



## 2024 Municipal Law Seminar WORKSHOP E Treasurer and Collector Issues

### DISCUSSION SUMMARY (Prepared For Informational and Training Purposes Only)

This summary of the informal discussion presented at Workshop E is provided for educational and training purposes. It does not constitute legal advice or represent Department of Revenue opinion or policy, except to the extent it reflects statements contained in a public written statement of the Department of Revenue.

1. The town is experiencing serious cash flow problems and significant sums are due to be paid very soon.
  - a. Can the treasurer remedy the situation by “borrowing” internally from the town’s municipal light plant funds?

**Cash is cash and the town could use municipal light plant funds, such as the depreciation fund, as long as it not needed immediately by the light plant board. If used by the town, the town should reimburse the light plant fund for any lost interest.**

- b. Could the treasurer “borrow” internally from the town’s Stabilization Fund or Perpetual Care Fund?

**There could be internal borrowing from the Stabilization Fund or Perpetual Care Fund provided the money from the Funds is not immediately necessary. Interest would be paid to the Funds.**

- c. If there is an internal “borrowing”, when must the amount be repaid?

**The borrowed funds must be repaid by the end of the fiscal year. Refer to [IGR 2017-21](#).**

[G.L. c. 44, § 20A](#)

2. The new town administrator reviewed the town’s books and records and saw that some personal property accounts were outstanding as far back as fiscal year 2017.

- a. Can the assessors on their own authority abate the personal property taxes? What procedure must be followed?

**The collector must initiate the procedure under G.L. c. 59, § 71 whereby the assessors can abate all or some of the amounts sought by the collector.**

- b. What collection remedies are available to the collector?

**Civil suit and revocation of certain licenses are most effective. There is however a 6 year statute of limitation on civil suits.**

- c. In his defense the collector claimed many of the outstanding bills were for small amounts. Can the assessors establish a minimum tax of \$50 regardless of the value? Do the assessors have discretion not to assess personal property taxes on small personal property accounts?

**The assessors cannot establish a minimum tax since real and personal property taxes are ad valorem taxes, i.e., based on value. By vote of the town meeting, town council or city council with mayoral approval there could be a minimum value for personal property but not in excess of \$10,000 as provided in G.L. c. 59, § 5(54).**

[G.L. c. 59, § 71](#)  
[G.L. c. 59, § 5\(54\)](#)

3. A taxpayer who owned multiple parcels sent a check for \$40,000 with no instructions how to apply payment. The check was for less than the amount owed on all the parcels. The collector recently issued a municipal lien certificate (MLC) which showed an outstanding balance for fiscal year 2024 taxes for the 25 Main Street parcel. The taxpayer has requested the collector to reverse entries and show the 25 Main Street parcel to be paid in full.

- a. How should the collector correctly apply the \$40,000 payment?

**The taxpayer can designate how payment is to be applied before or at the time of payment. In this instance, no such designation was made thereby giving discretion to the collector.**

- b. Should the collector reverse the entries and show the subject parcel to be paid in full?

**The collector could risk the town's lien if a municipal lien certificate was issued or a tax taking has been made.**

[Spinney v. Freeman, 230 Mass. 356 \(1918\)](#)  
[Warren Brothers Co. v. Sentry Insurance, 13 Mass. App. 431 \(1982\)](#)  
[Cressey Dockham & Co. v. Assessors of Andover, ATB docket #141825, \(1989\)](#)

4. Robert is the assessed owner of 9 Devonshire Street. On June 5, 2024 the collector issued a municipal lien certificate which showed the fiscal year 2024 taxes to be paid in full. In fact, the 4th quarter bill was outstanding. The MLC was duly recorded. On June 12, 2024 Robert sold the subject parcel to Richard.

- a. Has the town lost its lien on the Devonshire Street parcel?

**The town has lost its lien by the duly recorded municipal lien certificate.**

- b. What is the recourse for the collector?

**The assessed owner is personally liable for the taxes and the collector could bring a civil suit and other collection remedies against Robert.**

[G.L. c. 60, § 23](#)

[G.L. c. 60, § 35](#)

5. Mary Hayes purchased 89 Washington Street in 2021. She later married Edward Baxter in 2023. For fiscal year 2025 she requested the collector to send the tax bill in the name of Mary Baxter.

