the prior year's tax levy even if an override or debt exclusion were not approved. ■ *compiled by James Crowley*

## *Semi-Annual Preliminary Tax Bills*

The Division of Local Services has issued guidelines (IGR No. 97-206) for preliminary billing by cities, towns and districts using a semi-annual payment system. Through a provision in the state budget (Ch.43 Sec.150 of the Acts of 1997), the Legislature reauthorized the law which had expired on June 30, 1997. The relevant statute, M.G.L. Ch.59 Sec.23D, **no longer contains a sunset provision.**

For fiscal year 1998, the board of assessors of an eligible community must vote at a meeting held on or before August 15, 1997 to request approval from the Commissioner to issue preliminary tax bills. The Commissioner may extend the voting deadline if there are extraordinary circumstances. Once the vote has been taken, the assessors must notify the board of selectmen, town council, city council and mayor, or prudential committee, as applicable.

By this statute, the assessors must then submit to the Commissioner a "pro forma" recapitulation sheet which reflects a balanced budget within the limits of Proposition 2 $\frac{1}{2}$ . Included on the "pro forma" is all information needed to set a tax rate for fiscal year 1998 with the exception of the assessed value of all taxable properties.

By the legislature's reauthorization of the statute, preliminary tax billing will enable so-called semi-annual communities to maintain cash flow thereby avoiding the necessity of short-term borrowing. ■

# FOCUS

## on Municipal Finance

### FY98 Municipal Revenue Growth Factor

Contained in a deficiency budget for FY96 (Section 24 of Chapter 204 of the Acts of 1996) was language that changed significantly the method of calculation for the FY98 Municipal Revenue Growth Factor (MRGF). The MRGF is calculated annually by the Division of Local Services and estimates the percentage increase in general purpose revenues for each city and town. The MRGF percentages are used by the Department of Education (DOE) to calculate each community's preliminary local contribution and gross standard of effort.

In most communities, the local contribution, or the local dollars spent on education, must be increased from one year to the next by the MRGF, thus ensuring that the schools receive their fair share of increasing revenues. The gross standard of effort serves as a measure of a community's ability to fund education and plays a primary role in determining the amount of new Chapter 70 education aid received by many communities.

The following explains the nature of the legislative changes to the MRGF and provide some background regarding the rationale for changing the calculation.

### Rationale for Changing the MRGF

Prompted by growing concern that the MRGF estimates were understating the actual revenue growth in many communities, the Foundation Budget Review Commission recommended changes to the calculation in its February 1996 report to the legislature. The commission, established as part of the Education Reform Act of 1993, was formed to "review the way in which foundation budgets are calculated and to make recommendations to the general court regarding changes in the formula as may be appropriate."

In its review of the MRGF, the commission identified the statutory method for measuring the change in unrestricted local receipts as the cause for the relatively low MRGF estimates. For example, the state-wide average MRGF in FY97 was only 2.49 percent, despite state-wide growth in the tax levy of

3.88 percent and state aid of 4.49 percent. Since these revenues together represented approximately 90 percent of the total revenues used in the FY97 calculation, it was clear that the remaining 10 percent of total revenues, unrestricted local receipts, were having a disproportionate impact on the calculation.

Prior to FY98, unrestricted local receipts were measured by comparing the actual receipts of the prior year with the budget estimates of the current year. Typically, most communities used conservative budget estimates in relation to the prior year actual receipts in an effort to build fund balance and generate free cash. In some cases, tension developed between municipal and school officials when conservative budgeting practices were construed as deliberate attempts to manipulate the MRGF and, as a result, reduce the school budget.

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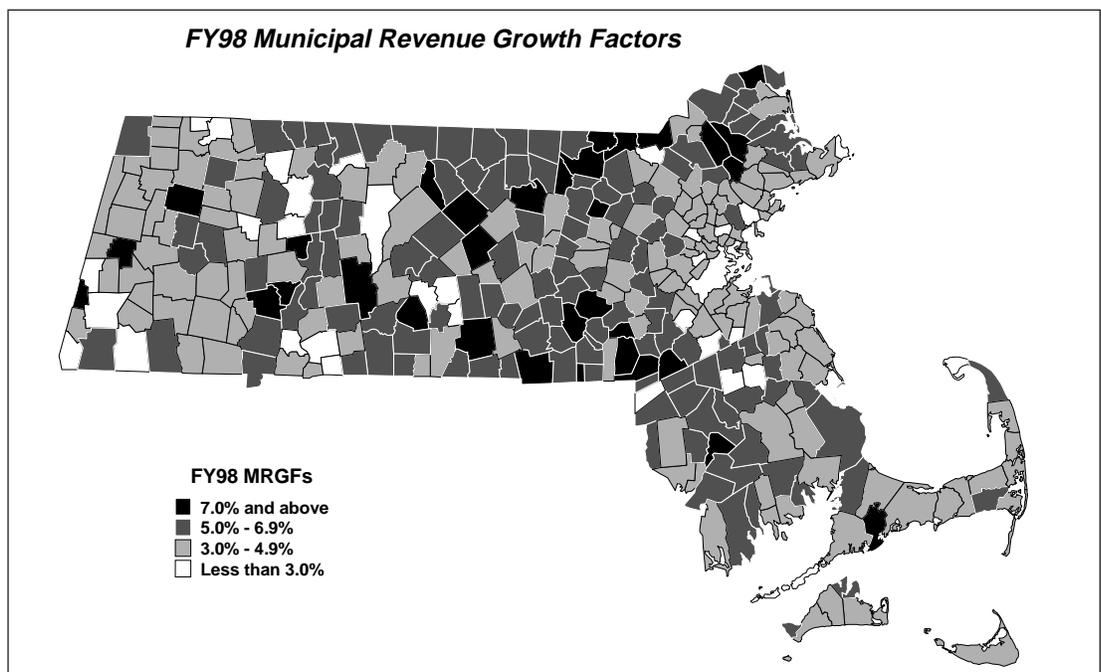


