



**August 3rd, 2017**

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### **Important Information Regarding Changes to Gateway OL-1 and Recap Adjustment Button**

On Wednesday, August 2<sup>nd</sup>, the DLS Gateway application was updated to reflect recent Municipal Modernization-related changes to overlay. The OL-1 Overlay form has been redesigned based on the new 5-year property value certification cycle and the new rules concerning a single overlay account. If your city, town, or district obtained FY2018 tax rate approval by August 1<sup>st</sup> you will not be affected by this change. Communities and districts that did not receive tax rate approval by August 1<sup>st</sup> will need to use the new OL-1 form for FY 2018, which will require entering new data as the form content has changed significantly. The new form calculates a 5-year average based on the new 5-year property value certification cycle, and eliminates the need to enter data for each of the previous 3 years.

The Recap Adjustment feature on the Recap Page 1 form has also been modified to reflect BOA's new overlay policies. When using the Recap Adjustment button to adjust the tax levy, the adjustment will be made to Page 2 line IId, Allowance for Abatements and Exemptions (Overlay) if the necessary adjustment amount is less than the overlay amount. When the adjustment is equal to or greater than the overlay amount, the entire adjustment will be added to Estimated Motor Vehicle Receipts

## **Save the Date for *Implementing Best Practices: A Statewide Conference for Municipal Officials and Staff***

**Sean R. Cronin - Senior Deputy Commissioner of Local Services**

Hosted by Lieutenant Governor Karyn Polito, the Massachusetts Association of Regional Planning Agencies (MARPA), and senior officials from the Executive Office of Technology Services & Security and the Department of Revenue's Division of Local Services, *Implementing Best Practices* is the third annual conference sponsored by Baker-Polito Administration in support of its continued commitment to local government and elevating the state-local partnership.

On Monday, September 18th at the College of the Holy Cross in Worcester, state and local officials will join together to share ideas and attend workshops focusing on the implementation of best practices in the areas of financial management, housing production, cybersecurity, regionalization, transportation, energy, and environment. The workshops will be followed by an interactive discussion led by the newly-formed Executive Office of Technology Services & Security (EOTSS). This forum, titled "Interactive Discussion: Data, the Commonwealth, and Unlocking Value for Municipalities," is designed to generate discussion regarding data collection and retention and the effective use of that data in both state and local policies and practices.

In the coming weeks, more information will be made available regarding registration for the September 18<sup>th</sup> conference. Until then, thank you for your continued commitment to local government.

## **City & Town Reader Survey**

**City & Town Editorial Board**

*City & Town* is once again asking you, the readers, for your feedback through [a brief online survey](#). Your responses will help us improve both the delivery and content of the publication.

Previous survey results have prompted the addition of a table of contents, a new layout, the increased use of graphics, and the introduction of recurring features highlighting data and frequently asked questions.

on Page 3 instead.

Bureau of Accounts Field Representatives will provide assistance during this transition. Click here for a [list of BOA and BLA representatives](#).

### Registration Open for "What's New in Municipal Law"

The Division of Local Services Legal Staff will offer its annual seminar "What's New in Municipal Law" for local officials on Thursday, September 28, 2017 at The Lantana in Randolph and Thursday, October 5, 2017 at the Log Cabin Banquet & Meeting House in Holyoke.

The general session in the morning will review new legislation and recent court decisions pertaining to local government.

The afternoon session will consist of three concurrent workshops that will explore implementation of Municipal Modernization Act municipal tax and finance law changes related to: (1) tax administration; (2) treasury management and debt issuance; and (3) special funds and financial procedures.

Please click the following for the [agenda](#) and [registration form](#). Registrations must be received by Wednesday, September 20, 2017. Pre-registration is required.

If you have any questions about these seminars, please contact DLS Training Coordinator Donna Quinn at 617-626-3838 or by email at [dlsregistration@dor.state.ma.us](mailto:dlsregistration@dor.state.ma.us).

# MUNICIPAL Databank



#### Other DLS Links:

[Local Officials Directory](#)

[Information Guideline](#)  
[Releases \(IGRs\)](#)

[Bulletins](#)

[Publications & Training Center](#)

We ask you to take a moment to answer the survey's eight questions. Your responses will be received anonymously and the results will be reported back in an upcoming edition. Your opinions matter and we thank you for helping to shape and improve *City & Town*. To take the survey, please [click here](#).

## Ask DLS: Owner Unknown Assessments

This month's *Ask DLS* features questions relating to property tax assessments to an unknown owner, including changes made by the [Municipal Modernization Act, Chapter 218 of the Acts of 2016](#), in the procedure for making those assessments. 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.

### Who is assessed property taxes on real estate?

Property taxes are assessed to the owner of the real or personal property on January 1. For real property, the record owner of the land is the owner for assessment purposes. The record owner is the person or entity identified as the owner on January 1 by the records of the registry of deeds and the registry of probate of the county where the city or town is located. [M.G.L. c. 59, § 11](#). Assessors are considered to have knowledge of the content of these records and may rely exclusively on them to determine ownership. [Hardy v. Jaekle, 371 Mass. 573 \(1976\)](#). An assessment to the record owner on January 1 is always valid.

### What happens if the assessors cannot determine the owner from the records?

The assessors are required to determine the owners of land within their communities through the exercise of reasonable due diligence in examining the records in both the registry of deeds and registry of probate. What is reasonable diligence may vary, however, depending upon the circumstances of the property and its ownership history. [Robertson v. Town of Plymouth, 18 Mass. App. Ct. 592 \(1984\)](#). Nevertheless, there may be instances where after reasonable due diligence in searching the records, the assessors cannot identify who is the record owner on the relevant January 1 assessment date. In that case, taxes on the real estate would be assessed to "owner unknown."

