

A Publication of the Massachusetts Department of Revenue's Division of Local Services



March 4th, 2021

Better Than Average?

Sean Cronin - Senior Deputy Commissioner of Local Services



I hope you're all doing well during these immensely challenging times! Every year, we publish an article in *City & Town* calculating and analyzing the average single-family tax bill. Historically, it's one of our most popular pieces as it presents data and information from a statewide perspective. Below you'll find our most recent version for FY2021 and we hope you enjoy it.

In this edition:

- **Better Than Average?**
- **FY2021 Average Single-Family Tax Bills**
- ***Ask DLS: Community Preservation Act - Part 9***
- **Public Health Excellence Grant Program for Shared Services**

As we present this article, we're aware that our existing approach isn't perfect. Communities with the residential exemption and/or the new senior residential exemption (done via special acts) aren't included in our analysis because we don't possess the data necessary to calculate their average. In fact, we often debate the merits of utilizing an average versus a median on a regular basis and the use of single-family homes as an accurate reflection of residential housing metrics across the Commonwealth.

Therefore, we'd like to request your feedback regarding our average single-family tax bill data and ways we could improve it. One idea we've batted around internally is the concept of the median residential tax bill, since (1) the median of actual tax bills is a better indicator and (2) in some communities there are parcel types other than single-family homes (e.g., condos) that make up a large portion of the residential class. In order to use that metric, however, we

Important Dates & Information

IGR Regarding 2021 Land of Low Value Limit

The Division of Local Services' Bureau of Municipal Finance Law has issued [Informational Guideline Release \(IGR\) 2021-2](#) containing the Calendar Year 2021 Adjustment In Land of Low Value Foreclosure Valuation Limit.

To review other recent DLS Bulletins and Informational Guideline Releases, please see [this page](#) on the DLS website.

DLS at MMA Annual Meeting

In January, DLS joined ANF Secretary Heffernan and DOR Commissioner Snyder for an "Economic and Fiscal Outlook" workshop at the 2021 Massachusetts Municipal Association's Annual Meeting. To view presentations from the Commissioner, DLS Senior Deputy Commissioner Sean Cronin and Chief of the Bureau of Local Assessment Joanne Graziano, please [click here](#).

would need each municipality to provide that information to DLS annually as part of the tax rate setting process using the locally-housed CAMA system and tax bill file. We'd very much like to hear your thoughts about this or any other related approach as part of our effort to improve our annual piece regarding tax bills. Please feel free to email me directly at croninse@dor.state.ma.us. Thank you and enjoy this edition of *City & Town*!

FY2021 Average Single-Family Residential Property Tax Bills Andrew Nelson – BOA Worcester Office Supervisor

The state average single-family tax bill for FY2021 as of March 3, 2021 is \$6,374, an increase of \$197 (3.2%) from FY2020. In addition, the average value of a single-family home is \$468,034, an increase of \$14,866 (3.3%) from FY2020. These figures are based on data submitted by 322 of the Commonwealth's 351 cities and towns to the Division of Local Services (DLS).

So far in FY2021 for the 322 communities, single-family residential values statewide represent 75% of all residential assessed values and 64% of state-wide assessed values in all property classes. Analysis of data for this article is limited to single-family properties. It does not include condominiums, multi-family homes or apartment buildings. It also excludes 15 communities for which a residential exemption was adopted, data for seven communities for which no FY2021 tax rate has been set as of the drafting of this article, and seven communities where a special act authorized a means-tested senior citizen property tax exemption.

State Total

Calculation of the state total presumes that Massachusetts is one local governmental entity for which such a bill would be determined, not the median of all single-family tax bills.

Chart 1 presents the calculation of state totals for the 10-

IGR Regarding Betterments and Special Assessments

The Division of Local Services' Bureau of Municipal Finance Law has issued [Informational Guideline Release \(IGR\) 2021-1](#) containing guidance regarding Betterments and Special Assessments.

To review other recent DLS Bulletins and Informational Guideline Releases, please see [this page](#) on the DLS website.

Final 2020 Equalized Valuations (EQVs)

The Bureau of Local Assessment issued the final 2020 Equalized Valuations (EQVs), representing the full and fair cash value of all taxable property for each municipality as of January 1, 2020 to the DLS Gateway [website](#).