Figure 1

**Trends in the Municipal Growth Factor**

Municipality	FY94 MRF	FY95 MRF	FY96 MRF	FY97 MRF	FY98 MRF	Chg FY98 - FY97	Municipality	FY94 MRF	FY95 MRF	FY96 MRF	FY97 MRF	FY98 MRF	Chg FY98 - FY97	Municipality	FY94 MRF	FY95 MRF	FY96 MRF	FY97 MRF	FY98 MRF	FY99 MRF	Chg FY99 - FY98	
Abington	2.74	3.49	3.52	4.12	5.48	1.36	Chicopee	3.10	3.13	3.80	3.72	3.94	0.22	Hancock	-1.97	2.32	0.27	0.48	4.99	4.99	4.51	
Acton	2.90	3.04	4.12	4.42	5.23	0.81	Chilmark	3.92	3.94	3.97	3.96	4.59	0.63	Hanover	0.96	1.40	3.95	3.19	4.74	1.55		
Acushnet	3.78	3.48	4.08	4.68	4.41	-0.27	Clarksburg	2.70	2.79	4.09	3.59	4.19	0.60	Hanson	3.10	1.79	3.70	2.27	5.18	2.91		
Adams	1.91	1.52	2.98	1.94	3.45	1.91	Clinton	0.67	3.39	3.99	3.69	3.24	-0.45	Harwick	3.26	3.44	4.19	3.93	5.07	1.14		
Agawam	2.38	2.68	3.10	2.89	4.54	1.65	Cohasset	2.64	2.66	2.86	2.30	3.27	0.97	Harvard	2.79	2.85	4.60	3.80	6.02	2.22		
Alford	3.65	2.84	3.19	3.11	7.66	6.35	Colrain	3.26	2.73	1.52	0.36	5.45	5.09	Harwich	-0.15	1.22	1.90	4.16	5.82	1.66		
Amesbury	3.65	3.83	4.34	4.17	7.29	3.12	Concord	1.80	2.00	3.64	1.75	4.17	2.42	Hatfield	1.76	2.31	0.21	1.37	7.28	5.91		
Amherst	3.25	3.01	4.13	4.59	5.72	1.13	Conway	0.71	2.36	4.66	3.43	6.28	2.85	Haverhill	3.93	3.16	4.01	2.72	5.08	2.68		
Andover	3.10	3.86	4.32	2.82	5.25	2.43	Cummington	-0.37	-0.19	4.12	2.26	4.83	2.57	Hawley	0.63	2.51	2.46	2.39	5.07	2.86		
Arlington	2.04	2.10	2.47	2.02	2.49	0.47	Dalton	3.00	3.12	2.63	2.98	4.74	1.76	Heath	2.05	2.82	3.05	1.31	4.37	3.06		
Ashburnham	3.56	2.97	4.31	2.98	5.58	2.60	Danvers	3.46	3.17	4.53	4.08	4.61	0.53	Hingham	2.53	3.13	3.05	0.57	5.73	5.16		
Ashtabury	3.82	1.90	4.71	3.26	5.99	2.73	Dartmouth	3.60	3.96	4.43	3.81	5.16	1.35	Hingsdale	4.49	3.67	3.46	3.54	3.71	0.17		
Ashfield	3.66	3.02	3.61	3.30	4.07	0.77	Deerham	2.16	2.37	2.70	1.18	4.66	3.48	Holbrook	2.99	3.15	3.64	3.62	2.84	-0.78		
Ashland	4.10	3.97	4.53	3.47	4.34	0.87	Deerfield	0.67	-1.37	3.79	1.57	2.36	0.79	Holden	2.77	2.63	4.57	4.68	5.26	0.58		
Athol	3.04	2.98	4.61	4.54	4.96	0.42	Dennis	2.83	3.17	4.10	0.76	3.47	2.71	Holland	3.63	3.48	0.61	2.65	4.55	1.90		
Attleboro	3.28	2.34	4.62	4.17	5.49	1.32	Dighton	3.26	3.49	4.51	4.69	5.68	0.99	Holliston	2.45	2.68	3.73	3.19	5.01	1.82		
Auburn	3.18	3.73	4.13	3.12	5.01	1.89	Douglas	5.55	4.86	5.30	2.20	8.02	5.82	Holyoke	3.57	2.29	3.64	1.75	5.37	3.62		
