



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Geoffrey E. Snyder  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

To: City, Town, and District Clerks  
From: Deborah A. Wagner, Director of Accounts  
Date: June, 2024

This letter is to remind you of important reporting duties required by G.L. c. 41, § 107, G.L. c. 44, § 28, G.L. c. 59, § 21D and G.L. c. 71, § 16B and certain other matters. The purpose of these requirements is to ensure that the Division of Local Services (DLS) has current information regarding borrowing, Proposition 2½ referendum questions, and city/town council or town meeting appropriations. This information is critical in our efforts to maintain complete and accurate records of indebtedness and in our review to certify tax rates.

### **DLS Training and Resource Survey**

DLS has prepared a brief [survey](#) which will help us learn about your experience using the division's training resources and assist DLS with prioritizing and publishing future training resources. We greatly appreciate it if you could take a few minutes to complete it.

### **Mail**

Please do not mail items to the Division. Please contact your Bureau of Accounts (BOA) Field Representative if you are unsure of where to electronically send a communication.

### **Borrowing Authorizations**

Clerks (including regional school district personnel) are required to send certified copies of all debt authorizations to the Director of Accounts **within 48 hours** after the vote becomes effective.

The votes must be declared passed by a unanimous vote or an actual counted 2/3rds majority or by a "declared 2/3rds majority." If a vote is contingent upon a Proposition 2½ debt exclusion, it does not become effective until the exclusion is approved by the voters. Certified election results for the debt exclusion must also be submitted with a contingent vote to authorize debt.

DA-82 Loan Authorization Report. In addition to the statutory reporting requirements, the Bureau of Accounts requires form DA-82 except from cities. The purpose of the DA-82 is to ensure that debt authorizations occurred at a duly called, valid town or district meeting that complied with charter, by-law and other legal requirements. [Form DA-82](#) can be found on the Bureau of Accounts' website.

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**Please email the DA-82 with the certified votes to [municipaldebt@dor.state.ma.us](mailto:municipaldebt@dor.state.ma.us).  
Please do not mail these forms.**

### **City/Town Council and Town Meeting Action**

City/Town Clerks must report all Town Meeting or City/Town Council appropriation votes in the appropriate column of page 4 of the tax rate or pro forma recapitulation form. This can be done as soon as the votes are taken.

Under G.L. c. 71, §16 and [Department of Elementary and Secondary Education regulations](#), when the regional school assessment of a member city or town is reduced below the amount the member appropriated for the assessment, the appropriation is automatically reduced by law. Clerks should report this reduction as a negative amount in the appropriate column of the tax rate or pro forma recapitulation form, page 4.

Rescission of appropriations from the FY2024 tax levy since the FY2024 tax rate was set should be reported on the FY2025 tax rate recap first as the initial appropriation made followed by a negative for the same amount. In this way, FY2025 action will not be affected. For example, if a vote was taken to appropriate \$50,000 for the clerk's salary for FY2024, and subsequent to the setting of the FY2024 tax rate a vote was taken rescinding \$10,000 of that amount, the FY2025 tax rate recap, page 4, would show the vote by indicating in the raise and appropriate column a vote of \$10,000 and a rescission of \$10,000 by showing the amount as a negative number, for a net effect of \$0 to the FY2025 tax rate.

End of year appropriation transfers made via the alternative method detailed in DLS Informational Guideline Release [\(IGR\) 17-13](#) should not be reported to the Bureau of Accounts on the tax rate or pro forma recapitulation form.

Please see Attachment 1 for examples on how to report tax rate recap page 4 appropriations.

### **Clerk's Certification of the Classification Hearing**

The clerk has various signatory responsibilities regarding the tax rate recap forms.

We no longer require that the Clerk's Certification of Vote form be completed by the clerk and uploaded to the LA-5 in Gateway. The attestation language for the clerk's signature on the LA-5 itself has been revised. The attestation now indicates that the classification hearing was held pursuant to a properly posted meeting in compliance with the Open Meeting Law, and that the residential factor and percentages so adopted at that meeting are properly set forth on the LA-5.

### **Proposition 2 1/2 Ballot Questions**

Proposition 2 ½ ballot votes must be entered by the city or town clerk in Gateway. A [webinar](#) was held to explain the process to enter these votes in Gateway and the related

[presentation slides](#) are also available. For questions on this process, please contact [dlsgateway@dor.state.ma.us](mailto:dlsgateway@dor.state.ma.us).

All proposition 2 ½ ballot votes must be entered in Gateway, regardless of win or loss. Also, we ask that the form of ballot question votes indicate dollar amounts rounded to whole dollars, as the levy limit form will not accommodate decimals.

### **Votes to Reduce the Tax Rate**

We have seen multiple instances of amounts voted to reduce the tax rate are recorded on tax rate recap page 4. The correct placement on the tax rate recap of any vote taken to reduce the tax rate is tax rate recap page 2, part IIIId. on the applicable line.