Access can be made directly from the Gateway landing page, by clicking on [LA19 Equalized Valuation Report](#).

Proposed FY22 State Owned Land Valuation

year period from FY2012 to FY2021. As you might expect, the state average for the single-family tax bill has annually increased over this time. In addition, the chart shows the average value for all single-family properties. From FY2012 to FY2014 the average value decreased by 1.3%, but from FY2014 to FY2021 it increased 32.2%. Overall, for the time shown, the average value increased by 30.5%.

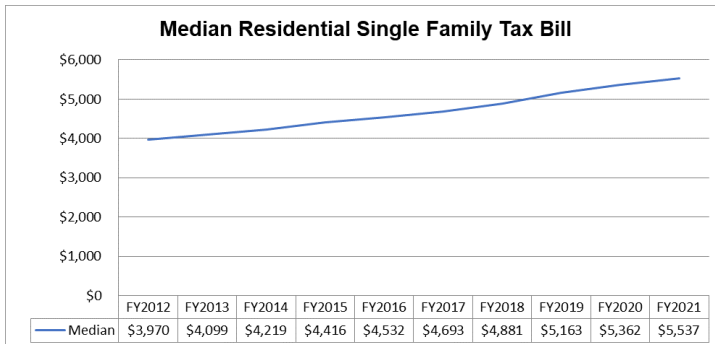
Chart 1

Fiscal Year	Assessed Value	Parcels	Average Value	Single Family Tax Bill	# of Cities/Towns Included	\$ Inc from Prior FY	% Inc from Prior FY
2012	466,850,381,371	1,301,555	358,687	4,711	338		
2013	462,237,531,334	1,304,680	354,292	4,846	338	135	2.9
2014	461,187,439,546	1,302,300	354,133	4,993	337	147	3.0
2015	480,650,617,021	1,306,229	367,968	5,187	337	194	3.9
2016	499,499,056,215	1,308,923	381,611	5,391	336	204	3.9
2017	521,365,872,829	1,311,830	397,434	5,587	336	196	3.6
2018	541,778,926,951	1,307,322	414,419	5,792	334	205	3.7
2019	566,590,120,180	1,303,528	434,659	5,993	332	201	3.5
2020	588,283,089,532	1,298,158	453,168	6,177	330	184	3.1
2021	598,671,123,561	1,279,118	468,034	6,374	322	197	3.2

Median of Community Averages

Graph 1 shows the median or midpoint of the average single-family tax bill for all communities from FY2012 to present. For FY2021 this median tax bill of \$5,537 represents an increase over FY2020 by \$175 or 3.3%.

Graph 1



For the seven communities without an FY2021 tax rate and not represented in Graph 1, only one in FY2020 averaged above the \$5,537 median tax bill calculated thus far for FY2021. If FY2020's medians prove true once again for these seven communities, the FY2021 median for all 329 communities would drop by \$117.

The Division of Local Services has posted on its website proposed FY2022 state owned land values based on the fair cash value of certain state owned lands (SOL) pursuant to [MGL Ch. 58, §§ 13-17](#). These lands are reimbursed for loss of local tax revenue on the Cherry Sheet's State-Owned Land line.

Click [here](#) to display the proposed municipal state-owned land values and their share of the total state-owned land. For additional information, please view the [Frequently Asked Questions](#) about this program.

Massachusetts Dredging Program Grants

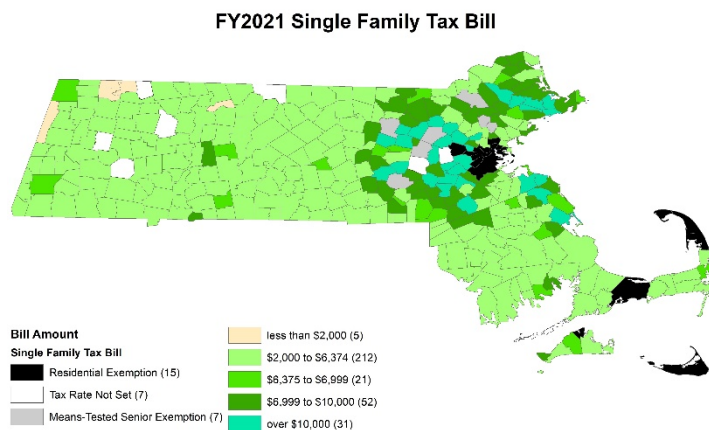
In February, the Executive Office of Housing and Economic Development will open the 2021 grant round of the [Massachusetts Dredging Program](#), the Commonwealth's first standalone grant program with focused funding to support saltwater dredging. One-year construction grants will be competitively awarded with a focus on shovel-ready projects that contribute to the economic