- a. Should the collector comply with the request and send the tax bill in the name of Mary Baxter?

**The marriage certificate must be recorded at the Registry of Deeds to permit the name change.**

- b. Mary sold the house in July 2024 to Robert Benson. Benson asked the collector to update his records and send the fiscal year 2025 tax bill in his name. What should the collector do?

**The taxes are assessed to the record owner as of the January 1 assessment date. The collector could send a copy of the bill to the new owner or send a care of bill to him.**

[G.L. c. 59, § 11](#)

[G.L. c. 60, § 3](#)

6. In August 2024 an order for relief was entered in the U.S. Bankruptcy Court under Chapter 11 on behalf of the Acme Corporation. Fiscal year 2024 taxes remain unpaid. What should the collector do?

**The collector should contact town counsel so that a proof of claim can be filed with the clerk of the Bankruptcy Court. The collector must also file a statement to continue lien at the Registry of Deeds since a tax taking would violate the automatic stay imposed by the Bankruptcy Court. The collector will need to wait until Bankruptcy Court discharges the case.**

[G.L. c. 60, § 37A](#)

[G.L. c. 60, § 95](#)

7. John Green is the owner of a construction company as of January 1, 2022. He incorporates in February 2022 under G.L. c. 156B. Green is a 100% shareholder of the corporation.

- a. Green complained to the collector that the FY 2023 personal property tax bill was assessed in his name and not the corporation. Was the tax bill correct?

**The tax was properly assessed to the owner as of January 1.**

- b. Is the subsequent owner (the corporation) entitled to an abatement or exemption of the personal property taxes?

**The subsequent owner cannot file an abatement or exemption application since the subsequent owner is not personally liable for the tax and there is no lien with personal property taxes.**

- c. For fiscal year 2024 personal property taxes were assessed to the corporation on heavy construction equipment which it leased. Green ignored the tax bill and did not file for an abatement. Can the collector successfully pursue collection?

**The corporation can assert a defense at any stage of the proceedings. The corporation is exempt from personal property tax since the leased machinery is the stock in trade of the corporation.**

[G.L. c. 59, § 18](#)

[G.L. c. 59, § 5\(16\)](#)

[Tax Collector of Braintree v. J.G. Grant & Sons, Inc., 26 Mass. App. Ct. 731 \(1989\)](#)

8. By deed recorded November 15, 2020, Mary Cavendish conveyed her house at 35 Main Street to Robert Smith, Trustee of the 35 Main Street Trust. Under the terms of the declaration of trust, Mary Cavendish is listed on the Schedule of Beneficiaries as having one third voting rights and a one third beneficial interest. In September 2022 the attorney for the trust notified the collector that a new trustee, Thomas Wright, had been appointed. What documentation should the attorney provide? Should the collector comply? What name should appear on the fiscal year 2024 tax bill?

**The attorney must provide the declaration of trust which must specifically provide for the death or resignation of the trustee. If there is no such provision, the taxpayer would have to seek court approval. If there is such a provision, there must be a signed document indicating the death or resignation of the trustee, the acceptance of the resignation, the appointment of the new trustee and the acceptance of that appointment by the new trustee.**

**In the absence of the new recorded information, taxes would continue to be assessed to Robert Smith, Trustee.**

9. Richard Smith was the owner of record of 59 Jordan Drive as of January 1, 2023. Smith sold the property to Kevin Davis in May 2023. Fiscal year 2024 taxes were assessed to Smith. The subsequent owner, Kevin Davis, filed a timely abatement application. Taxes for the fiscal year are paid. In June 2024 the assessors granted a \$400 abatement.

- a. To whom should the \$400 refund be paid? Should it be paid to the assessed owner (Smith) or the current owner (Davis)?

**The refund should be paid to the abatement applicant. If there is a provision in the purchase and sale agreement or some provision at closing, that is a dispute between the buyer and the seller.**

- b. Could buyer as well as the seller have filed abatement applications?

**Each party could have filed an abatement application.**

[G.L. c. 59, § 59](#)

10. The town plans to take by eminent domain several parcels for a highway extension.

- a. Must the collector be notified of the eminent domain taking?