Avon	4.05	3.01	4.32	3.47	5.16	1.69	Dover	3.51	3.85	2.79	5.43	1.06	Hoopedale	2.84	3.75	4.90	3.05	5.90	2.85			
Ayer	7.05	6.52	4.67	5.12	6.29	1.17	Dracut	3.55	3.70	4.05	2.34	7.29	4.95	Hopkinton	3.90	5.74	6.29	7.48	7.61	0.13		
Barnstable	4.03	3.72	3.15	0.89	4.28	3.39	Dudley	2.98	3.08	4.32	3.09	6.03	2.94	Hubbardston	5.71	4.85	4.92	4.73	7.45	2.72		
Barre	5.20	4.58	4.52	4.00	5.79	1.79	Dunstable	3.98	3.13	5.57	2.62	7.76	5.14	Hudson	4.20	2.66	5.01	3.12	3.52	0.40		
Becket	4.79	3.45	2.97	3.79	4.73	0.94	Duxbury	2.36	2.56	4.21	3.18	4.60	1.42	Hull	2.53	2.67	2.93	1.67	5.07	3.40		
Bedford	3.72	3.69	3.70	2.67	5.03	2.36	East Bridgewater	4.27	3.30	1.22	0.86	-6.59	-7.45	Huntington	2.98	1.50	3.44	2.35	3.88	1.53		
Belchertown	5.39	5.43	4.14	2.44	8.63	6.19	East Brookfield	2.03	2.75	2.51	3.46	2.97	-0.49	Ipswich	3.09	1.79	2.80	1.10	6.09	4.99		
Bellingham	5.47	9.53	6.93	3.16	4.50	1.34	East Longmeadow	3.73	3.88	5.10	2.79	5.23	2.44	Kingston	5.28	3.37	6.24	2.36	6.61	4.25		
Bellmont	2.76	2.23	2.57	2.39	3.78	1.39	Eastham	3.73	2.07	3.01	2.62	4.37	1.75	Lakeville	3.18	3.77	3.56	3.53	6.04	2.51		
Berkley	6.06	6.73	7.66	7.38	8.50	1.12	Easthampton	1.45	1.80	3.65	1.56	7.82	6.26	Lancaster	3.00	2.04	3.24	1.71	4.91	3.20		
Berlin	1.07	1.10	3.51	4.29	6.67	2.38	Easton	2.61	1.52	3.97	2.17	6.35	4.18	Lanesborough	3.95	3.23	2.70	2.12	4.56	2.44		
Barnardston	2.75	2.95	2.87	3.13	5.18	2.05	Edgartown	3.46	3.26	3.15	3.08	4.90	1.82	Lawrence	2.91	3.26	4.57	-0.94	4.95	5.89		
Beverly	2.66	3.13	3.74	3.66	4.40	0.74	Egmont	3.02	0.15	1.82	2.75	2.00	0.25	Lee	3.42	0.96	3.66	1.74	4.69	2.95		
Billerica	4.18	3.30	3.74	2.78	4.85	2.07	Erving	1.90	1.49	1.74	1.39	0.15	-1.24	Leicester	2.85	3.27	4.57	-0.56	5.68	6.24		
Blackstone	1.59	2.84	3.65	3.15	6.20	3.05	Essex	4.70	4.20	4.51	4.23	5.64	1.41	Lenox	-4.71	-4.90	-3.73	-3.06	7.44	10.50		
Blandford	0.16	2.90	-1.83	1.83	3.94	2.11	Fairfax	3.95	3.76	3.53	3.61	3.73	0.12	Leominster	2.10	1.46	2.23	1.06	7.22	5.96		
Bolton	1.79	2.61	3.39	4.46	6.20	1.74	Fairhaven	2.34	1.93	2.48	1.14	4.51	3.37	Leverett	3.56	3.93	4.08	3.89	5.24	1.35		
Boston	2.35	1.69	2.44	0.74	2.77	2.03	Fall River	2.69	3.00	3.73	4.18	5.02	0.84	Lexington	2.71	2.67	2.15	1.79	3.20	1.41		
Bourne	3.17	1.59	2.40	1.59	5.26	3.67	Falmouth	2.15	1.86	3.14	1.84	4.98	3.14	Leyden	3.92	3.39	0.81	3.47	6.33	2.86		
