



**DLS**  
DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE



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*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.

Editor: Dan Bertrand

Editorial Board: Sean Cronin, Anthonia Bakare, Robert Bliss, Linda Bradley, Nate Cramer, Patricia Hunt, Tara Lynch and Tony Rassias

## "Why Wasn't I Notified?" Maintaining the Local Officials Directory

Information Technology Unit

[The Local Officials Directory](#) is a joint effort of DLS and city and town clerks to provide a regularly maintained resource for the contact information of officials in Massachusetts' 351 cities, towns, and other local jurisdictions. The Directory determines who can have accounts and use DLS Gateway.

The Directory also determines who receives the automatic notifications generated by Gateway modules, such as Free Cash, Schedule A, and Tax Rate. These notifications are sent to email addresses in the Directory, which local finance officials should review for accuracy. In some cases, local network firewall settings have resulted in nondelivery of these email messages. Local officials should work with their IT staff to ensure that messages sent by DLS are not blocked or considered spam since DLS now relies on email to deliver legally required notifications. In another case, a community might change its email domain address, and those still listed with the old address in the directory wonder why they did not get timely notifications. If your address is accurate, you will get the notification.

City and town clerks are authorized to add, update and delete officials in their respective communities, in as much detail as they think appropriate. Additionally, other departmental officials are routinely given permission to provide updates.

DLS strives to maintain accuracy for the financial and management officials with whom it does business, but with close to 13,000 constantly changing officials in the Directory, local updates have always been

critical to its efficacy and success. Local administrators can designate anyone to keep entries current. The DLS IT Support Section routinely assists local officials in updates and account administration and can be reached at (617) 626-2350 and [dlsitgroup@dor.state.ma.us](mailto:dlsitgroup@dor.state.ma.us).

## ***By the Numbers***

*City & Town* will provide updates on the progress of the tax rate and certification season in each edition through the rest of the calendar year. In addition to these helpful statistics, we're also pleased to announce that you can now follow the tax rate setting process in real time. Thanks to our Municipal Databank staff, this public information is available 24/7 by [clicking here](#).

Preliminary Certifications: 108 Communities Approved

Final Certification: 96 Communities (of 117 Total in Certification Year)

LA4: 319 Approved (326 Submitted)

LA13/ New Growth: 319 Approved (324 Submitted)

Tax Rates: 180 Approved

Balance Sheets: 235 Approved

Aggregate Free Cash Approved Total: \$960,389,463

## ***Ask DLS: Municipal Modernization***

This month's *Ask DLS* features additional questions involving the effect of certain changes made by the [Municipal Modernization Act, Chapter 218 of the Acts of 2016](#). A summary of the changes made by this Act is found in the [August 18, 2016 issue of \*City and Town\*](#). We have also compiled the questions answered in [the Municipal Modernization Act series](#) of *Ask DLS* for your convenience. Please let us know if you have other areas of interest or send a question to [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). We would like to hear from you.

### **How has Appellate Tax Board jurisdiction changed under the Municipal Modernization Act?**

The Municipal Modernization Act made three changes in the jurisdictional requirements for property tax appeals. These changes took effect on November 7, 2016.

First, the threshold tax amount at which payment is required in order to maintain an appeal at the Appellate Tax Board (ATB) has been raised from \$3,000 to \$5,000. Unpaid taxes of more than \$5,000 will bar an appeal, unless the three-year average of the taxes assessed against the property is \$5,000 or less. [MGL c. 59, sec. 64.](#)

Second, where the right of appeal is conditioned on the payment of tax, both the preliminary and actual tax installments must be paid by the due date without incurring interest. Failure to make a preliminary tax payment by the due date without incurring interest is now a bar to jurisdiction. [MGL c. 59, sec. 64.](#)

Third, there is now a "postmark rule" that will treat tax payments as timely for ATB jurisdictional purposes if the payment arrives in an envelope bearing a postmark date on or before the payment due date. This rule applies to the jurisdiction of the ATB, not to the date that interest on unpaid taxes begins to accrue. It provides that the date of delivery by United States mail or by an alternative delivery service to the collector is deemed to be the date of (1) the U.S. Postal Service postmark, (2) a certificate of mailing stamped and postmarked by the U.S. Postal Service, (3) a certified mail receipt provided by the U.S. Postal Service or (4) other substantiating date mark permitted by ATB rules. The burden is on the taxpayer to prove the timely mailing of any tax payment to the collector and the collector is not required to maintain envelopes or any record relative to the date the tax payment was mailed. [MGL c. 59, secs. 57 and 57C.](#)