**By statute (G.L. c. 79, § 7F), the collector must be notified of the taking.**

- b. What is the measure of damages to be paid by the town to the owners?

**When the taking is made, the measure of damages would include the value of the property and taxes from the date of acquisition until the end of the fiscal year. Where the taking is made between January 1 and June 30th inclusive, the taxes for the subsequent fiscal year must also be included in the measure of damages.**

- c. One of the owners obtained a \$700,000 judgment against the town arising out of the eminent domain takings. Before payment was made, the collector reviewed the records and discovered that the taxpayer owed \$45,000 in real estate taxes on other parcels not subject to the eminent domain takings. The tax obligations go back fifteen years. What remedy is available to the collector?

**Under the statutory remedy of set-off (G.L. c. 60, § 93) the treasurer upon being notified of the judgment could reach and apply the eminent domain award to the tax debt owed. There is no statute of limitations for set-off.**

[G.L. c. 60, § 35](#)

[G.L. c. 260, § 2](#)

[G.L. c. 60, § 93](#)

[G.L. c. 79, § 7F](#)

[G.L. c. 79, § 12](#)

[Boston Five Cents Savings Bank v. Boston, 318 Mass. 183 \(1945\)](#)

11. A parcel whose ownership has never been determined has been assessed to the heirs of Roger Post a large landowner who died in 1900. Taxes are outstanding for over twenty years.

- a. The collector made a tax taking and the treasurer plans to foreclose on the property. Could there be a problem with the taking?

**Taxes should have been assessed to Owner Unknown as discussed in the Oak Bluffs case, cited below. There must be a reassessment, if possible, and a new tax taking.**

- b. The parcel's assessed value is \$15,000. What would you recommend to the treasurer?

**There could be a Land of Low Value auction foreclosure. Note that the Land of Low Value process seems to be unaffected by the tax title reform proposals and recent court decisions.**

[G.L. c. 60, § 79](#)

Town of Oak Bluffs v. Norton, 31 LCR 339 (2023)

12. The collector sent out FY 2025 boat excise bills in August. Several taxpayers visited town hall to complain about the bills.

- a. The first taxpayer complained that he had been boating for years and never received an excise bill. Is boat excise a local option tax?

**Boat excise is not a local option tax.**

- b. The second taxpayer complained that he received a \$105 bill for his 25- foot boat under 4 years of age. Yet, his neighbor received a bill for a similar amount for a much more expensive boat. How was this possible? What is the maximum boat excise bill?

**Boat excise is assessed based on the age and length of the boat. The maximum boat excise bill is \$500.**

- c. The third taxpayer wanted to know where the boat excise appeared in the books and records of the town. What would be the collector's reply?

**Half of the boat excise would go to the Waterways Improvement and Maintenance Fund and one half would go to estimated receipts in the General Fund.**

[G.L. c. 60B, § 2](#)

13. XYZ Corporation owns a 20-acre parcel of vacant land. A 15-parcel subdivision plan was approved by the planning board in February 2024 and recorded in the same month. XYZ Corporation conveyed 5 parcels to different owners and the deeds were recorded in June 2024.

- a. The preliminary fiscal year 2025 tax bill for the 20-acre parcel was sent in June with a due date of August 1, 2025. The five new owners have requested the collector send individual tax bills. Can the collector do that?

**Upon a written request to the assessors, the current fiscal year taxes could be apportioned to the extent they are unpaid, and each owner would receive a separate bill.**

- b. What would happen if the 20-acre parcel were in tax title?

**If the 20-acre parcel is in tax title, Land Court approval is required for the apportionment of the tax title amount.**

[G.L. c. 59, § 78A](#)

[G.L. c. 60, § 76A](#)

[IGR 2017-11](#)

14. A taxpayer who turned in his vehicle under the lemon law received an excise bill which the taxpayer failed to pay. The collector then sent a demand for \$15 which prompted the taxpayer to visit the collector.

- a. Was the taxpayer entitled to an abatement where the vehicle was returned to the dealer?

**The taxpayer is responsible for the months during which the vehicle was registered.**

- b. Can the charge for a demand vary from community to community? Who sets the fee?