### **Local Options**

Please send any local option votes that require notification to DLS (e.g. adoption of the Community Preservation Act, quarterly tax billing, meals excise, room occupancy excise, and marijuana excise) to the Data Analytics and Resources Bureau at [databank@dor.state.ma.us](mailto:databank@dor.state.ma.us).

### **Affidavit as to Time of Sending Tax Bills ([State Tax Form 214](#))**

The Collector should keep this affidavit in their office records and file a copy with the Clerk. Please do not send a copy to the Bureau of Accounts unless requested by the Director.

### **Oath of Office**

The city/town clerk gives the oath of office to newly elected and appointed officials and re-elected and re-appointed officials, including those elected to the selectboard and city council, as mayor, and those appointed or elected as treasurer, collector, assessor, accountant, or auditor. The person must be sworn before performing official duties. G.L. c. 41, § 107.

For example, a community may engage the services of a firm to provide accounting services; however, an individual must be appointed and sworn to the faithful performance of the official duties of the office of accountant, including signing: (1) warrants for the payment of bills under G.L. c. 41, § 56; and (2) page 3 of the Tax Rate Recap form in DLS's Gateway. See G.L. c. 41, § 55.

After giving the oath, the clerk should then update the DLS Local Officials Directory.

### **Notifications**

DLS has expanded and refined automatic notifications of Bureau approvals, including immediate e-mail notifications of free cash certification. These notifications are sent to e-

mail addresses in the Local Officials Directory, which local finance officials should check for accuracy. In some cases, local network firewall settings have resulted in non-delivery of these e-mail messages. Local officials should work with their Information Technology staff to ensure that messages sent by the Division are not blocked or considered SPAM since the Division relies on e-mail to deliver legally required notifications.

### **Division of Local Services Website**

All IGRs, Bulletins, Local Finance Opinions (LFOs) and other publications issued by DLS can only be found on our website at [www.mass.gov/dls](http://www.mass.gov/dls). You can search for current IGRs, Bulletins and LFOs in the [DLSLAW Library](#).

The [Municipal Finance Trend Dashboard](#) visualizes key municipal fiscal health indicators over a period of time. The five categories of metrics include operating position, property taxes, revenues/expenditures, debt, and demographics.

Please visit the [Data Analytics and Visualizations](#) section of our website where you will find many interesting visualizations, including [Free Cash Use](#), [Trends in Local Receipts](#), and the [Municipal Financial Self-Assessment](#). The [Free Cash Proof Comparison](#) report on the Gateway landing page shows municipalities where their free cash is generated for the past two years. This trend report will add additional fiscal years as free cash certification is completed.

[The DLS Municipal Finance Training and Resource Center](#) has many educational resources for all local officials.

*New* – Over the past year, DLS has added [training materials](#) specific to city and town clerks to our Municipal Finance Training and Resource Center. We hope you find these resources helpful in the conduct of your important responsibilities.

### **DLS Mailing List Subscription**

To subscribe to automatic notification of IGRs, Bulletins, *City & Town* e-newsletter, Cherry Sheets, Alerts, and other DLS publications and information, please click [here](#).

Thank you for your assistance with these important matters. If you have any questions, please do not hesitate to contact DLS.

# Attachment 1

## HOW TO REPORT?

1. **AMENDING FINANCING SOURCES.** At 5/15/2024 ATM, the town votes to appropriate \$50,000,000 under annual budget article. The motion was to raise and appropriate amounts, unless other sources are specified, as shown in the finance committee recommendation. However, \$5,000,000 in other available funds (e.g., sale of cemetery lots fund, ambulance receipts reserved) intended to fund certain departments were inadvertently omitted from report and motion. Now the town is over its levy limit by \$5,000,000. At 11/1/2024 STM, the town votes to amend budget article to appropriate \$5,000,000 from various specified available funds.

APPROPRIATIONS						
Date	FY	(a) Total	(b) Raise & Appropriate (Levy)	(c) Free Cash	(d) Other Available Funds	(e), (f), (g) Offset Receipts, Enterprise Funds, CPA
5/15/2024	2025	50,000,000	50,000,000			
<b>11/1/2024</b>	<b>2025</b>	<b>0</b>	<b>(5,000,000)</b>		<b>5,000,000</b>	
<b>TOTALS</b>		<b>50,000,000</b>	<b>45,000,000</b>		<b>5,000,000</b>	

2. **BALANCING THE BUDGET.** At 5/15/2024 ATM, the town votes to raise and appropriate \$50,000,000 under annual budget article. However, for various reasons (e.g., unanticipated prior year deficits, need to reduce state/local revenue estimates used) the town is over its levy limit by \$1,000,000 and needs to balance budget in order to set tax rate. At 11/1/2024 STM, the town considers two options.

**Option A (cuts only).** Votes to reduce school department appropriation by \$500,000 and rescind entire \$500,000 library department appropriation.

