



November 2nd, 2023



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## By the Numbers

*City & Town* provides updates on the progress of the tax rate and certification process. This information is available 24/7 by [clicking here](#).

Preliminary Certifications Approved: 43

Final Certification: 28 (of 67 total)

LA4 (Assessed Values):  
170 approved (195 submitted)

LA13 (New Growth):  
169 approved (188 submitted)

Tax Rates: 32 approved

Balance Sheets: 179 approved

Total Aggregate Free Cash  
Approved: \$1,203,889,083

## Important Dates & Information

### DLS Fall Update

Fall is one of the busiest times of the year in municipal finance. To assist local officials with certain reporting requirements, municipal responsibilities, billing processes

## Creating a Compelling and Comprehensive Tax Rate & Classification Presentation

### Bureau of Local Assessment

The Tax Rate & Classification season is in full swing. Once FY2024 values have been approved by the Commissioner of Revenue, a community prepares for its Tax Classification Hearing. This hearing determines the percentages of total taxable full and fair cash real and personal property value each property class will bear in the FY2024 tax levy. To assist with the process, below please find some helpful guidance from our Bureau of Local Assessment.

#### Allow for time to create a compelling presentation.

Assessors should allow sufficient time to create a presentation that illustrates what transpired in the community over the last year with regards to property values and to provide all available tax policy options to the legislative body, be that a city council or select board in a town.

#### Compile good & accurate information for your presentation.

When building a Tax Classification Hearing presentation, it's important that the information presented accurately depicts the housing market and any other property types like the commercial real estate market. Assessors provide the select board or city council with the information necessary to make classification decisions. This information should show all impacts on the tax rate

and regulatory functions, DLS has compiled the following resources, tools and guidance for this time of year. Bookmark our Fall resources [here](#).

### **New DLS Visualization Tool Highlights Trends in Municipal Debt**

DLS is pleased to announce the release of our latest municipal finance visualization. Our new [Trends in Municipal Debt](#) tool provides an in-depth look at both general fund debt service and outstanding debt using data collected through the [DLS Gateway application](#). Individual charts show trends in debt service over time and sort the data by type and per capita. We've also included a glossary page to help explain many of the terms associated with [municipal debt](#). Each dashboard can be downloaded to a PDF file, and the source data can be accessed using the "351 Report" button.

Please email any feedback to the Data Analytics & Resources Bureau at [DARB@dor.state.ma.us](mailto:DARB@dor.state.ma.us).

### **New Informational Resource Page for City/Town Clerks**

The Division of Local Services is pleased to announce the availability of materials on the Municipal Finance Training & Resource Center under [resources by position](#) to assist city or town clerks. A city or town clerk is an integral member of the municipal management team and a central information point for residents. While the job responsibilities may vary from community to community in Massachusetts, the clerk is a bonded official who is the municipality's record keeper and often the chief election officer. The new page is one stop shopping for the following topics important to clerks:

- Overview of responsibilities
- Adopting local option excise
- Local elections and town meeting
- Local Officials Directory
- Municipal debt and borrowing
- Proposition 2 ½ votes
- Record legislative action
- Tax rate setting process

Be sure to bookmark the [Municipal Finance Training and Resource Center](#) page and subscribe to our [YouTube channel](#).

## **2024 Municipal**

with the available tax policy options.

Municipalities have several options in distributing the tax levy among taxpayers under property tax classification. Use of these options results in multiple tax rates for different property classes because they change the components used to calculate the rate, i.e., the amount of the tax levy being paid by, or the assessed valuation of, the class. Overall, the total tax levy remains the same.

The city council or select board must decide whether (1) to tax all classes of property at their full and fair cash valuation share of the tax levy, which results in a single tax rate, or (2) to reduce the share of the tax levy paid by the residential and open space property owners and shift those taxes to commercial, industrial and personal property taxpayers, which results in a split tax rate. A community must also make a decision regarding Classification Exemption Options. The city council/select board may also consider whether to allow (1) an open space discount, (2) a residential exemption, and (3) a small commercial exemption.

### **Hone your presentation.**

DLS has created a practical video to assist assessors with creating compelling presentations and how to [mine data from DLS Municipal databank](#). This video provides a logical way of combining data with a narrative about what's happened in the past, what's happening right now and based on the options presented at that meeting, what could happen depending on the tax policy that the community chooses.

Understanding the community's organizational structure helps identify who is involved in the process and the role each party plays. The video explains the purpose of the classification hearing and identifies the stakeholders (audience) whether its residents, elected officials, or the business community. It demonstrates how to mine the [DLS Municipal databank](#) utilizing the [City & Town data visualizations](#) which can be used for classification hearing presentations, and provides examples of presentations that have been used in cities and towns across the Commonwealth.