Boxborough	6.01	6.44	6.77	6.46	7.35	0.89	Fitchburg	2.05	1.86	3.99	4.00	5.15	1.15	Lincoln	1.51	1.23	2.35	-0.43	5.23	5.66		
Boxford	2.79	2.94	3.60	3.46	7.65	4.19	Florida	2.87	2.99	1.97	1.16	3.93	2.77	Littleton	3.36	2.52	3.25	2.89	5.48	2.49		
Boylston	3.84	3.07	2.96	3.87	4.55	0.68	Foxborough	2.99	1.75	2.71	1.33	7.18	5.65	Longmeadow	2.76	3.02	3.04	2.97	3.96	0.99		
Braintree	2.01	2.69	3.05	1.74	4.52	2.78	Frammingham	2.77	1.89	3.57	2.44	4.81	2.37	Lowell	2.93	3.35	3.74	3.26	2.40	-0.86		
Brewster	1.76	2.24	3.20	1.66	4.23	2.57	Franklin	4.40	3.54	5.03	3.88	9.74	5.86	Ludlow	2.82	3.31	3.83	3.20	5.74	2.54		
Bridgewater	4.51	3.93	5.44	5.56	6.28	0.72	FreeTown	3.67	3.82	4.25	3.63	5.23	1.60	Lunenburg	3.08	2.84	3.91	2.14	5.57	3.43		
Brimfield	4.37	2.47	3.20	0.53	5.16	4.63	Gardner	2.73	2.92	4.09	3.97	6.26	2.29	Lynn	1.74	2.59	3.48	1.06	2.60	1.54		
Brockton	2.56	2.64	3.32	1.94	5.32	3.38	Gay Head	3.18	3.21	0.00	4.28	5.25	0.97	Lynnfield	1.79	2.70	2.70	2.42	2.13	3.67		
Brookfield	3.76	-0.98	4.51	-1.44	5.23	6.67	Georgetown	4.80	3.84	4.70	4.26	6.59	2.33	Malden	2.14	3.28	3.59	3.16	2.48	-0.68		
Brookline	3.14	1.76	3.16	2.54	3.54	1.00	Gill	0.05	-0.86	1.14	0.50	5.94	5.44	Manchester	2.71	3.03	3.73	3.79	4.87	1.08		
Buckland	0.91	1.04	1.28	2.26	4.28	2.02	Glocester	2.53	2.71	3.83	2.96	4.06	1.10	Mansfield	4.63	4.91	4.63	4.91	4.00	5.35		
Burlington	3.37	3.12	3.25	3.38	3.83	0.45	Goshen	3.59	3.47	4.08	3.85	2.32	-1.53	Marblehead	1.84	1.45	2.24	0.23	4.65	4.42		
Cambridge	2.92	1.68	2.23	1.66	4.86	3.20	Gosnold	1.85	0.20	0.29	3.91	-3.66	-7.57	Marion	3.40	2.22	3.79	2.38	5.29	2.91		
Canton	3.89	2.84	3.80	2.63	3.67	1.04	Granton	1.82	2.83	2.64	2.71	5.02	2.31	Marlborough	4.09	3.86	4.07	4.70	4.56	-0.14		
Caulis	2.02	3.35	3.49	3.53	6.49	2.96	Granby	4.39	3.87	4.32	4.21	3.82	-0.39	Marshfield	2.84	2.59	2.77	1.05	4.97	3.92		
Carver	3.56	3.38	4.17	4.73	3.14	-1.59	Granville	2.08	3.01	0.69	2.56	4.27	1.71	Mashpee	4.10	2.72	3.92	2.67	7.79	5.12		
Charlton	4.55	3.52	3.31	2.86	4.69	1.83	Great Barrington	3.39	3.07	3.45	0.61	3.82	3.21	Mattapoisett	3.17	3.44	3.32	3.01	3.99	0.98		
Chatham	4.47	4.75	4.49	4.68	7.84	3.16	Greenfield	2.20	2.61	3.55	3.54	4.22	0.68	Maynard	3.69	3.96	4.55	2.69	3.93	1.24		
Chatham	3.73	2.82	3.03	3.53	4.36	0.83	Groton	4.01	4.69	6.05	5.64	8.68	3.04	Medfield	4.15	3.27	3.90	4.52	5.36	0.84		
Chelmsford	2.75	2.70	2.92																			

