



September 7th, 2017

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Important Dates & Information

Municipal Climate Summit with Governor Baker

Please [click here](#) for an invitation to join Governor Charles D. Baker and Energy & Environmental Affairs Secretary Matthew A. Beaton at the Division of Fisheries and Wildlife Headquarters in Westboro on Tuesday, September 12th, 2017 for the Municipal Vulnerability Preparedness (MVP) Program Announcement and Summit. The Summit will begin promptly at 9:30am with a welcome from Secretary Beaton. Governor Baker, Public Safety and Security Secretary Dan Bennett, Transportation Secretary Stephanie Pollack, and Wayne Klockner of the Nature Conservancy are confirmed speakers for the morning program. The agenda will include stakeholder panels and interactive discussions

A Message from Secretary Heffernan

Michael J. Heffernan - Secretary of Administration & Finance



Greetings! I hope you all have enjoyed your summers.

I am writing to give you an update on some recent leadership changes in the Baker-Polito administration. Last month, then-Administration and Finance Secretary Kristen Lepore was appointed to serve as Governor Baker's Chief of Staff. While Chief Lepore leaves behind large shoes to fill, I am honored and humbled to have been asked to succeed her as Secretary of the Executive Office for Administration and Finance.

I am pleased that Chris Harding, the former Chief of Staff at the Department of Revenue, has been appointed as the new Commissioner at DOR. During my time as DOR Commissioner, I greatly enjoyed working with and getting to know many of you, and I know Commissioner Harding will be an excellent partner to our municipal leaders.

Thank you all for your continued work on important issues like the Community Compact Cabinet program. I am very proud of the work the Baker-Polito administration has done to strengthen partnerships between state and local government, and look forward to continuing to work on these issues with you in my new role.

Community Compact Highlights

Sean R. Cronin - Senior Deputy Commissioner of Local Services

As the Lieutenant Governor wrote in [the last edition of City & Town](#), Year 3 of the Community Compact Cabinet (CCC) went live on August 15th. We are thrilled to offer the Best Practice, IT, and Efficiency & Regionalization (E&R) programs again in FY18. These programs have proven to be very popular and successful, helping our partners in local government implement best practices, utilize technology to become more innovate and effective in the delivery of municipal services, and explore regionalization and other efficiency measures. Municipalities of all sizes from all parts of the state have chosen to join the program and take advantage of the benefits of being a "Compact Community."

As of today, 311 cities and towns have applied for the Best Practice program. The

featuring municipal officials, state legislators, and environmental advocates. A boxed lunch will be provided and the event concludes at 1:45pm. Following the summit, tours of the LEED Platinum-certified DFW headquarters will be provided.

Register 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. 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.

OSD: Upcoming Vendor Fairs

Do you know a business owner who would be interested in learning more about doing business with the Commonwealth? Forward them [the flyer for the upcoming vendor fairs](#). Four Vendor Fairs are scheduled in October:

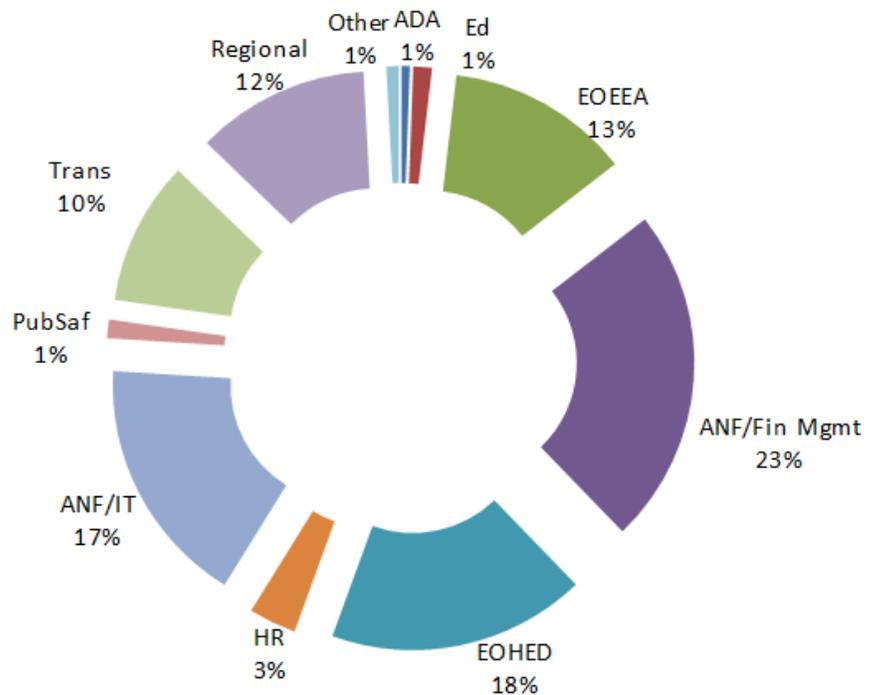
LAWRENCE - October 5, 2017
VendorFairLawrence.eventbrite.com