**The demand fee can be up to \$30. Each community could set a different amount. Unless there is a statute, bylaw or charter provision, the legislative body would make such a decision.**

- c. Can there be a sliding scale for the demand fee based on the valuation or amount due?

**The statute provides a fixed amount for the demand regardless of the valuation or amount of tax.**

[G.L. c. 60A](#)

[G.L. c. 60, § 15](#)

[Bulletin 2008-09B](#)



15. Certain questions have been raised at town centering around the treasurer and the collector.

- a. The treasurer met with the town's tax title attorney who is preparing to seek foreclosure in Land Court. One of the parcel's had the instrument of taking recorded 3 months after the taking. Is the taking valid? Can the error, if any, be corrected?

**The tax taking must be recorded within 60 days of the taking. The collector could disclaim and retake due to the error in the taking without a loss of lien.**

- b. Another tax taking on registered land was recorded at the Registry of Deeds and not on the Land Court side. What result?

**If the taking was recorded rather than registered in the Land Court section of the Registry of Deeds, there would be an invalid tax taking.**

**Massachusetts has both recorded land and registered land. Recorded land is the most common title system. Documents filed in the recorded land section are assigned book and page numbers. Registered land is a different title system, referred to as the "Torrens" system. The Massachusetts Land Court issues a decree upon a plan of land, and all subsequent owners of the land are issued numbered certificates of title and documents filed in the registered land section are assigned document numbers instead of book and page numbers.**

- c. A taxpayer who had been living in another State for a few years returned to Massachusetts. He learned that he had been marked at the Registry of Motor Vehicles and the amount of interest, charges and fees is more than the excise itself. The taxpayer is willing to pay the bill but not the interest, charges and fees. He had a terrible argument with the collector and there was a scuffle. The taxpayer sued the collector and the town. Can the town settle the case and pay an agreed amount to the taxpayer?

**There would have to be an appropriation, such as a settlement of claims account, to make any payment. The settlement is not a judgment which means the treasurer could not make payment from available funds and raise that payment on the Recap Sheet.**

[G.L. c. 60, § 54](#)

[G.L. c. 60, § 37](#)

[G.L. c. 44, § 31](#)

16a. May a tenant in Anytown pay the taxes on property they occupy to avoid a license being denied under G.L. c. 40, § 57?

**The first paragraph of G.L. c. 40, § 57 allows a city or town such as Anytown which accepts the provisions of the section, by bylaw to deny a license to the**



**tenant if the owner of a building does not pay taxes and charges to the town. DLS does not think there is anything that prevents a tenant from paying the taxes on property they occupy to avoid a license being denied. Because G.L. c. 40, § 57 subpart [c] references "any party" being able to enter a payment plan, and because DLS thinks a tenant can pay the taxes, it seems implicit they can enter a payment plan. The policy in favor of taxes being paid weighs on the side of accepting payments without inquiring whether there is an agreement between landlord and tenant on who will pay the taxes.**

16b. Could the tenant in Anytown in the above scenario file for an abatement on the taxes?

**A tenant of a parcel that has been assessed to the owner of record has standing to file an application for abatement if they are obligated to pay more than one-half of the taxes assessed on the parcel under G.L. c. 59, § 59. If the tenant is paying more than one half of the taxes assessed, it would seem to satisfy the tax amount requirement, however, the next question becomes whether this tenant is under obligation to pay more than one-half of the assessed taxes, which is typically demonstrated by a tax clause in a lease requiring the tenant to pay the requisite amount of assessed tax or owner testimony to the Board of Assessors.**

**If the tenant does have standing to file an abatement application, the refund check would be paid to the tenant applicant. Any resulting abatement of the property would benefit not just the tenant's premises but the entire subject property.**

[G.L. c. 40, § 57](#)

[G.L. c. 59, § 59](#)

17a. Do taxpayers have a right to interest waiver?