## Cybersecurity Awareness Grant Program

The Executive Office of Technology Services and Security (EOTSS) is pleased to announce the Municipal Cybersecurity Awareness Grant Program (MCAGP) for 2024!

The MCAGP is **open to all local government agencies** (municipalities, public school districts, libraries, police departments, fire departments, planning commissions, and municipally run utility departments and airports), as well as members of the PERAC Retirement System. The program improves overall cybersecurity posture by helping organizations mitigate their human risk through awareness training, and monthly threat simulations (phishing campaigns).

EOTSS' Office of Municipal and School Technology (OMST) procures the user licenses and manages the program – making the program **free** to participating organizations. More specific information about the program, learning paths, and information sessions can be found [here](#). The applications are now available, but act quickly! The application period will close when all available seats are taken or on January 10, 2024, whichever occurs first.

### Latest Issue of *Buy the Way* Now Available

Don't miss Issue #23 of [Buy the Way](#), the official magazine of the Operational Services Division (OSD).

[Click here](#) to get news and updates from OSD delivered to your inbox.

### BULLETIN-2023-6: Massachusetts Statewide Opioid Settlement Funds

The Division of Local Services (DLS) Bureau of Accounts has issued Bulletin 2023-6. Bulletin 2023-6 is a reminder to city and town accounting officials of the requirements for the accounting treatment of statewide opioid funds as well as the reporting requirements to document their use in accordance with the State Subdivision Agreement.

[BUL-2023-6 – Massachusetts Statewide Opioid Settlement Funds](#)

To access IGRs, LFOs and Bulletins, please visit [this webpage](#).

## Be prepared.

When creating a presentation, assessors should anticipate what questions may be asked of them and have relevant data and information readily available. Assessors should make themselves available in advance of the hearing to answer questions from both taxpayers and local officials. Such discussions can shape the presentation and provide important context.

## Relax.

As an assessor this is your time to present the culmination of all the hard work you and your team have done all year. Remember, you know this information better than anyone else. Be thoughtful. Assessors are not in a position to set tax policy, but should serve as an invaluable resource to disseminate accurate information.

## Utilize the DLS training resources.

The DLS [Municipal Finance Training & Resource Center](#) provides a wide array of interactive and on-demand materials for assessors related to [property taxes and Proposition 2 ½](#), [determining property values](#), [motor vehicle excise](#), and [the role of the assessor](#).

We hope you find this information useful in creating your Tax Classification Hearing. If there's a topic or area of assessing, you would like to see featured in the future please email us at [bladata@dor.state.ma.us](mailto:bladata@dor.state.ma.us).

## Ask DLS: Tax Reform Legislation

This month's *Ask DLS* features frequently asked questions about the recently signed tax reform bill ("Act"). Please let us know if you have other areas of interest or send a question to [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). We would like to hear from you.

## What is the tax reform bill?

## **BULLETIN-2023-5: Tax Title Foreclosure Surplus Proceeds**

The DLS Municipal Finance Law Bureau has a new Bulletin. Bulletin 2023-5 discuss a recently decided United States Supreme Court case, *Tyler v. Hennepin County*, 598 U.S. 631 (2023). As a result of that decision, there is uncertainty as to whether or not tax title foreclosure surplus proceeds will need to be returned to property owners. The Bulletin notes that DLS will not object to a community temporarily holding any such surplus proceeds in an agency account until there is a directive from the courts on this matter.

### **[BUL-2023-5 – TAX TITLE FORECLOSURE SURPLUS PROCEEDS](#)**

To access IGRs, LFOs and Bulletins, please visit this [webpage](#).

## **MassDEP: New Large Entity Reporting Requirement**

The Massachusetts Department of Environmental Protection (MassDEP) adopted a new regulation 310 CMR 7.41: *Large Entity Reporting Requirement* that became effective on September 1, 2023, which requires large entities (fleet owners, businesses, government agencies, municipalities, brokers, etc.) to submit a one-time report on medium- and heavy-duty (MHD) vehicles greater than 8,500 lbs. operated or dispatched in Massachusetts. Specific information that must be reported includes vehicle type and usage characteristics.

This report will help MassDEP assess the best way to develop electric vehicle charging infrastructure and programs to support and accelerate the MHD zero emission vehicle market in Massachusetts.