Municipality	FY94 MRGF	FY95 MRGF	FY96 MRGF	FY97 MRGF	FY98 Chg FY98 MRGF - FY97	Municipality	FY94 MRGF	FY95 MRGF	FY96 MRGF	FY97 MRGF	FY98 Chg FY98 MRGF - FY97	Municipality	FY94 MRGF	FY95 MRGF	FY96 MRGF	FY97 MRGF	FY98 Chg FY98 MRGF - FY97	
Methuen	2.76	3.48	3.42	2.61	1.69	Princeton	2.77	1.23	4.40	4.24	4.76	Tyngsborough	3.04	3.90	3.71	1.79	9.56	7.77
Middleborough	5.07	3.94	4.35	4.08	4.61	Provincetown	3.05	3.11	3.54	3.32	2.43	Tyringham	3.58	3.58	3.50	3.58	4.17	6.59
Middlefield	5.12	5.08	3.78	3.83	5.27	Quincy	3.65	3.17	3.13	3.06	3.80	Upton	5.05	5.28	6.13	6.78	7.64	0.86
Middleton	1.74	3.60	3.38	3.34	7.65	Randolph	2.55	2.37	3.12	1.68	3.75	Uxbridge	4.52	4.65	4.44	3.71	6.02	2.31
Milford	4.78	5.66	5.59	5.49	6.88	Raynham	4.97	4.45	4.97	5.45	6.36	Wakefield	3.22	3.05	3.62	3.43	3.67	0.24
Milbury	2.73	3.20	4.18	0.42	5.86	Reading	2.26	2.41	2.92	2.32	4.15	Wales	5.34	3.52	4.39	3.82	6.03	2.21
Millis	2.55	2.16	3.95	2.58	4.60	Rehoboth	3.96	4.09	4.59	4.59	4.94	Walpole	3.75	3.45	4.12	4.08	6.07	1.99
Millville	1.86	2.47	4.17	3.88	7.18	Revere	2.39	2.56	2.60	2.57	3.44	Walpole	4.48	4.02	4.25	4.32	6.12	1.80
Milton	2.76	2.35	2.98	2.55	4.04	Richmond	3.40	4.09	4.24	3.78	4.31	Ware	3.42	3.07	4.13	3.30	3.98	0.68
Monroe	3.54	8.06	5.17	1.56	2.73	Rochester	2.62	4.29	4.43	4.88	6.83	Wareham	4.53	3.25	3.50	3.51	4.14	0.63
Monson	2.21	2.65	5.17	2.51	5.50	Rockland	4.24	3.45	4.17	4.23	5.43	Warren	4.08	5.05	5.45	4.03	7.13	3.10
Montague	4.01	2.50	2.95	2.30	5.33	Rockport	2.83	2.70	3.39	3.37	2.71	Wareham	2.71	4.17	5.34	4.02	4.32	0.78
Monterey	4.28	4.82	3.97	3.11	4.48	Rowe	1.81	1.78	2.33	2.07	2.64	Washington	3.57	1.88	-3.04	-1.43	4.77	6.20
Montgomery	1.08	1.21	1.78	2.22	4.68	Rowley	2.87	3.77	4.49	4.21	5.57	Watertown	2.42	2.32	2.33	1.37	4.49	3.12
Mount Washington	-1.24	0.41	0.72	-1.86	3.92	Royalston	1.57	1.34	3.94	3.66	6.01	Wayland	2.68	2.63	3.04	2.00	5.31	3.31
Nahant	2.78	3.05	3.01	3.01	3.03	Russell	2.15	2.35	2.71	3.71	3.27	Webster	1.98	2.20	2.39	1.32	5.42	4.10
Nantucket	3.10	1.08	4.03	4.05	3.27	Rutland	3.69	2.95	4.56	3.82	7.68	Wellesley	1.58	3.07	4.00	3.29	4.71	1.42
Natick	1.96	1.96	4.02	2.97	5.38	Salem	2.57	3.00	3.99	3.42	3.86	Wellfleet	3.56	3.73	3.34	4.06	4.60	0.54
Needham	2.09	1.48	3.02	1.46	3.82	Salisbury	4.18	2.09	4.25	3.79	6.49	Wendell	2.96	3.16	2.27	-1.70	4.83	6.53
New Ashford	1.15	1.78	2.18	1.52	4.71	Sandisfield	0.15	-1.48	-0.14	0.81	5.63	Wenham	3.33	3.45	4.28	3.37	4.00	0.63
New Bedford	3.11	3.10	4.15	4.73	5.05	Sandwich	2.89	3.28	3.65	3.09	4.29	West Boylston	2.85	3.29	3.57	2.88	4.95	2.07
New Brainree	1.98	3.06	3.24	3.18	5.55	Saugus	3.68	3.08	3.96	3.72	5.07	West Bridgewater	3.63	2.82	4.35	1.95	5.43	3.48
New Marlborough	4.17	0.59	2.53	3.44	5.35	Savoy	3.30	3.62	0.54	3.83	3.82	West Brookfield	0.80	-0.20	0.80	-0.06	4.22	4.22
New Salem	3.14	3.49	3.44	3.30	2.06	Schuette	2.70	1.43	3.19	2.91	4.14	West Newbury	2.38	3.21	4.38	5.05	5.97	0.92
Newbury	3.46	3.49	4.03	2.70	3.78	Seekonk	3.78	3.60	4.65	3.22	6.31	West Springfield	4.37	3.55	4.23	1.60	4.06	2.46
Newburyport	3.87	3.53	4.55	3.24	4.81	Sharon	3.12	1.69	4.47	2.07	5.20	West Stockbridge	3.62	3.88	4.56	2.45	5.38	2.93
Newton	2.56	3.10	3.47	1.93	4.04	Sheffield	4.58	0.93	0.69	2.12	5.52	West Tisbury	3.72	3.58	3.76	3.10	4.39	1.29
Norfolk	3.13	3.40	4.85	4.91	5.57	Shelburne	1.05	0.85	0.01	-0.68	2.71	Westborough	3.65	4.20	4.64	5.07	5.51	0.44