**No, taxpayers do not have a right to interest waiver. Any allowed waiver of interest, charges and fees in accordance with G.L. c. 60, § 15 is at the sole discretion of the collector.**

**The collector may waive interest and collection costs that have accrued on a delinquent tax when the total amount of accrued interest and costs on a particular obligation is \$15 or less. The collector has no power to waive once the total amount of accrued interest and costs exceeds \$15.**

17b. Can the treasurer waive interest or collection charges on delinquent taxes in a tax title account?

**A treasurer may waive interest on a tax title account only as authorized by an ordinance or bylaw adopted by the municipality under G.L. c. 60, § 62A. The community must first accept the statute, and then enact an ordinance or bylaw. Municipalities may by ordinance or bylaw provide for payment agreements between the treasurer and taxpayers entitled to redeem parcels in tax title. Previously, the payment agreements could last up to five years, and waive up to 50 percent of the interest that would otherwise be owed if the taxpayer complies with the payment schedule in the agreement. Upon execution of the agreement, the**

taxpayer had to pay at least 25 percent of the total amount needed to redeem at that time.

There has been a change to G.L. c. 60, § 62A in the tax title reform legislation that allows cities and towns to make the agreement a lot more generous. The Agreement can be for up to 10 years and interest can be waived up to 100% and the taxpayer must pay 10% of the total amount needed to redeem at that time. This applies to new agreements entered into on or after November 1, 2024. A supplemental budget was filed that proposes to extend the effective date to July 1, 2025. If this were to become law, then it would apply to agreements entered into on or after July 1, 2025.

If a community wants the ability to offer the new amounts, the community must either accept the statute and enact a bylaw or ordinance, or amend a bylaw or ordinance, however, nothing in the amended statute requires a community that previously accepted the statute to amend their ordinance or bylaw.

Finally, as under the existing statute and as amended, the ordinance or bylaw must establish the parameters of the payment agreements, including the categories of eligible tax titles (such as residential or commercial property and if residential property, whether it is for owner-occupied residential property) and the term and interest waiver that applies to agreements for those categories. The ordinance and bylaw cannot modify the statutory interest rate or waive any collection costs or charges. The treasurer also cannot file a petition in Land Court for foreclosure as long as the taxpayer adheres to the payment schedule and remains current on municipal taxes and charges assessed after the agreement.

[G.L. c. 60, § 15](#)  
[IGR 2003-210](#)  
[G.L. c. 60, § 62A](#)

18a. A taxpayer makes a partial payment on a tax title account and would like the partial payment to be applied to the tax obligation first. May the collector do so?

**No.** The taxpayer cannot direct that a partial payment be applied to the tax obligation first under G.L. c. 60, § 3E. The amount tendered is applied in the following order: 1. Any accrued cumulative interest on the tax obligation 2. Any cumulative collection costs added to the tax obligation 3. The cumulative tax obligation.

18b. May a treasurer accept partial payments when a parcel is in tax title?

**Yes.** Under G.L. c. 60, § 62, a treasurer may accept installment payments of the amount in tax title. Upon accepting an installment payment, the treasurer may extend by written agreement for up to two years the right to petition the land court to foreclose all rights of redemption. The written extension is important to the taxpayer. Absent a legally binding written agreement, the treasurer may file a foreclosure petition in Land Court. Previously, under Chapter 60, Section 65, a treasurer could file a petition in Land Court for foreclosure of all rights of redemption as soon as six months after the tax taking or tax sale. Now, as a result of the tax title reform, the treasurer must wait 12 months after the tax taking or

tax sale before filing a petition in Land Court. This applies to any tax takings on or after November 1, 2024. Again, a supplemental budget was filed recently proposing to extend the effective date from November 1, 2024 to July 1, 2025. If it becomes law, this would then apply to any tax takings on or after July 1, 2025.

Any partial payment of the tax title must be applied first to the accrued interest, second to accrued collection charges and then to the tax or taxes in the chronological order of the year committed to the collector.

[G.L. c. 60, § 3E](#)

[IGR 2003-210](#)

[G.L. c. 60, § 62](#)

[G.L. c. 60, § 65](#)

[G.L. c. 60, § 3E](#)

19. Fire Trucks R Us is well known for the quality and customization of its trucks. Given the level of customization, Trucks R Us has now included a provision for prepayment into their contract, and the contract that Anytown Fire Department signed includes this.