Average by Community

DLS calculates a community's average single-family residential property tax bill by:

- dividing the single-family (property type class 101) assessed values by the number of single-family parcels to determine an average assessed value for the class;
- multiplying the average assessed value by the community's residential tax rate as certified by the Bureau of Accounts for that fiscal year.

The following maps provide a visual representation of the FY2021 community averages across Massachusetts as well as their dollar changes from FY2020.



This map shows how most of the communities in the western and central parts of Massachusetts have average tax bills at or less than the state average of \$6,374. The map also shows a cluster of communities with average tax bills over \$10,000, mostly west of Boston. For a larger version of this map, including community names, [click here](#).

Dollar Changes from FY2020

significance, recreational value, public safety, and/or coastal resilience of Massachusetts' coastal harbors. All 78 Massachusetts coastal municipalities are eligible to apply. Applications are anticipated to be due in mid-March. Watch for details at [How to Apply](#).

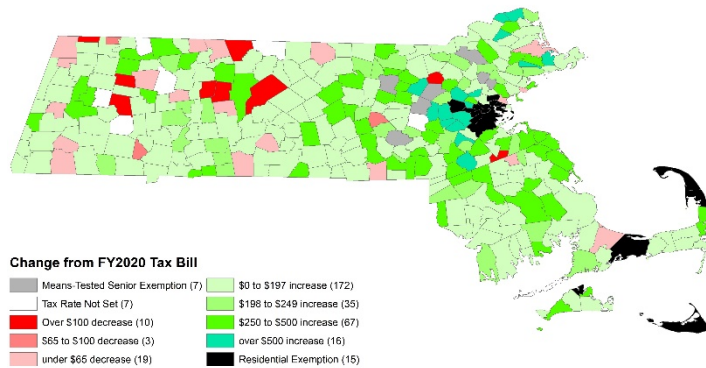
Housing Choice Initiative: Preliminary Guidance for MBTA Communities

Preliminary Guidance for MBTA Communities is posted [here](#) in response to changes in the Zoning Enabling statute (chapter 40A) enacted as part of the Economic Development Bond Bill and briefly described below.

The new section 3A of the Zoning Act states that an MBTA community shall have at least one zoning district of reasonable size in which multi-family housing is permitted as of right and meets other criteria set forth in the statute:

- Minimum gross density of 15 units per acre
- Not more than ½ miles from a

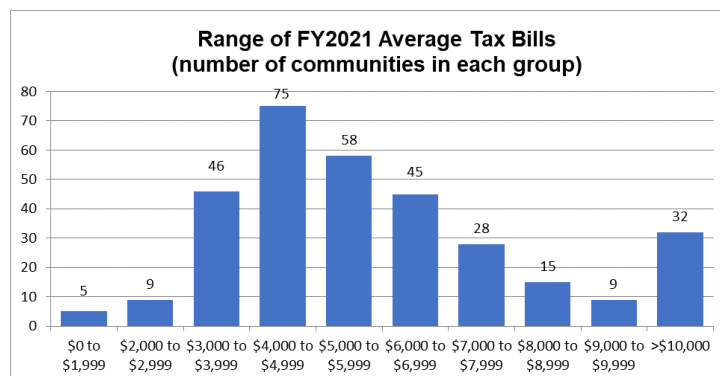
FY2021 Single Family Tax Bill



In FY2021, 290 communities increased their average tax bill from the previous fiscal year in amounts ranging from \$1 (Hadley) to \$1,175 (Belmont). Several communities maintained or decreased in the average tax bill from FY2020. 31 communities' bills decreased ranging from \$9 in Ashburnham to \$311 in Shutesbury. The median for all communities that decreased their average tax bill was \$54. For a larger version of this map, including community names, [click here](#).