Option A – APPROPRIATIONS						
Date	FY	(a) Total	(b) Raise & Appropriate (Levy)	(c) Free Cash	(d) Other Available Funds	(e), (f), (g) Offset Receipts, Enterprise Funds, CPA
5/15/2024	2025	50,000,000	50,000,000			
<b>11/1/2024</b>	<b>2025</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>			
<b>TOTALS</b>		<b>49,000,000</b>	<b>49,000,000</b>			

**Option B (cuts and other financing sources).** Votes reductions in school and library department appropriations by total of \$500,000, appropriates \$100,000 from ambulance receipts reserved to reduce tax rate and \$400,000 from free cash to reduce the tax rate.

<b>Option B – APPROPRIATIONS</b>						
Date	FY	(a) Total	(b) Raise & Appropriate (Levy)	(c) Free Cash	(d) Other Available Funds	(e), (f), (g) Offset Receipts, Enterprise Funds, CPA
5/15/2024	2025	50,000,000	50,000,000			
<b>11/1/2024</b>	<b>2025</b>	<b>(500,000)</b>	<b>(500,000)</b>			
<b>TOTALS</b>		<b>49,500,000</b>	<b>49,500,000</b>			

**\$100,000 appropriated from ambulance receipts to reduce tax rate reported in Section IIIId-3 on Page 2**

**\$400,000 appropriated from free cash after 7/1/2024 to reduce tax rate reported in Section IIIId-1b on Page 2**

**If town appropriated the ambulance receipts to amend financing source for budget article instead, report as shown in Example 1**

<b>Option B – APPROPRIATIONS</b>						
Date	FY	(a) Total	(b) Raise & Appropriate (Levy)	(c) Free Cash	(d) Other Available Funds	(e), (f), (g) Offset Receipts, Enterprise Funds, CPA
5/15/2024	2025	50,000,000	50,000,000			
<b>11/1/2024</b>	<b>2025</b>	<b>(600,000)</b>	<b>(600,000)</b>			
<b>11/1/2024</b>	<b>2025</b>	<b>100,000</b>			<b>100,000</b>	
<b>TOTALS</b>		<b>49,500,000</b>	<b>49,400,000</b>		<b>100,000</b>	

**\$400,000 appropriated from free cash after 7/1/2024 to reduce rate reported in Section IIIId-1b on Page 2**

- REDUCING RSD APPROPRIATION.** At 5/15/2024 ATM, the town votes to raise and appropriate \$50,000,000 under annual budget articles, which include its annual regional school assessment. On 7/15/2024, the regional school district notifies the town that its assessment for the approved FY2025 budget is \$50,000 less than the amount appropriated at the 5/15/2024 ATM for that purpose.

<b>APPROPRIATIONS</b>						
Date	FY	(a) Total	(b) Raise & Appropriate (Levy)	(c) Free Cash	(d) Other Available Funds	(e), (f), (g) Offset Receipts, Enterprise Funds, CPA
5/15/2024	2025	50,000,000	50,000,000			
<b>7/15/2024</b>	<b>2025</b>	<b>(50,000)</b>	<b>(50,000)</b>			
<b>TOTALS</b>		<b>49,950,000</b>	<b>49,950,000</b>			

4. **REDUCING CURRENT YEAR APPROPRIATIONS AFTER TAX RATE SET.** At a 5/15/2024 STM held within the ATM, the town votes to reduce several unspent and unencumbered FY2024 appropriations by \$500,000 in order to avoid a deficit at the end of the year.

<b>APPROPRIATIONS</b>						
Date	FY	(a) Total	(b) Raise & Appropriate (Levy)	(c) Free Cash	(d) Other Available Funds	(e), (f), (g) Offset Receipts, Enterprise Funds, CPA
5/15/2024	2024	(500,000)	(500,000)			
5/15/2024	2024	500,000	500,000			
TOTALS		0	0			

5. **REPORTING APPROPRIATION TRANSFERS.** At a 4/1/2024 STM, the town transfers \$100,000 from several unspent and unencumbered FY2024 departmental line items to other items in the same or other departments. At the 5/15/2024 ATM, the town appropriates \$300,000 from several unspent and encumbered FY2024 operating appropriations as a financing source for the FY2025 operating budget appropriations. On 7/2/2024 the selectboard approved \$50,000 in additional transfers from several unspent and unencumbered FY2024 departmental line items to other items in the same or other departments and those transfers were approved by the finance committee on 7/9/2024.

<b>APPROPRIATIONS</b>						
Date	FY	(a) Total	(b) Raise & Appropriate (Levy)	(c) Free Cash	(d) Other Available Funds	(e), (f), (g) Offset Receipts, Enterprise Funds, CPA
4/1/2024	2024	100,000			100,000	
5/15/2024	2025	300,000			300,000	
TOTALS		400,000			400,000	

**\$50,000 FY 2024 year-end transfers by selectboard, with finance committee approval, under G.L. c. 44, § 33B(b) are not reported on the recap**