



**November 21st,  
2019**

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**Important Dates  
& Information**

**Community  
Preservation Act  
(CPA) Amounts  
Posted**

The CPA statute, [M.G.L. 44B](#), provides a state match to eligible communities from the CPA Trust Fund. [The](#)

**By the Numbers**

*City & Town* provides updates on the progress of the tax rate and certification season while also allowing you to 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](#).

Prelim. Certifications Approved: 58

Final Certification: 44 (of 71 total)

LA4 Approved: 286 (306 submitted)

LA13/ New Growth Approved: 283 (303 submitted)

Tax Rates Approved: 97

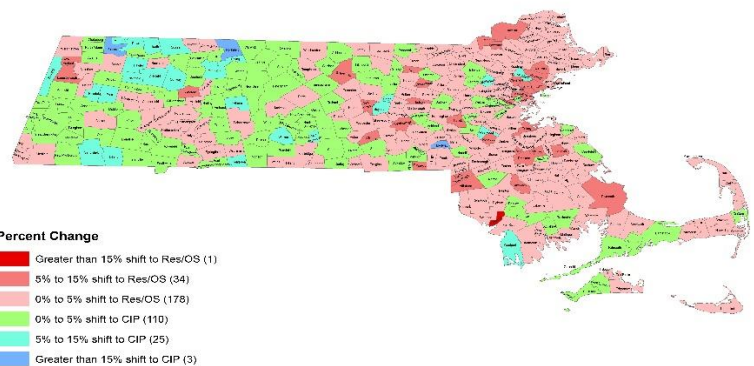
Balance Sheets Approved: 231

Total Aggregate Free Cash Approved: \$1,182,598,536

**A Look at Residential Value Increases**

**Paul Corbett - Bureau of Local Assessment Program  
Coordinator**

**6 Year Change in Residential vs CIP Values**



(To view a larger version of this map, [please click here](#).)

In many communities in Massachusetts, there has been a substantial increase in the sale prices of residential homes in the

## [Division of Local Services \(DLS\)](#)

released the FY2020 CPA state match to the 173 communities that have adopted the CPA surcharge.

The CPA allows a community to adopt a local surcharge of up to three percent that is added to real estate property tax bills. The purpose of the CPA is to help communities preserve open space and historic sites create affordable housing and develop outdoor recreational facilities. State match amounts can be found [here](#).

Please email [databank@dor.sate.ma.us](mailto:databank@dor.sate.ma.us) with any questions.

## **DLS at MMA**

We hope you'll visit the DLS booth (#715) at the 41st MMA Annual Meeting & Trade Show on January 24 & 25, 2020 at the Hynes Convention Center & Sheraton Boston Hotel! The MMA's annual Trade Show features more than 200 exhibitors offering the latest products and services of interest to the cities and towns of Massachusetts. We look forward to seeing you!

## **2019 "What's New in Municipal Law" Materials Now**

last several years. These increases not only pertain to single family homes, but also include multi-family homes. *Banker & Tradesman* (8/19/2019) reported that the median sale price of a single-family home in Massachusetts increased over 17% from \$365,000 in June 2015 to \$429,000 in June of 2019. The *Worcester Telegram & Gazette* (4/21/2019) reported that in Worcester County, "the median price of a two-family home hit \$233,750 at the end of 2018, up 38% from \$169,000 five years earlier. For three-family homes over the same period, the jump was 58% to \$300,000 at the end of 2018. The median price five years earlier was \$190,000."

The [DLS Municipal Databank](#) produces a report of assessment levels over the past six fiscal years (FY2014 -FY2019), grouped by major class. In other words, the report has the total assessed value of the Residential and Open Space (RO) classes and the total assessed value of the Commercial, Industrial and Personal Property (CIP) classes. The two totals (RO plus CIP) represent 100% of the taxable assessed value of the community. Both class totals are reported as a dollar amount and as a percentage of the total assessed value of the community. Considering the reported increases in sale prices of residential properties, let's examine assessment levels over a similar period.