In Graph 2, 75 communities possess FY2021 average single-family property tax bills in the \$4,000 to \$4,999 range followed by 58 in the \$5,000 to \$5,999 range.

Graph 2



Graph 3 displays the number of communities by percentage change in the average tax bills from FY2020 to FY202. Two communities' average bill decreased 5% to 6% and in 71 communities we see the average bill increase 2% to 3%.

commuter rail station, subway station, ferry terminal or bus station, if applicable

- No age restrictions
- Suitable for families with children.

The statute requires DHCD to issue guidelines that define compliance with this new section of the Zoning Act. Compliance criteria will be developed in consultation with affected MBTA communities and other stakeholders.

For purposes of EOHED and DHCD grant programs, MBTA communities will be deemed to be in compliance with this new section until more detailed compliance criteria have been established.

All communities are eligible to apply for MassWorks or the Housing Choice Capital Grants Program in the upcoming 2021 grant cycle.

Cybersecurity and IT Health Check Programs

The Office of Municipal and

For the 31 communities with decreases in the bill, their median percentage decrease was 0.8%. For the 290 communities with an increase in the average bill, the median percentage increase was 3.3%.

Graph 3

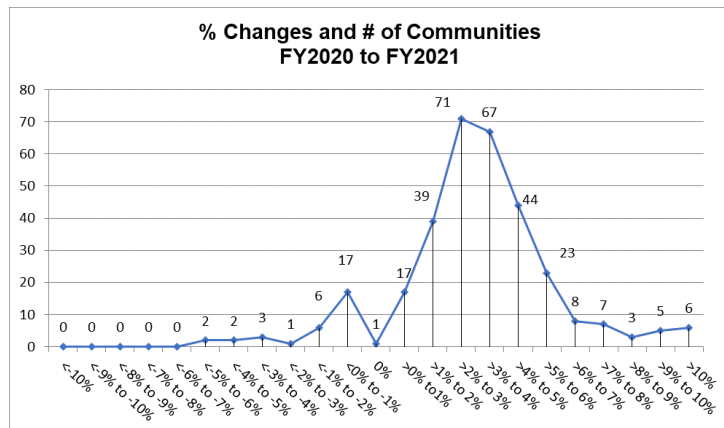


Chart 2 contains the 10 highest and 10 lowest FY2021 average single-family residential property tax bills in descending order.

Chart 2

Highest and Lowest Single Family Residential Property Tax Bills					
Highest 10			Lowest 10		
Weston	\$21,648	Dover	\$15,923	North Adams	\$2,890
Lincoln	\$18,333	Belmont	\$15,305	Tolland	\$2,889
Sherborn	\$16,593	Carlisle	\$15,164	Windsor	\$2,821
Wellesley	\$16,284	Winchester	\$15,035	Florida	\$1,433
Lexington	\$16,241	Wayland	\$14,818	Otis	\$2,766
				Rowe	\$1,166
				Savoy	\$2,487
				Hancock	\$764

Statewide Trend in Current and Constant Dollars

Chart 3 displays the state total and median of community averages in current dollars as presented earlier in this article in relation to a constant dollar which controls for inflation. The chart shows that both the state total and the median of community average dollar amounts have outpaced the rate of inflation over the time shown. Note that the state total for current dollars is always more than the median for current dollars. Both dollar amounts may be compared

School Technology has announced the following programs available to Massachusetts municipalities and schools. If you have any questions, please contact

Catherine.Marques@mass.gov

[v](#)

[Cybersecurity Health Check](#)

The Cybersecurity Health Check Program provides opportunities for local government to access basic cyber security services at no cost.

These services can be a good first step in discovering, assessing and identifying cybersecurity gaps that could impact IT systems that support essential business functions. This is a rolling application.

[IT Health Check](#)

An IT Health Check is a high-level assessment of current IT assets. A Health Check can be a good first step in discovering, assessing and identifying gaps that could impact IT systems that support essential business functions.

The discovery will results in a completed score card that

respectively to prior fiscal years but are not comparable to each other.