- a. Does having this provision in the contract make payment before delivery permissible?

**It does not. It is unenforceable since it conflicts with the prepayment rule.**

- b. The Town of Safety is aware that the cost of a brand new fire truck with the customization required is just under two million. The Safety Fire Department is wondering about progress payments. Are progress payments permissible?

**A progress payment may be made toward the manufacturing and customization of a fire truck as title to and delivery of what is being paid for are taken, as discrete segments of the process are completed. More specifically, DLS has advised that a partial payment can be made for the acquisition of title to the chassis of a fire truck before the fire truck is finished and final delivery is taken.**

***Where the base vehicle or chassis was purchased separately from the customization, DLS has concluded the town could legally pay for the chassis when delivered to the contractor who would be performing the customization, but the remainder costs based on the customization could not be paid until delivery of the completed vehicle. If the company providing the customized vehicle is a manufacturer in the business of building and selling such vehicles, the cost of any portion of the work prior to delivery of the finished vehicle would be prohibited by the statute.***

**Fire equipment may be contracted for in stages. Each component as completed could vest title to that component in the town, enabling payment to take place piecemeal as parts are finished successively.**

- 20a. A special town meeting in Anytown authorized a borrowing of \$20 million for a school project. Anytown would now like to know if it may rescind the authorization. Is this possible?

**Anytown meeting may rescind the borrowing to the extent no third party rights have vested, i.e. the community has not yet spent or borrowed any funds, nor have funds been committed through valid contracts). Absent a charter or by-law provision to the contrary, a simple majority vote of town meeting could rescind or reduce the borrowing authorization.**

- 20b. Is there a process for rescinding a debt exclusion?

**Proposition 2½ does not provide for the revocation or rescission of an approved question. However, the debt exclusion is only effective to the extent debt is issued.**

[Adams v. Townsend Schoolhouse Committee, 245 Mass. 543 \(1923\)](#)<sup>v</sup>  
[IGR 2022-2](#)

[Section III. H of Proposition 2 ½ ballot question book](#)

21. Voters in Happyville approved a debt exclusion referendum question for the construction of their new library. The borrowing was authorized for \$8 million, but due to rising construction costs and some necessary scope changes, the cost has increased to \$11 million.

- a. Happyville is now wondering whether the additional borrowing is covered by the exclusion.

**A city or town that increases the amount borrowed for a purpose described in a debt exclusion above the amount fixed at the time the exclusion referendum was approved may apply to the Director of Accounts for a determination regarding the borrowing amount covered by that particular exclusion.**

- b. Is there any other option for Happyville in the above scenario?

**Happyville could opt to bypass the determination procedure entirely and either seek voter approval of a supplementary exclusion or Happyville could fund the additional debt service within the levy limit.**

[IGR 2022-14](#)

[G.L. c. 59, §21C\(k\)](#)

22. Happyville has finally completed their new library. The Library Trustees have approved a new speaker series for the library which includes prestigious authors. There is a great

deal of support and excitement within the community regarding both the new library and speaker series.

- a. Could funds from a premium received on a bond sold on or after December 13, 2021 be used to pay for the speaker series?

**No. Generally, premiums (net of issuance costs) and accrued interest received on bonds sold on or after December 13, 2021 must be used for project costs and to reduce the amount borrowed or be reserved for appropriation for capital purposes.**

- b. Could a premium received on a bond sold on or after December 13, 2021 that is the subject of an approved Proposition 2 ½ debt exclusion be reserved for appropriation for capital purposes?

**It is different with Proposition 2 ½ excluded debt. Net premium and accrued interest cannot be reserved for appropriation for capital projects. It must be used to pay project costs and reduce the borrowing authorization. Note that the authorization to pay project costs and reduce the amount of the borrowing no longer must be included in the original legislative body vote authorizing the loan.**

[G.L. c. 44, § 20](#)

[IGR 2022-2 \(See pg. 15 and 16\)](#)

23. Beachtown is a municipal member of a Regional School District. The Regional School District Committee authorized the debt for a Middle School project and all municipal members approved the borrowing. Of note, the project will not be receiving any financial assistance from the Massachusetts School Building Authority. Beachtown excluded the project under G. L. c. 59, § 21C(k). By the time the note was issued, the interest had grown.