The report shows a wide range of results. At one end of the spectrum, the small town of Florida (675 taxable parcels in FY2019) had a 28.8% shift in assessments to the CIP class in the last six fiscal years and the larger town of Medway (5,068 taxable parcels in FY2019) had a 17.4% shift to the CIP class. At the other end of the spectrum, Somerset (7158 taxable parcels in FY2019) had a 21% shift to the RO class and the small town of Whately (1162 taxable parcels in FY2019) had a 12.6% shift to the RO class over the same six fiscal years. During the same period, other communities have had little to no shift in value between the classes. For example, while the City of Boston has had rising sale prices and values in both RO and the CIP classes, there's only been a shift in assessed value of 1.6% to the RO class in the past six fiscal years.

Why are the differences so varied? Smaller communities are more likely to experience a shift in the assessed values between classes caused by just a few properties. A large new commercial or industrial property could produce a significant increase in the CIP class for that community. Even a moderate size community can experience an impactful shift in assessed values between classes, significantly influenced by changes to high value properties. In Somerset, a town of 7158 taxable parcels, the 21% shift to the RO class has largely been caused by the combination of the closing of two power plants, as well as increasing residential values during the six fiscal years included in the report. In that period, Somerset has lost \$208,514,825 in value in the CIP class, while gaining \$289,964,145 in value in the RO class. Larger communities are less likely to have a significant shift in value between classes caused by just a few properties. When there is a significant shift in value between classes in a larger community, it tends to be more indicative of a trend in the

## Available Online

Recently, the Division of Local Services (DLS) legal staff presented its annual "What's New in Municipal Law" seminars. We want to thank all the local officials and interested individuals who took the time to join us in both Holyoke and Randolph. For those unable to attend, please click here to view the [presentations](#). We hope you enjoyed the day.



## Other DLS Links:

[Local Officials Directory](#)

[Municipal Databank](#)

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

[Bulletins](#)

[Publications & Training Center](#)

[Tools and Financial Calculators](#)

market that affects values within a whole class.

A closer look at the Municipal Databank report shows that of the 28 communities that have had a 5% or greater shift in value to the CIP class in the past six years, 23 are smaller communities with less than 1 billion dollars in total taxable value. In the same six-year period, of the 38 communities that have had a 5% or greater shift in value to the RO class, 31 are moderate size or larger communities that range from \$1,167,873,673 (Boxborough) to \$15,941,086,982 (Quincy) in total taxable value. When there is a shift in the percentage of total taxable value between the property classes (RO and CIP), it affects the total amount of taxes paid by each class. The higher the percentage of total taxable value for a property class, the higher the amount of taxes paid by that class. Conversely, the lower the percentage of total taxable value for a class of property, the lower the amount of taxes paid by that class. For communities with a single tax rate, the percentage of total taxable value is equal to the percentage of the total property taxes paid by that class. For communities with a split tax rate, the percentage of total property taxes paid is affected by the amount of the shift in the tax rate from the RO class to the CIP class. However, a shift in the percentage of total taxable value between the classes still results in a change to the percentage of the total property taxes paid by each class.

Have residential value increases caused a significant shift in value to the RO class? The answer is, only in some communities. However, in communities that have experienced the largest shifts in the total taxable value to the RO class, the residential taxpayers are paying the largest increased percentage of the total property tax dollars. Whether residential values will continue to increase in Massachusetts in the future is unknown. However, it is clear, in many communities, residential value increases have caused a shift in the communities' total taxable value to the class, which has increased the tax burden shouldered by the residential class.