Chart 3

	State Total				Median of Community Averages			
	Current Dollars	Constant Dollars	\$ Variance	% Variance	Current Dollars	Constant Dollars	\$ Variance	% Variance
FY2012	\$4,711	\$4,581			\$3,970	\$3,884		
FY2013	\$4,846	\$4,645	\$201	4%	\$4,099	\$3,938	\$161	4%
FY2014	\$4,993	\$4,719	\$274	5%	\$4,219	\$4,001	\$218	5%
FY2015	\$5,187	\$4,748	\$439	8%	\$4,416	\$4,025	\$391	9%
FY2016	\$5,391	\$4,819	\$572	11%	\$4,532	\$4,086	\$446	10%
FY2017	\$5,587	\$4,939	\$648	12%	\$4,693	\$4,188	\$505	11%
FY2018	\$5,792	\$5,102	\$690	12%	\$4,881	\$4,326	\$555	11%
FY2019	\$5,993	\$5,199	\$794	13%	\$5,163	\$4,408	\$755	15%
FY2020	\$6,177	\$5,257	\$920	15%	\$5,362	\$4,457	\$905	17%
FY2021	\$6,374	\$5,314	\$1,060	17%	\$5,537	\$4,506	\$1,031	19%

(Note: Constant Dollar amounts apply the CPI for all Urban Consumers –Boston and includes a 1.1% estimated inflation factor for FY2021.)

The Residential Exemption Communities

Communities that adopted a residential exemption or senior means-tested exemption in any fiscal year are not included in either the state total or median averages as DLS does not receive sufficient information to properly perform the calculation.

For 15 communities that adopted the residential exemption in FY2021, Chart 4 estimates the FY2021 dollar impact of the residential exemption on single family residential properties valued at their break-even point. The break-even point, or point of benefit-neutral assessment, is that point of assessed valuation less the exemption at which the tax burden for residential class properties begins to shift, i.e. when the residential class property taxpayer begins to pay less or more property tax than if the exemption wasn't voted at all. The impact column shows, all else being equal, how much more this property would pay if it was not eligible for the exemption.

Visit the [DLS Municipal Finance Training and Resource Center](#) to view a video explaining why a city or town might consider adopting a residential exemption, and showing how to calculate the exemption and break-even point. Click [here](#) to view the video.

will identify the current state of critical IT systems, and platform and vendor agnostic suggestions. This is a rolling application.

DLS Links:

[COVID-19 Resources and Guidance for Municipal Officials](#)

[Events & Training Calendar](#)

[Municipal Finance Training and Resource Center](#)

[Local Officials Directory](#)

[Municipal Databank](#)

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

[Bulletins](#)

[Publications & Training Center](#)

[Tools and Financial Calculators](#)



Chart 4

Community	Residential Exemption Percentage Voted	\$ Impact of Exemption on FY2021 Assessed Value	Community	Residential Exemption Percentage Voted	\$ Impact of Exemption on FY2021 Assessed Value
Barnstable	20%	\$987	Provincetown	25%	\$1,241
Boston	35%	\$3,153	Somerville	35%	\$3,455
Brookline	21%	\$2,965	Tisbury	18%	\$1,578
Cambridge	30%	\$2,531	Truro	20%	\$986
Chelsea	35%	\$2,609	Waltham	35%	\$2,609
Everett	25%	\$1,379	Watertown	25%	\$2,247
Malden	30%	\$2,322	Wellfleet	20%	\$878
Nantucket	25%	\$1,898			

For more information on the state total, average bills for communities and statewide rankings, please visit the [DLS Databank](#).

Ask DLS: Community Preservation Act - Part 9

This month's *Ask DLS* features Part 9 of frequently asked questions concerning the Community Preservation Act (CPA) and CPA funding for eligible recreation projects. Additional questions about the CPA will be featured in future editions of *City & Town*. For Part 8 of the series, see the [February 4, 2021 edition of City & Town](#). For additional information on the Community Preservation Act, see [Informational Guideline Release \(IGR\) 19-14](#). 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.

In general, what community preservation projects are eligible for funding under the CPA?