FITCHBURG - October 11, 2017
VendorFairFitchburg.eventbrite.com

NEEDHAM - October 19, 2017
VendorFairNeedham.eventbrite.com

YARMOUTH - October 26, 2017
VendorFairYarmouth.eventbrite.com

graph below breaks down the best practice areas chosen by municipalities:



Over the first two years of the CCC initiative, a total of \$4 million impacting more than 130 municipalities has been awarded for various projects to drive innovation and transformation at the local level via the IT Grant program. In FY17, the first year of the E&R Grant program, \$2 million was awarded to more than 120 communities and school districts that support regionalization and other efficiency initiatives that allow for long-term sustainability.

Beyond the numbers are some great examples of how you are using the programs to better manage your community and to more effectively and efficiently utilize taxpayer monies.

- Regionalization efforts have been implemented, including the sharing of a Chief Administrative Officer between Lee and Lenox. In the Hilltowns of Blandford, Chester, Huntington, Middlefield, Montgomery, and Russell, a joint finance operation is actively being explored and a shared economic development director has been hired.
- In more than 130 cities and towns, improvements are being made in the area of financial management, with capital plans, financial forecasts, fiscal policies, and transparent budget documents being established.
- In Braintree, laptops have been deployed in fire apparatus to supply firefighters with critical information while they are responding to calls.
- In Ware, a Sewer Master Plan was developed in order to better prepare for needed system improvements.

If your organization is interested in hosting a Vendor Fair in your area, contact OSDoutreach@state.ma.us.

OSD: COMMBUYS Loyalty Program

The Operational Services Division has revamped the COMMBUYS Hall of Fame Program to make it more inclusive and also to incorporate a broader array of activities that are representative of successful COMMBUYS implementation. [View your current standings and program rules here](#). Simply select your organization to get started. Contact OSD about joining COMMBUYS at 888-MA-STATE or COMMBUYS@state.ma.us.

MUNICIPAL Databank



Other DLS Links:

[Local Officials Directory](#)

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

[Bulletins](#)

[Publications & Training Center](#)

[Tools and Financial Calculators](#)

- In Beverly, a Housing Needs Assessment was created that helped inform the need for mixed-income, transit-oriented rental housing units.
- In 20 communities, modernized employee policies & procedures and wage & classification plans are being developed that better reflect the complexities of human resource management.
- In numerous municipalities, economic development self assessments are being undertaken that assess their jurisdictions' strengths and weaknesses for the purpose of planning for viable, long-term economic growth.
- In Worcester, Framingham and many other municipalities, transparency initiatives have been implemented that result in a better informed citizenry in local matters.
- A regional approach to Wastewater and Stormwater Management for nine Connecticut River communities is underway.
- In Westborough, an assessment of its senior transportation programs was undertaken to ensure that opportunities exist for Westborough seniors to age in place while still being able to access the activities that allow them to live full and fulfilling lives.

These are just a few examples of the many projects funded by CCC programs that have been undertaken and are underway in the more than 300 municipalities that have applied for the programs. Please visit the [CCC website](#) for copies of final reports submitted by municipalities. The website also includes programmatic information, eligibility requirements, and FAQ's for each of the three programs, including application dates for the E&R Grant (October 16 – November 16) and the IT Grant (January 15 – February 15) programs.

We hope that those municipalities that haven't applied for the Best Practice program do so. If you have any questions on the CCC and its three programs, please feel to contact me at croninse@dor.state.ma.us.