North Adams	2.96	2.96	3.06	4.60	4.28	Sherborn	1.56	2.66	2.27	2.13	4.61	Westfield	0.94	2.02	2.20	2.61	6.08	3.47
North Andover	2.01	4.08	4.80	4.30	7.55	Shirley	3.71	3.56	4.83	4.40	8.00	Westford	3.71	4.64	5.37	5.55	6.99	1.44
North Attleboro	3.75	-0.14	3.40	1.91	5.51	Shrewsbury	3.05	3.03	3.50	2.50	5.71	Westhampton	3.63	3.91	4.45	3.61	6.07	2.46
North Brookfield	1.31	1.31	2.97	1.17	6.66	Shutesbury	4.82	2.83	3.93	3.49	5.80	Westminster	3.02	3.49	4.16	-0.85	6.92	7.77
North Reading	2.08	3.48	3.38	2.48	6.25	Somerset	4.26	4.83	4.51	3.83	4.49	Weston	2.15	2.65	3.38	2.61	4.70	2.09
Northampton	2.34	3.27	3.93	3.65	4.82	Somerville	1.00	-0.17	3.12	1.16	4.22	Westport	2.93	2.98	2.17	2.07	4.65	2.58
Northborough	2.32	3.05	4.11	3.84	6.71	South Hadley	3.03	3.70	4.34	3.53	5.43	Westwood	3.99	1.39	3.38	3.12	3.91	0.79
Northbridge	2.39	2.01	2.39	3.36	6.63	Southampton	2.71	3.41	4.27	1.87	7.60	Weymouth	2.77	1.63	3.54	3.08	3.72	0.64
Northfield	4.35	4.15	3.16	3.68	5.00	Southborough	2.61	1.11	2.41	0.35	6.84	Whately	3.76	3.72	3.76	3.41	1.51	-1.90
Norton	4.86	2.84	4.41	4.12	5.43	Southbridge	0.19	-0.43	3.47	0.37	6.39	Whitman	3.47	3.55	4.27	4.13	3.69	-0.44
Norwell	3.32	3.23	3.68	2.03	4.69	Southwick	4.08	2.03	2.68	2.38	6.45	Wilbraham	2.90	3.14	3.77	3.49	3.83	0.34
Norwood	2.56	2.60	2.84	2.89	2.86	Spencer	2.83	2.91	4.22	3.83	5.03	Williamsburg	2.77	3.08	3.29	3.47	4.56	1.11
Oak Bluffs	1.50	3.23	4.04	1.03	6.22	Springfield	2.92	3.26	3.94	1.29	1.39	Williamstown	1.26	2.69	3.50	3.07	5.47	2.40
Oakham	2.02	2.05	2.75	3.47	4.19	Sterling	4.13	3.39	3.92	4.41	6.58	Wilmington	3.61	4.03	4.66	4.16	4.99	0.83
Orange	2.31	2.64	4.00	3.24	4.92	Stockbridge	2.29	3.28	3.78	4.16	3.15	Winchester	4.27	6.02	4.26	3.07	5.52	0.66
Orienteans	3.05	3.34	3.46	2.90	3.44	Stoneham	2.62	2.64	3.07	1.81	3.86	Winchester	3.03	2.92	2.91	2.36	3.02	0.66
Otis	3.25	2.36	2.49	-0.07	4.34	Stoughton	3.99	3.41	3.72	3.76	2.64	Windsor	3.06	3.08	3.45	4.64	7.08	2.44
Oxford	1.53	2.24	3.43	0.41	4.42	Stow	2.79	3.46	4.23	3.99	4.77	Winthrop	1.36	0.85	1.45	0.30	3.53	3.23
Palmer	3.58	3.80	4.63	4.79	5.78	Sturbridge	1.86	2.02	2.54	2.52	3.60	Woburn	3.48	2.59	3.68	2.07	3.12	1.05
Paxton	3.06	3.47	3.67	4.08	4.37	Sudbury	3.04	2.94	3.33	2.80	5.01	Worcester	3.17	2.34	4.17	3.35	4.82	1.47
Peabody	3.04	2.43	2.88	2.94	3.17	Sunderland	3.81	1.34	1.23	0.68	5.94	Worthington	3.73	2.32	3.78	3.41	6.31	2.90
Pelham	1.78	1.16	2.75	3.49	4.76	Sutton	4.57	4.51	5.10	4.50	5.89	Wrentham	3.51	3.33	3.93	3.59	7.51	3.92
Pembroke	3.32	2.87	2.67	2.80	4.75	Swampscott	2.64	3.10	3.35	3.51	4.07	Yarmouth	3.14	1.51	2.81	0.80	4.03	3.23
Pepperell	2.62	3.04	3.46	3.69	5.92	Swansea	3.62	3.28	3.92	3.63	4.15	State Average	2.90	2.65	3.38	2.49	4.36	1.87
Peru	2.37	-2.65	3.48	2.96	5.19	Taunton	4.09	3.41	4.63	5.03	6.42							
Petersham	-9.75	2.31	2.69	3.67	4.05	Templeton	0.54	1.28	3.19	2.45	5.89							
Phillipston	5.21	2.11	2.67	4.30	8.71	Tewksbury	4.75	3.89	3.66	3.97	5.47							
Pittsfield	3.75	2.69	3.78	3.63	4.49	Tisbury	0.61	2.94	2.58	1.29	5.52							
Plainfield	1.98	1.99	1.85	-0.12	3.10	Topsheld	2.64	1.04	3.41	1.54	4.18							
Plainville	3.57	3.19	3.82	2.30	5.43	Topsfield	2.84	2.30	3.15	2.42	4.95							
Plymouth	4.19	3.85	3.60	3.21	5.15	Townsend	2.89	3.16	4.03	3.70	5.40							
Plympton	3.64	5.28	1.91	2.68	4.62	Tuoro	3.00	2.20	2.00	0.20	5.08							