### **What are the options for apportioning betterment or special assessments under the Municipal Modernization Act?**

Betterment or special assessments may be apportioned or divided into as many as 20 annual installments at the request of the property owner under [MGL c. 80, sec. 13](#). Each year, an installment of the principal is added to the real estate tax, along with interest on the unpaid balance. This results in declining installments over the apportionment period. Municipal Modernization Act amendments to that statute give cities, towns and districts three alternatives for apportioning betterments or special assessments committed on or after November 7, 2016. They may opt to let taxpayers apportion their betterments or special assessments into annual installments that are:

1. Equal to the number of years for which the municipality is borrowing for the infrastructure improvement that is being financed by the assessment.
2. Equal combinations of principal and interest (level annual installments instead of level principal installments), or more repaid payments of principal.
3. Payable in the same number of preliminary and actual

installments as the real estate tax in the municipality.

**Did the Municipal Modernization Act make any changes regarding interest charged on betterment assessments under [MGL c. 80, sec. 13](#)?**

Yes. Under [MGL c. 80, sec. 13](#), the interest rate on unpaid betterments or special assessments is fixed at 5%, or at the option of the city, town or district, at 2% above interest rate on the loan financing the project. For betterments or special assessments committed on or after November 7, 2016, the optional rate may now be fixed at any amount up to 2% above the interest rate the city, town or district is paying on its loan.

In addition, interest will now begin to accrue on unpaid betterments or special assessments 30 days from the date the collector mailed the bill. Previously, interest began to accrue 30 days from the date the assessors committed the betterment or special assessment to the collector.

**The Municipal Modernization Act increased the maximum abatement that may be earned under [MGL c. 59, sec. 5K](#) by taxpayers over 60 years old who are participants in the Senior Work-off abatement program. What action does a city or town that previously accepted [MGL c. 59, sec. 5K](#) have to take to implement the increase in the maximum abatement from \$1,000 to \$1,500?**

It depends on how the maximum abatement under the program is established. As a general rule, if a municipality has accepted a local option statute, then the community will operate under the statute as amended. Therefore, a city or town is not required to reaccept [MGL c. 59, sec. 5K](#). If the maximum amount that may currently be granted by the city or town under the program is fixed by a bylaw, ordinance or other legislative body vote authorizing the program or establishing program rules, then the city or town must amend the bylaw, ordinance or vote. If the maximum amount is set by the selectboard, mayor or other officer administering the program, however, then the board, mayor or officer may increase the maximum abatement so long as any change is consistent with any bylaw, ordinance or vote establishing program rules, e.g., a rule establishing a limit on the aggregate amount of abatements during any fiscal year.

**What is the local procedure required for cities or towns to use the revolving fund added to [MGL c. 40, sec. 3](#) for monies received from the lease or rental of non-school municipal property?**

The Municipal Modernization Act amended [MGL c. 40, sec. 3](#) to allow a city or town that rents or leases a public building or property, or space within a building or property, other than a building or property under the control of the school committee, to deposit any monies received on or after November 7, 2016 from the rental or lease into a separate

revolving fund. The board, committee or department head in control of the building or property may then spend the monies without appropriation for the upkeep of the rented building or property. The primary purpose of the fund is to provide the board, committee or department head with a revenue source to pay expenses associated with keeping the rented premises in the condition required in its capacity as a landlord, which could include custodial costs, utilities, ordinary repairs, etc. It is used to account for payments by tenants with a leasehold interest in the building or property, not fees charged for its temporary or one-time use for civic, social, educational or recreational activities, such as a library conference room for a private organization's monthly meeting. Any balance in the rental revolving fund at year-end closes to the general fund, unless the city or town accepts a local option provision that allows carry-over of the funds. If accepted, the balance remains in the account and may be spent for the upkeep and maintenance of any facility under the control of the board, committee or department head in control of the property. Before the amendment, [MGL c. 40, sec. 3](#) provided for a revolving fund only for monies received from the rent or lease of a surplus building, or surplus space within a building, under the control of the school committee.