Ask DLS: Present Interest Assessments

This month's *Ask DLS* features questions relating to property tax assessments to a holder of a present interest, 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. We would like to hear from you.

Who is assessed property taxes on real estate?

Property taxes are assessed to the fee 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. An assessment to the record owner on January 1 is always valid.

What is a present interest in real estate?

An interest in land that entitles the holder to the current and exclusive possession, use and enjoyment of a property. That interest is referred to as a present or possessory interest in that property. If the person's right to possession is postponed until later events, the person has a future interest in that property.

Can the assessors assess real property taxes to the holder of a present interest instead of the fee owner of the land?

In limited circumstances, the holder of the present interest may be assessed. [M.G.L. c. 59, § 11](#). Typically, the assessment would be in cases where taxable value could not otherwise be assessed.

The most common example is an assessment to the holder of development rights in the common area of a condominium if the rights have been exercised. Under [M.G.L. c. 183A, § 14](#), each condominium unit and its interest in the common area is a separate parcel of real estate. A condominium is created by the recording of a master deed declaring the units and common area. The master deed describes the land included in the condominium, the condominium units, the common area and the percentage interest that each condominium unit holds in the common area. Often a condominium is developed in phases, however, and the developer creating the condominium will, in the master deed, reserve rights to build additional units on the common area. If the developer is simply holding a right to build additional phases of a condominium, the value of that right cannot be separately taxed. *First Main St. Corp. v. Assessors of Acton*, 49 Mass. App. Ct. 25, 28 (2000). However, if the developer takes possession of a portion of the common area and initiates development activity, i.e., site preparation and construction of buildings or improvements, the assessors can make a separate assessment to the developer. This is because the developer has exercised his future development rights and has become the holder of a present possessory interest. *RI Seekonk Holdings, LLC v. Board of Assessors of Seekonk*, 91 Mass. App. Ct. 1104, Rule 1.28 Unpublished Decision (February 3, 2017). The assessment would be based on the value of any fully or partially completed buildings or improvements, based on their percentage of completion as of the January 1 assessment date, or completed as of June 30 and deemed to exist on January 1 in a community that has accepted the last sentence of the first paragraph of [M.G.L. c. 59, § 2A\(a\)](#), which was added by Chapter 653 of

the Acts of 1989. The assessment may be made even though the condominium Master Deed has not been amended to include the new phase of the condominium.

What steps must the assessors take to assess taxes to the holder of a present interest?

Before making the actual commitment for the fiscal year, the assessors should vote to separately assess the present interest owner for the value of taxable property. A certified copy of the meeting minutes and vote should be maintained with the documentation related to the assessors' determination that the person assessed held a present interest that may be separately assessed. No further approvals are required. [M.G.L. c. 59, § 11](#). Under an amendment made by the Municipal Modernization Act, assessors can make present interest 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 be able to establish that a present interest assessment is appropriate and valid under the circumstances, particularly in the event of an appeal to the Appellate Tax Board or collection action by the city or town.

FY17 State House Notes Program Review

Jonathan Larios - Bureau of Accounts Intern

First established in 1911, the Massachusetts State House Notes Program is a convenient, no-cost note certification procedure for the issuance of short-term debt and long-term Serial and Refunding Notes by a governmental entity. Administered by the Public Finance Section of the Bureau of Accounts, the program provides an alternative to the certification of notes procedure by commercial banks.

What are State House Notes?

State House Notes are borrowing instruments for local governmental entities for the short-term. They are known by different names and acronyms:

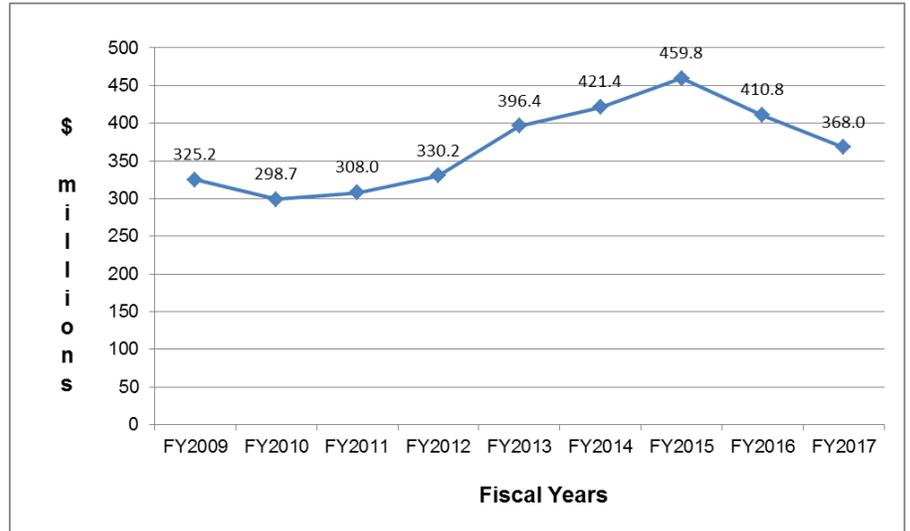
- Revenue Anticipation Notes (RANs)
- Renewal of Revenue Anticipation Notes (RRANs)
- Bond Anticipation Notes (BANs)
- Renewal of Bond Anticipation Notes (RBANs)
- State Aid Anticipation Notes (SAANs)
- Renewal of State Aid Anticipation Notes (RSAANs)
- Federal Aid Anticipation Notes (FAANs)
- Refunding Notes
- Serial Notes.

They all, however, must receive certain local approvals and send required supporting documentation to the Bureau of Accounts for the Director's certification.

Lenders await this certification before forwarding funds to the borrower. Certification as to the validity of a State House Note is a prerequisite to accessing the credit market.

State House Notes by the Numbers: FY2009 to FY2017

The below graph shows the dollar amount of State House Notes approved from FY2009 to FY2017.



The above graph shows that the dollar value of State House Notes certified in FY2009 was \$325.2 million and \$368.0 million in FY2017. This is a \$42.8 million or 13% increase for the period shown, but a 10% decrease from FY2016 to FY2017. The greatest dollar value approved during this period was in FY2015 and the least approved was in FY2010.

The below table shows the number of State House Notes approved each year from FY2009 to FY2017.

State House Notes - # of Notes Approved								
FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
443	407	421	494	500	474	476	477	428

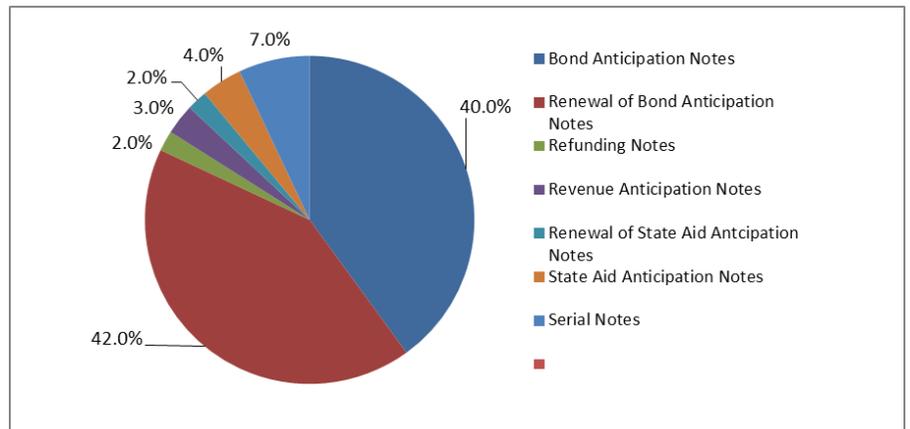
The table above shows that the greatest number of notes approved for fiscal years FY2009 through FY2017 was in FY2013 and the least approved was in FY2010.

The below table shows the number of State House Notes approved in FY2017 by type.

State House Notes - # of Notes by Type								
Revenue Anticipation Notes	Renewal of Revenue Anticipation Notes	Bond Anticipation Notes	Renewal of Bond Anticipation Notes	State Aid Anticipation Notes	Renewal of State Aid Anticipation Notes	Refunding Notes	Serial Notes	Grand Total
11	1	172	180	17	7	8	32	428

The above table shows that for the 428 Notes approved for FY2017, the greatest number of Notes approved by type was Renewal of Bond Anticipation Notes followed by Bond Anticipation Notes and then Serial Notes. These types were also the top three in FY2016.

The below chart shows the percentage of FY 2017 State House Notes approved for each note type.