Table 1

**FY98 Municipal Revenue Growth Factor**  
 ➔ *continued from page three*

To address this situation, the commission recommended to the legislature that local receipts be measured by comparing the budgeted receipts of the prior year with the budgeted receipts of the current year. This change controls for the inherent conservative bias in revenue budgeting and also provides a more realistic picture of the growth in local revenue capacity. This revision, along with additional language allowing the Division of Local Services to cap the estimated levy growth in the few communities that had reached their Proposition 2½ levy ceiling, was enacted by the legislature and then approved by the governor on July 30, 1996.

The sections below contain an overview of how the complete MRGF calculation is rendered and provide data on the impact of the change in the measurement of local receipts.

**Reviewing the MRGF Calculation**

The MRGF is based on the combined percentage increase of three separate components: the increase in the property tax levy limit; the annual change in general revenue sharing (state aid) and the change between the previous year's estimated receipts; and the current year's estimated receipts.

The first component of the formula estimates the FY98 levy limit. The calculation begins with the automatic 2½ percent increase in the previous year's levy limit (net of overrides). Next, an estimate of new growth is calculated based on a three-year average of new growth as a percentage of the previous year's limit. To eliminate spikes in past growth that are not likely to recur, the largest of these three percentages is compared to the average of the lower two. If the difference exceeds two percentage points, then the largest per-

centage is considered to represent an aberration. In this case, the average of the lowest three years out of the most recent four are used to estimate new growth. This rate is applied to the FY97 levy limit in order to estimate increases in the FY98 levy limit due to new growth.

The second component of the formula, the change in general revenue sharing state aid, is calculated as the combined change in three Cherry Sheet programs: additional assistance, lottery and state owned land. Additional assistance has been level funded in recent years so this program shows no change. As was the case in FY97, the FY98 lottery estimate reflected the entire increase (\$55.5 million in FY98) in lottery aid contained in the governor's budget. State owned land was also based on the governor's proposed FY98 budget and did not include the increase in the final FY98 state budget.

The final component of the MRGF calculation is the change in unrestricted

local receipts. The seven categories used are: motor vehicle excise; other excise; penalties and interest on taxes and excise; payments in lieu of taxes; fines and forfeits; investment income; and other recurring miscellaneous receipts. For FY98, this component was based on the combined change between estimated FY96 and FY97 general-purpose local receipts on the tax recapitulation sheet.

**FY98 MRGF Findings**

Table 1, lists each community's MRGF from FY94 through FY98 and shows the percentage point change between FY97 and FY98. Table 1 also illustrates the trend in the state average MRGF. In the years FY94 through FY97, the MRGF averaged only 2.86 percent, substantially lower than the FY98 state average of 4.36 percent.

The majority (322) of communities have FY98 MRGFs that are higher than FY97, with Franklin having the highest FY98 MRGF (9.74 percent) in the state. Approximately half (174) of the com-

**Changes in Local Receipts**

	FY97 MRGF			FY98 MRGF		
	FY95 Actual	FY96 Budget	% Change	FY96 Budget	FY97 Budget	% Change
Motor Vehicle	380,828,682	339,763,934	-10.78%	340,167,510	358,808,827	5.48%
Other Excise	84,748,866	78,319,270	-7.59%	78,922,974	81,019,597	2.66%
Penalties & Interest on Taxes	70,363,176	60,029,837	-14.69%	60,271,631	60,091,245	-0.30%
Payment in Lieu of Taxes	65,298,256	67,052,202	2.69%	65,027,383	67,034,765	3.09%
Fines and Forfeits	97,612,714	90,028,335	-7.77%	96,977,216	96,982,516	0.01%
Investment Income	85,633,671	73,063,752	-14.68%	71,526,754	83,220,239	16.35%
Miscellaneous	44,365,502	41,855,106	-5.66%	20,671,355	21,542,690	4.22%
Total Recurring Local Receipts	828,850,867	750,112,436	-9.50%	733,564,823	768,699,879	4.79%

Note: FY96 Budget estimates used in the FY97 & FY98 MRGFs are not the same since additional communities finalized their tax rate data in the time between the two calculations. Some differences are also the result of the DLS internal review process to eliminate non-recurring receipts.

Table 2

## FY98 Municipal Revenue Growth Factor ➔ continued from page six

munities have a MRGF between 2 and 5 percent. Although growth factors are up significantly in FY98, preliminary FY97 budget data reveals that most communities expect to spend at levels significantly above their FY97 requirements. As a result, these communities will be better able to absorb the FY98 increase in school spending without experiencing budgetary problems.

*Table 2* compares the two methods of measuring local receipts used in the FY97 and FY98 MRGF calculations. As shown in *Table 2*, the total budgeted receipts used in the FY97 MRGF were about \$79 million or 9.5 percent lower than the actual receipts of the prior year. So despite FY97 state-wide increases in the estimated tax levy of \$227 million and state aid of \$42 million, it was the \$79 million decrease in unrestricted local receipts that produced the low FY97 MRGFs. In contrast, the FY98 MRGF calculation showed a \$35 million increase in local receipts on a "budget to budget" basis, a difference of almost \$114 million from the FY97 calculation.