There are three community preservation project or asset categories: (1) open space (including land for recreational use); (2) historic resources; and (3) community housing. Under [G.L. c. 44B, § 5\(b\)\(2\)](#), CPA funds may be appropriated, on the recommendation of the Community Preservation Committee, “for the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use.” These FAQs will discuss eligible “land for recreational use”



projects.

What is the definition of “recreational use?”

“Recreational use” is defined in [G.L. c. 44B, § 2](#) as “active or passive recreational use including, but not limited to, the use of land for community gardens, trails, and noncommercial youth and adult sports, and the use of land as a park, playground or athletic field. ‘Recreational use’ shall not include horse or dog racing or the use of land for a stadium, gymnasium or similar structure.” This CPA definition limits “recreational use” to an outdoor recreational pursuit.

For what purposes may CPA funds be spent regarding recreational use?

The CPA clarifies allowable community preservation project expenditures through its definitions which are found in [G.L. c. 44B, § 2](#). As a result, the CPA definitions should always be reviewed when determining if an expenditure is allowable.

Acquisition, creation, and preservation - CPA funds may be spent for the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use.

“Acquisition” is defined in [G.L. c. 44B, § 2](#) as “obtain[ing] by gift, purchase, devise, grant, rental, rental purchase, lease or otherwise.” “Acquire” does not include a taking by eminent domain, except as provided under [c. 44B](#).

“Creation” - There is not a specific definition of “creation” under the CPA; however, “creation” was defined by the court for CPA purposes in the case of [Seideman v. City of Newton, 452 Mass. 472 \(2008\)](#) to mean “to bring into being or to cause to exist.”

“Preservation” is defined under [G.L. c. 44B, § 2](#) as “protection of personal or real property from injury, harm or destruction.”

“Rehabilitation” is defined under [G.L. c. 44B, § 2](#) as “capital

improvements, or the making of extraordinary repairs, to historic resources, open spaces, lands for recreational use and community housing for the purpose of making such historic resources, open spaces, lands for recreational use and community housing functional for their intended uses including, but not limited to, improvements to comply with the Americans with Disabilities Act and other federal, state or local building or access codes; provided, that with respect to historic resources, "rehabilitation" shall comply with the Standards for Rehabilitation stated in the United States Secretary of the Interior's Standards for the Treatment of Historic Properties codified in 36 C.P.R. Part 68; and provided further, that with respect to land for recreational use, "rehabilitation" shall include the replacement of playground equipment and other capital improvements to the land or the facilities thereon which make the land or the related facilities more functional for the intended recreational use.

"Restoration" is not defined under the CPA and we are not aware of any cases defining "restoration" in the CPA context. In the absence of such an interpretation, we look to the usual and generally understood meaning of words from sources known to the legislature, such as use in other legal contexts and dictionary definitions. See [Seideman v. Newton, 452 Mass. 472, 477-478 \(2008\)](#). At webster-dictionary.org, "restoration" is defined as "the act of restoring or bringing back to a former place, station, or condition."

What are some examples of allowable and ineligible "land for recreational use" CPA projects?

Creation of land for recreational use - Funding for the construction of non-commercial athletic fields, outdoor tennis and basketball courts, golf courses and outdoor swimming pools on municipal land is allowable as creation of lands for recreational use.

Creation of land for recreational use - Funding for the installation of soccer fields, including water lines for irrigation, on land owned by a private boosters club is

allowable provided the municipality obtains and records a public recreational use restriction and easement commensurate with its expenditure of CPA funding. Here, if the municipality had not required a public recreational use restriction and easement for the public's use in exchange for the CPA funding, the expenditure would likely violate the **Anti-aid Amendment** to the Massachusetts Constitution, *Mass. Const. Amend. Article 42, § 2, as amended by Article 103*. See [Commonwealth v. School Comm. of Springfield](#), 382 Mass. 665, 675 (1981) and [Caplan v. Town of Acton](#), 479 Mass. 69 (2018) for a discussion of the three-factor test that the courts have established to determine allowable expenditures of public funds under the Anti-aid Amendment. A grant agreement with the grant recipient should also be required to ensure grant funds are expended for the approved CP purpose.