NOTE: The chart does not reflect .2% RRAN

The chart above shows that by percentage, RBANs and BANs amounted to 82% of Notes approved by the Program.

The following table shows the number of State House Notes approved in FY2017 by purpose.

	FY2016	FY2017		FY2016	FY2017
Bridge	1	1	Deficit	3	3
Building	16	17	Dept'l Equip	63	70
Building Repair	17	13	Emergency	10	10
Cable	2	4	Energy Conservation	3	3
Capital Projects	1	1	Eng & Arch	5	6
Computer Hardware	7	6	Environmental	1	1
Conservation Land	1	0	Harbor	1	1
Court Judgment	0	1	Highway	16	12
Dam Repair	7	2	Land Acq	17	14
	FY2016	FY2017		FY2016	FY2017
Landfill	1	1	School Feasibility	6	6
Library	1	0	School Remodeling	39	21
Medical Payments	1	0	Sewer	20	16
MPL	128	121	Sewer Treatment Plan	6	5
Public Way	4	5	Solid Waste Transfer	3	2
Recreation	7	9	Street	12	12
Revenue	18	12	Water	34	29
School	19	17			
School Building	7	7			

This table shows the greatest number of notes approved for FY17 were for Municipal Purpose Loans (MPLs) followed by Departmental Equipment and Water.

MPLs are loans in which there are two or more separate authorizations for separate purposes. If taken as a group, however, there were at least 51 Notes borrowed for school-related purposes that included both building and remodeling. MPLs and Departmental Equipment also led in number of Notes in FY2016.

Additional FY2017 Statistics

For the 428 notes approved in FY2017, 350 were for cities or towns, 30 for special purpose districts, 47 for regional school districts and 1 for a county. Other statistics showed:

- Greatest dollar amount (\$7.635 million), least (\$1,500) and median (about \$535,000)
- Greatest interest rate for a Serial Note (3.50%), least (.95%)
- Greatest interest rate for a non-Serial Note (1.70%), least (.59%), and median (1.10%)
- Greatest number of days to maturity for non-serial (379 days), least (14 days), and median (364 days)
- The three top purchasers of notes were Eastern Bank, UniBank for Savings, and Easthampton Savings Bank
- Monthly notes processed showed the greatest in June (90), least in January and April (22)

To learn more about State House Notes, please visit the Bureau of Accounts' Public Finance Section's [website](#).

Thank You

I would like to thank Deputy Commissioner Sean Cronin for giving me this opportunity to intern in the Division of Local Services, Director of Accounts Mary Jane Handy, Deputy Director of Accounts Tony Rassias, and the entire Bureau of Accounts staff (especially Bill Arrigal) for providing me with the support to help complete this article.

September Municipal Calendar

15 Assessors

Submit Property Sales Report (recommended date)

Assessors use the Property Sales Report (LA-3) to conduct assessment/sales ratio studies and to satisfy the requirement to report all property sales over \$1,000 to BLA.

Jointly Submit CPA Surcharge Report

15	Accountant and Assessors	This is the deadline to submit Form CP-1 (statement of the prior year's net CPA surcharge levy) to MDM in order to receive matching funds from the State Treasurer's distribution on November 15.
15	Accountant	Submit CPA Projects Report This is the deadline to enter new CPA projects and to update existing ones in the MassGIS CPA projects database in order to receive matching funds from the State Treasurer's distribution on November 15.
30	Accountant, Superintendent and School Committee	Jointly Submit End of Year Report to DESE DESE uses this report to determine the community's compliance with prior-year and current-year NSS requirements.
30	Accountant	Submit Snow and Ice Report The Accountant submits to BOA this statement of prior-year snow and ice expenditures and financing sources. It is used to support a deficit in the previous fiscal year's snow and ice removal account, the total or a portion of which is funded without appropriation and reported on the following fiscal year's recap.
30	Treasurer	Submit Statement of Indebtedness Under M.G.L. c. 44, § 28 , BOA requires the Treasurer to submit this report of the community's debt obligations. Prior to filing the statement, the Treasurer should conduct a reconciliation with the Accountant to ensure the debt data agrees with the balance sheet.
30	State Treasurer	Notification of Monthly Local Aid Distributions , see LGR 17-17 for more cherry sheet payment information, monthly breakdown by program is available here .

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.

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