## Data Highlight of the Month: Commercial, Industrial and Personal Property Taxes (CIP)

Donnette Benvenuto - DLS Municipal Databank

Massachusetts municipalities may shift tax burden onto commercial and industrial properties by setting a CIP shift factor, which is a ratio between commercial, industrial, and personal (CIP) property tax rates and residential and open space (RO) tax rates. Communities with a CIP shift of 1.0 tax all property at the same rate, while communities with higher rates, today some as high as 1.75, tax CIP property at considerably higher rates than residential property. You can find CIP tax shift data [here](#).

The Data Analytics and Research Bureau has many reports related to Property Tax Data and Statistics found [here](#). Among the reports, you will find [Tax Rates by Class](#) from 2003 to present and [Assessed Values](#) for each class into the 1980's. Another great tool to utilize is the [Community Comparison Report](#). With this report, users can create a snapshot to compare their community to others. In the report, CIP and Assessed Value Data would be found under the Values by Class tab.

For more information or help using any of our reports, contact us directly at [databank@dor.state.ma.us](mailto:databank@dor.state.ma.us) or (617) 626-2384.

## November Municipal Calendar

- |    |                       |                                                                                                                                                                                                                                                                                                                                                                         |
|----|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Taxpayer              | <b>Semiannual Tax Bills - Deadline for First Payment</b><br>Per <a href="#">M.G.L. c. 59, §§ 23D and 57</a> , this is the deadline to pay the first actual or optional preliminary tax payment without interest in a semiannual community that mailed tax bills by October 1. If the bills were mailed after October 1, the deadline is 30 days after the mailing date. |
| 1  | Taxpayer              | <b>Semiannual Tax Bills – Deadline for Property Tax Abatement Application</b><br>Per <a href="#">M.G.L. c. 59, § 59</a> , applications for abatement are due on the same date as the first actual tax installment for the year.                                                                                                                                         |
| 1  | Taxpayer              | <b>Quarterly Tax Bills - Deadline for Paying 2nd Quarter Tax Bill</b><br>Per <a href="#">M.G.L. c. 59, § 57C</a> , this is the deadline to pay the 2nd quarter tax payment without interest.                                                                                                                                                                            |
| 1  | Selectmen & Assessors | <b>Hold Classification Hearing (recommended date)</b><br>The Board of Selectmen holds a public hearing at which the Assessors present information to assist it in determining whether to apply uniform or different tax rates to the various classes of real and personal property.                                                                                     |
| 30 | Accountant            | <b>Deadline to Submit Schedule A</b><br>Failure to file Schedule A to BOA by November 30 may result in the withholding or forfeiture of state aid.                                                                                                                                                                                                                      |
| 30 | Assessors             | <b>Submit Tax Recap and all Schedules to BOA</b>                                                                                                                                                                                                                                                                                                                        |
| 30 | State Treasurer       | <b>Notification of Monthly Local Aid Distributions</b> , see <a href="#">IGR 17-17</a> for more cherry sheet payment information, monthly breakdown by program is available <a href="#">here</a> .                                                                                                                                                                      |

## December Municipal Calendar

1 Water/Sewer  
Commissioners

**Deadline for Betterments to be included on Next Year's Tax Bill** ([M.G.L. c. 80, § 13](#); [c. 40, § 42I](#) and [c. 83, § 27](#))

1 Assessors

**Mail 3ABC Forms to Charitable Organizations and Forms of List to Personal Property Owners**

1 Collector

**Deadline for Mailing Actual Tax Bills**

Quarterly and semiannual communities issuing annual preliminary tax bills mail actual tax bills by this date. Quarterly communities can include actual bills for the 3<sup>rd</sup> and 4<sup>th</sup> quarters in a single mailing.

To view the municipal calendar in its entirety, please [click here](#).

**Editor:** Dan Bertrand

**Editorial Board:** Sean Cronin, Donnette Benvenuto, Linda Bradley, Paul Corbett, Theo Kalivas, Ken Woodland 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).

To unsubscribe to *City & Town* and all DLS alerts, email [dls\\_alerts@dor.state.ma.us](mailto:dls_alerts@dor.state.ma.us).