### What steps must the assessors take to assess taxes on a parcel to "owner unknown?"

The assessors should document all research conducted on behalf of the city or town regarding the ownership of the parcel in order to demonstrate the thoroughness of the search. This documentation could include, for example, information and records of title searches conducted by the assessing department, municipal counsel, tax title

counsel or others on behalf of the city or town. In most cases, the municipality will foreclose on the tax title in Land Court or through the Land of Low Value procedure. The treasurer will need to demonstrate that the assessment is valid because reasonable diligence was exercised to find the actual owner.

In addition, before making the actual commitment for the fiscal year, the assessors should vote to assess the parcel to owner unknown. A certified copy of the meeting minutes and vote should be maintained with the documentation related to the search. No further approvals are required. Under an amendment made by the Municipal Modernization Act, assessors can make owner unknown assessments without obtaining approval of the Commissioner of Revenue. [Section 130 of Chapter 218 of the Acts of 2016](#). This change took effect as of January 1, 2017. [Section 251 of Chapter 218 of the Acts of 2016](#). However, they must still meet the statutory standard of being unable to determine the record owner after the exercise of "reasonable diligence." [M.G.L. c. 59, § 11](#).

## Yarmouth Sets First Tax Rate for Second Year in a Row

**Bob Bliss - DLS Regional Manager and Director of Strategic Planning**

The Town of Yarmouth was the first of the Commonwealth's 351 municipalities to set its Fiscal Year 2018 (FY18) tax rate. The Bureau of Accounts (BOA) approved Yarmouth's rate on July 12th. Yarmouth was also first last year with its rate set on July 13<sup>th</sup>, 2016.

Finance Director Ed Senteio credited the early approval to a dedicated finance team drawn from the ranks of the town's accounting, assessing, collector-treasurer and clerk's departments.

Setting the town's tax rate early is a strategic goal, Senteio said, citing the following reasons in an email sent to DLS field staff Jared Curtis of the Bureau of Accounts, Jennifer Silvia of the Bureau of Local Assessment, and Thomas Guilfoyle, BOA supervisor. Senteio notes setting the rate early:

- Avoids borrowing to meet cash flow needs and prevents a liquidity perception issue by the rating agencies (Yarmouth is still a semi-annual community based on a recent vote at Town Meeting)
- Allows for taking early payment discounts for retirement and insurance payments (this is close to \$200,000 of annual savings)
- Reduces Collector/Treasurer work related to juggling money in accounts to pay for payroll and bills
- Expands the time allotment for customer

payments, reducing the likelihood of longer lines over a compressed 30 day collection window

- Accommodates the budgets of residents that make the bulk of their income seasonally (a significant number of taxpayers within the community earn the majority of their income in the summer months)
- Allows “snow birds” to pay before they go away for the winter
- Increases investment income
- Increases time for customers to contemplate abatement applications so they ensure their properties are valued fairly (abatement request are extremely low thanks to ensuring values are done fairly)
- Focuses the Town’s time and effort on other important local matters that require attention sooner

Yarmouth has a year-round population of about 23,000 that swells to two to three times that size during vacation season. The town has the fourteenth highest number of parcels in the state and the fifth highest number of personal property accounts, Senteio said, so getting to the point of setting a tax rate involves a lot of data collecting crunching and coordination.

DLS congratulates Yarmouth for recognizing the value of setting an early tax rate and for getting it done first two years in a row (FY17 & FY18). Here is the list of the first communities to have their tax rate certified over the previous ten fiscal years:

FY16: Eastham and Brewster (Aug. 18, 2015)

FY15: Great Barrington (Aug. 27, 2014)

FY14: Eastham (Aug. 20, 2013)

FY13 Great Barrington, (Aug. 29, 2012)

FY12: Great Barrington, (Aug. 23, 2011)

FY11: Williamstown, (Aug. 18, 2010)

FY10: Hinsdale, (Sept. 11, 2009)

FY09: Sherborn (Aug. 28, 2008)

FY08: Eastham (Sept. 6, 2007)

FY07: Eastham and Lenox (Sept. 8, 2006)

## August Municipal Calendar

### 1 Taxpayer

#### Deadline for Paying 1st Quarterly Tax Bill

Per [M.G.L. c. 59, § 57C](#), this is the deadline to pay the 1st quarter preliminary tax payment without interest for bills that were mailed by July 1. If the bills were mailed between July 2 and August 1, this payment is due 30 days after the mailing date, and the 2nd quarterly payment is due November 1. If the bills were mailed after August 1, the preliminary tax is due as a single installment on November 1 or 30 days after the bills were mailed, whichever is later.

1	Taxpayer	<b>Deadline for Submitting Annual Boat Excise Return</b>
10	Assessors	<b>Deadline for Appealing EQVs to the ATB (even-numbered years only)</b>
15	Assessors	<b>Deadline to Vote for Optional Preliminary Tax Bills</b> In a regular semiannual community, Assessors have until this date to vote on the option under <a href="#">M.G.L. c. 59, § 23D</a> to request BOA's authorization to issue preliminary bills. After receiving approval, Assessors must submit a Pro Forma Tax Rate Recap to BOA and mail the bills by October 1.
31	Assessors and Accountant	<b>Begin Working on the Tax Rate Recapitulation Sheet (the recap)</b> Semiannual communities that do not send annual or optional preliminary bills should begin the recap process by this date. [Refer to the information provided for October 15 in this calendar.]
31	State Treasurer	<b>Notification of Monthly Local Aid Distributions</b> See <a href="#">IGR 17-17</a> for more cherry sheet payment information

**Editor:** Dan Bertrand

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

Contact *City & Town* with questions, comments and feedback by emailing us at [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us).

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