### MRGF Waivers

As has been the case in previous years, the FY98 state budget outlined waiver provisions for communities with high MRGFs. To qualify, a community's MRGF must be greater than or equal to 6.54 percent (1.5 times the state wide average) and the actual revenue growth must be less than estimated by the MRGF calculation. The application deadline is October 1, 1997. ■

written by Lisa Juskiewicz



<http://www.state.ma.us/dls>

New to the DLS Web Page

**Tax Collector's Forms** — All forms from the appendices of the recently released *Collector's Manual* are available in two file formats: PDF format for easy viewing and printing and MS Word 6.0 DOC format for downloading to word processing. The latter format allows collectors to customize forms for their communities and potentially integrate these forms with mail merge functions or other automation approaches.

**Corporations Book 1997 Supplement** — Now available is the "search by keyword(s) function" to find listings of corporations, including new, revoked or withdrawn corporations, insurance companies and manufacturing corporations.

Franklin Regional Council  
➔ continued from page one

the vote. The Franklin Regional Planning Board representative has a 1 percent vote and executive board members must abstain from voting on appropriation issues.

Without the obligation to support or control the courts, jail, or registry of deeds, the FRCOG is free to concentrate on tasks that are most efficiently handled at the regional level. The FRCOG sees itself less as a governing body and more as a "service delivery mechanism" responsible for implementing a strong economic development and planning program in Franklin County. For example, FRCOG will continue its participation in the Franklin Regional Transit Authority to maintain service in its sparsely populated rural

### FY98 Tax Rate Recap

**New Enhanced Automated Program** — This new self-contained program works without municipalities needing a spreadsheet application program. It contains a database that loads your community's self-reported Municipal Data Bank values into your new growth form (LA-13) and duplicates DLS logical edits. A Quick Look tax rate estimator is available, as well as an automated upload menu choice that, after submission to DLS, will help speed tax rate setting.

**FY98 Tax Rate Recap, Pro Forma & Supporting Forms** — The new recap booklet is available in PDF and MS Word 6.0 DOC formats.

**Fiscal 1998 Farmland Valuation Advisory Commission's Recommended Ranges of Values** — This information now is available for the various categories of land classified under M.G.L.Ch. 61A (agricultural/horticultural use). ■

areas while it seeks further highway safety improvements on Route 2. Like its predecessor, the FRCOG remains committed to improving the radio communication and emergency dispatch systems that are hindered by Franklin County's mountainous terrain. Improvements in health care and programs to prevent teen pregnancy and substance abuse are in the works. Finally, the FRCOG assists member communities with municipal services, including cooperative purchasing, engineering and zoning, and provides a common voice for the small, rural communities on Beacon Hill.

For additional information contact FRCOG's Executive Director, Jay DiPucchio at (413) 774-3167. ■

# Municipal Fiscal Calendar

**October 1**

**Collector:** Mail First Semi-annual Tax Bills

**Taxpayer:** Last Date to File Application to Have Land Valued and Taxed as Agricultural/Horticultural Land or Recreational Land, M.G.L. Ch. 61A and Ch. 61B

**October 15**

**DOE:** Notify Communities of Any Prior Year School Spending Deficiencies

**Superintendent:** Submit School Foundation Enrollment Report to DOE

**October 31**

**Accountant:** Submit Schedule A for Prior Fiscal Year

This report is a statement of the revenues received, expenditures made and all other transactions related to the town's finances during the previous fiscal year.

The Schedule A classifies revenues and expenditures into detailed categories that will provide information essential for an analysis of revenues and expenditures generated by various departments. This data, like other financial information reported to DOR, is entered into DOR's Municipal Data Bank; as such, the Department may provide time series, comparative and other types of analyses at the request of a city or town. This information is also sent to the US Census Bureau and eliminates a prior federal reporting requirement. Failure to file by October 31 may result in withholding major distributions of state aid until the Schedule A is accepted by BOA.

**Selectmen:** Begin Establishing Next Fiscal Year Budget Guidelines and Request Department Budgets

**Assessors:** Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for quarterly tax bill communities)

The town should begin gathering tax recap information in order to have enough time for the tax rate to be set and tax bills mailed by December 31. See August's Complete Tax Rate Recapitulation Sheet.

9M 9/97 DC97B04

# Data Bank Highlight

## School vs. Total Expenditures Report

School vs. Total Expenditures Report has been a popular report since the passage of the Education Reform Act of 1993. This report compares actual school expenditures, from the municipal Schedule A, with non-school expenditures and as a percentage of total expenditures. This analysis combines DOR data with integrated school expenditure and pupil cost data provided by the Department of Education. This report allows users to review their communities' expenditures with past expenditures of similar communities.

To obtain Municipal Data Bank information contact: John Sanguinet at (617) 626-2355 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.

**Marilyn H. Browne**, Editor

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