Unlike the revolving fund required under [MGL c. 40, sec. 3](#) for monies received from the rental of buildings or space under the control of the school committee, however, the use of a revolving fund for monies received from the rental of non-school municipal property is discretionary. Therefore, if a city or town wants to use a revolving fund for the proceeds from any particular lease or rental of its real property, its legislative body must vote to establish the fund for that rental. A separate vote should be made for each separate rental or lease of a building or space, or the municipality could adopt a by-law or ordinance that sets out the rentals or leases for which a revolving fund is to be established.

## **A Brief Look Back: Taxation in Massachusetts**

**Tony Rassias - Bureau of Accounts Deputy Director**

"A Brief Look Back" reviews issues that affected municipal finance in the early twentieth century as written in the Annual Reports of what is now known as the Massachusetts Department of Revenue. This month, *City & Town* features the Commissioner's opinion regarding taxation in Massachusetts.

### **Introduction**

On January 31, 1933, Commissioner of Corporations and Taxation Henry F. Long submitted his 1932 annual report to the Honorable Massachusetts Senate and House of Representatives. In his report, he



offered his opinion regarding the importance of collecting taxes.

The following are excerpts from the Commissioner's Report.

### **By the Commissioner**

*It has always seemed to be the common belief that cities and towns were at all times in the possession of plenty of money. This may have been due to the fact that municipalities appeared to be able to have anything the voters indicated a desire for from a new piece of fire-fighting apparatus to an extensive sewage system, or to the fact that when a bill was presented to the local treasurer for supplies or labor payment was made at once, as was also true when payment for services as a school teacher, police officer, or other employment was requested. The certainty of receiving money from the municipal treasury when required was not unlike the certainty one felt of getting a glass of water by turning the handle of a faucet.*

*The discovery that water did not flow was to learn that unless a supply of water constantly replenished was maintained back of the faucet the glass of water was not a certainty. The discovery that accounts were not paid when presented to the local treasurer was to learn that unless a supply of money constantly replenished by the paying of taxes was maintained back of the treasurer the settling of obligations was not a certainty. The supply necessary to make the faucet a certainty is furnished by nature as availed of by man. The supply necessary to make the treasurer's window a certainty is furnished by man as aided by instrumentalities developed by man and efficiently operated by man.*

*The year 1929 came and the tide of municipal prosperity seemed to mount higher, but before the year 1930 was well advanced the cities and towns sensed that the happenings of October, 1929, were of concern to municipal continuation, and by 1931 and 1932 the shoe began to pinch. The test of a good tax collector or the poor tax collector was about to be made. The large lenders of money became more cautious. There was less money seeking municipal notes. The taxpayers began to sense the cost of the situation into which they had allowed themselves to be drawn by the thought of continued prosperity.*

If you would like to read more on the Commissioner's opinion, [click here](#).

# December Municipal Calendar

<p><b>December 1</b></p>	<p><b>Taxpayer</b></p>	<p><b>Deadline for Applying for Property Tax Exemptions for Persons</b></p> <p>If tax bills are mailed after September 15, taxpayers have 3 months from the mailing date to file applications for exemptions.</p>
<p><b>December 15</b></p>	<p><b>Accountant/ Superintendent/ School Committee</b></p>	<p><b>Submit Amendments to End of School Year Report to DESE</b></p> <p>Last filing date to impact next year's Chapter 70 State Aid.</p>
<p><b>December 31</b></p>	<p><b>Water/Sewer Commissioners</b></p>	<p><b>Deadline for Betterments to be Included on Next Year's Tax Bill</b></p> <p>(MGL Ch. 80, Sec. 13; Ch. 40, Sec. 42I and Ch. 83, Sec. 27)</p>
<p><b>December 31</b></p>	<p><b>Selectmen</b></p>	<p><b>Begin to Finalize Budget</b></p> <p>Recommendation for Review by Finance Committee</p>
<p><b>December 31</b></p>	<p><b>Assessors</b></p>	<p><b>Mail 3ABC Forms to Charitable Organizations and Forms of List to Personal Property Owners.</b></p>
<p><b>December 31</b></p>	<p><b>Collector</b></p>	<p><b>Deadline for Mailing Actual Tax Bills</b></p> <p>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.</p>

**Final Day of Each Month**

**State Treasurer**

**Notification of Monthly Local  
Aid Distribution**

Click

[www.mass.gov/treasury/cash-  
management](http://www.mass.gov/treasury/cash-management) to view  
distribution breakdown.

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