Creation of land for recreational use - Funding for construction (creation) of a new indoor community recreational facility or to rehabilitate an existing indoor community recreational facility is not allowable because an indoor community recreational facility is not within the CPA definition of "recreational use" as it houses indoor recreational uses and is similar to a gymnasium. [G.L. c. 44B, § 2](#).

Creation of land for recreational use - Funding for feasibility studies or engineering or other studies for a new indoor community recreational facility or for rehabilitation of an existing indoor community recreational facility is **not** allowable because the project itself is not eligible for CPA funding. Nor would funding for such studies be allowable under the CPC's administrative and operating budget to enable the CPC to determine whether to recommend funding for the project because the project itself is not eligible for funding under the CPA. If the project itself is not eligible for CP funding, then funding to study or plan the project is also not allowable.

Rehabilitation of land for recreational use includes "capital improvements" (defined in [G.L. c. 44B, § 2](#) as

“reconstruction or alteration of real property that: (1) materially adds to the value of the real property or appreciably prolongs the useful life of the real property; (2) becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself; and (3) is intended to become a permanent installation or is intended to remain there for an indefinite period of time.”) or extraordinary repairs for the purpose of making the lands for recreational use functional for their intended uses. As a result, allowable CPA rehabilitation includes the following improvements to municipally-owned land - installation of trails for walking, hiking, horseback riding or skiing; installation of water lines and pathways in community gardens; installation of irrigation lines for athletic fields; and installations or replacements of outdoor playground equipment. The purchase of tennis rackets, basketballs, golf carts and other recreational equipment is not allowable because the expenditures are not capital improvements and do not acquire, create, preserve, rehabilitate or restore any land for recreational use.

Rehabilitation - The installation of restrooms for the use of a municipally-owned outdoor recreational facility such as athletic fields or a swimming pool is allowable as rehabilitation of land for recreational use, provided the restrooms make the land or related recreational facilities more functional for the intended outdoor recreational use. However, the use of CPA funding for the installation of restrooms in a building or facility that primarily serves purposes unrelated to outdoor recreational purposes is not allowable.

Acquisition, Creation and Rehabilitation of recreational property - Funding is allowable for the rehabilitation (capital improvements or extraordinary repairs) of an outdoor swimming pool owned by a private nonprofit organization provided the municipality obtains and records a public recreational use restriction and easement for the public’s use of the swimming pool. See above discussion regarding the ***Anti-aid Amendment to the Massachusetts Constitution***.

A grant agreement with the grant recipient should also be required to ensure grant funds are expended for the approved CPA purpose.

Stay tuned for next month's *City & Town* for Part 10 in our FAQ series on the CPA where we will discuss allowable community housing projects. For more information see [Informational Guideline Release \(IGR\) 19-14](#).

Public Health Excellence Grant Program for Shared Services Department of Public Health

The Massachusetts Department of Public Health (DPH) released a Request for Responses (RFR) for the *Public Health Excellence Grant Program for Shared Services* earlier this week. The program is funded by a line item in the FY2021 state budget (4512-2022; \$10M) for grants to local and regional boards of health. The RFR and other materials can be found by clicking [here](#).

The program represents an important step forward in implementing the recommendations of the Special Commission on Local and Regional Public Health. The Commission released its final report in June 2019 – [Blueprint for Public Health Excellence: Recommendations for Improved Effectiveness and Efficiency of Local Public Health Protections](#). As noted in the report, Massachusetts and national evidence supports cross-jurisdictional sharing of public health services as a means to improve effectiveness and efficiency. In working together, municipalities will be better able to meet statutory requirements, respond to public health emergencies, and plan public health improvements. The *Public Health Excellence Grant Program* is designed to address the Commission's recommendation to increase the number and scope of public health shared services arrangements in the Commonwealth.

Only municipalities, federally recognized tribes, or regional planning agencies/regional government councils

representing local boards of health are eligible to receive these grant funds. DPH anticipates awarding approximately 30 contracts with an annualized amount of up to approximately \$300,000 each. Proposals are due on April 1, 2021 at noon. A bidders conference will take place on Thursday, March 11th at 3 p.m. by webinar. Bidders conference registration is available [here](#).

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Contact *City & Town* with questions, comments and feedback by emailing us at cityandtown@dor.state.ma.us.

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