- a. Does Beachtown need to go back to Town Meeting for the increase?

**Beachtown does not need to go back to Town Meeting for the increase. This is an obligation that Beachtown incurred and agreed to. Beachtown could raise the additional interest on page 2 of the recap without holding a town meeting.**

- b. Beachtown is authorizing indebtedness for another project within the debt limit which results in 4.9% of the equalized valuation of the town. Is this permissible?

**Yes. Chapter 44, Sec. 10 provides that city or town shall not authorize indebtedness to an amount exceeding 5% of the equalized valuation of the city or town and in this scenario, they are under 5%.**

**Bear in mind when discussing the debt limit, it is for the total of all authorized debts except those expressly authorized by law to be incurred outside the debt limit.**

- c. If Beachtown is authorizing indebtedness for the project described above or for a different project within the debt limit that results in 6% of the equalized valuation of the town, for each project, is this permissible?

**For another project: A city or town shall not authorize indebtedness to an amount exceeding 5 percent of the equalized valuation of the city or town. A city or town may authorize indebtedness in excess of 5 percent but not in excess of 10 percent, of the aforesaid equalized valuation; provided, however, that the amount of indebtedness so authorized shall be subject to the approval of the members of the municipal finance oversight board, which approval may be given either before or after such authorization.**

**For the project described above: The amount of the debt will not be counted towards the debt limit imposed by G.L. c. 44, s. 10. Chapter 28, Section 25 of the Acts of 2023 amended the statute by adding a paragraph to provide for this.**

**Also keep in mind the levy limit. Proposition 21/2 places constraints on the amount of the levy raised by a city or town and on how much the levy can be increased from year to year.**

[G. L. c. 44, § 10](#)

- 24a. May the assessor commit a tax list to the collector before the bonds of the collector and town treasurer have been given?

**No. Assessors of a town shall not commit a tax list to the collector until the bonds of such collector and of the town treasurer have been given and approved as required by law.**

- 24b. One person holds the combined office of collector-treasurer in Anytown. Must they have two bonds?

**The person must have a bond for the collector's office and one for the treasurer's office. The bond is for the protection of the community.**

- 24c. Who pays for the bond, the treasurer-collector, or the municipality?

**The Municipality pays for the bond.**

- 24d. What about assistant collectors and assistant treasurers, must they be bonded as well?

**Yes must each be bonded.**

[G.L. c. 59, § 53](#)

[G.L. c. 60, § 13 \(Collector\)](#)

[G.L. c. 41, § 35 \(Treasurer\)](#)

[G.L. c. 41, § 46 \(Treasurer: Duties and Bond\)](#)

[G.L. c. 41, § 109A](#)

[G.L. c. 41, § 39A \(Assistant Treasurer\)](#)

[G.L. c. 41, § 39C \(Assistant Collector\)](#)

- 25a. Happyville has a policy of not accepting cash for payment of taxes or other obligations. Is this acceptable?

**This is an issue governed by laws other than municipal finances ones. As a matter of federal law, a town cannot refuse cash as payment for any bills. Under 31 U.S. Code § 5103, United States coins and currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks) are legal tender for all debts, public charges, taxes, and dues.**

- 25b. A disgruntled taxpayer in Happyville has resorted to bringing in several buckets of unrolled coins, especially pennies, to pay the taxes. This typically will occur just prior to close of business on a due date. What can the Happyville collector do?

**The tax collector is not obliged to accept payment in such form. Rather, DLS believes a collector may establish reasonable rules for the manner of accepting payments. A reasonable rule could include when paying in change to have the change wrapped by like type as opposed to loose, unwrapped change comprised mostly of unwrapped pennies. It may be deemed unreasonable to expect staff to accept such a payment just prior to closing time on the due date.**

**Another reasonable rule could be to require taxpayers making their payment all in change or a mix of cash and change to schedule an appointment in order to ensure for reasonable operation of the office and availability of staff to help with the counting.**

**Incidentally, DLS believes it is good practice for collectors who formulate rules concerning collection practices to post them in visible places in their offices.**

[31 U.S. Code § 5103](#)