Entities must submit the report to MassDEP by **5:00 PM on Friday, March 1, 2024**. To determine whether an entity is required to report, follow the instructions provided in the link below:

<https://www.mass.gov/how-to/large-entity-reporting-requirement>

## **"Adopting Local Option Excise Taxes" Training Video Now Available**

DLS is pleased to announce the availability of a [new training video](#) explaining the process for adopting a local option excise on room

On October 4, 2023, Governor Healey signed "An Act to Improve the Commonwealth's competitiveness, affordability and equity" into law. [St. 2023, c. 50](#). The \$1 billion package includes an expanded Child and Family Tax Credit, increases to the Rental Deduction, Senior Circuit Breaker Tax Credit, and Housing Development Incentive Program (HDIP), and changes to the Estate Tax and Short-Term Capital Gains. Sections 2 and 3 of the Act are related to property taxes.

### **What does section 2 of the legislation do?**

Section 2 of the Act increases the maximum senior work off abatement program amount from \$1,500 to \$2,000, pursuant to [G.L. c. 59, § 5K](#). Municipalities who have already accepted this statute do not need to re-accept for the increase to be effective. However, municipalities may need to amend their local bylaws/ordinances if the same contain the lower \$1,500 figure and the municipality desires to increase the amount. Any increases may begin in fiscal year 2025. Please see [IGR-2021-20](#) for more information on the senior work off program.

### **What does section 3 of the legislation do?**

Section 3 creates a new local option property tax exemption. Acceptance is by vote of the municipality's legislative body, subject to charter. [G.L. c. 4, § 4](#). The acceptance vote should explicitly state the fiscal year in which the exemption will commence, the first of which can be fiscal year 2025.

In essence, the new exemption gives a property tax exemption to residential unit owners who rent their units year-round to income qualifying persons at an affordable rate. The affordable housing rate is determined by the city or town but must be in accordance with the United States Department of Housing and Urban Development's (HUD) guidance and regulations. The year-round occupants must have an annual household income that does not exceed the amount set by the city or town; provided, however, that said income shall not be more than 200 percent of the area median income.

occupancy, meals and adult use recreational marijuana, or a community impact fee on short-term rentals in your community. The training also covers the Division of Local Services' role in local option excises, discusses the timetable involved with adopting any of these options, and provides examples of warrant language to assist you in preparing for a vote on a local option excise tax.

The [training video](#) is now available on the DLS YouTube channel, along with the [presentation slides](#). Additional [local options related training resources](#) and [local options data and reporting](#) information is also available on the DLS website. If you have any questions relative to adopting local option excise taxes please contact [databank@dor.state.ma.us](mailto:databank@dor.state.ma.us).

### **OIG Offers No Cost Procurement Training for Municipalities**

The Office of the Inspector General introduced a pilot program, "One Free Designee," that offers core public procurement training to one public employee per municipality at no cost. Effective in FY 24 (July 1, 2023 – June 30, 2024), the OIG is offering free tuition for the three courses required for one employee to receive MCPPO designation to any municipality in the Commonwealth for whom the cost is a barrier. The \$100 fee associated with all designation applications and renewals has been eliminated.

To receive the free training for an employee, the chief municipal officer (Mayor, Manager/Administrator or Select Board Chair) must submit a [form](#) indicating the employee they wish to receive the training and an acknowledgement that obtaining the cost of training could be a factor in obtaining the designation.

If you want to learn more about the MCPPO designation, please visit our [website](#). If you have any questions, please email the OIG at [MA-IGO-TRAINING@mass.gov](mailto:MA-IGO-TRAINING@mass.gov).

[One Free Designee Application Form | Mass.gov](#)

## **DLS Links:**

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

[Events & Training Calendar](#)

The amount of the exemption will be determined locally but cannot be more than the tax otherwise due on the parcel based on the full and fair assessed value multiplied by the square footage of the qualifying housing units divided by the total square footage of a structure located on the parcel. For example, based on full and fair assessed value, the tax obligation of a three-unit home is \$12,000. Each of the three units is 900 square feet. If only one of the units qualifies for exemption, then the property owner would receive an exemption equal to 1/3 (900/2700) of the locally determined amount. As such, in this example, the maximum exemption amount would be \$4,000 for that unit. Otherwise, if property seeking an exemption is assessed by an income approach to value, then fair market rent must be assumed for all units.

This exemption only applies to class one residential units and any rented accessory dwelling units that meet the above criteria are eligible. The unit is not required to be subject to an affordability restriction but may have one.

To be considered for this new exemption, applicants must submit an application annually to the local assessors. The applications must include, but are not limited to, a signed lease covering the entire fiscal year at issue and proof of the occupying person or persons' household income. The annual application for the exemption must be filed with the assessors no later than the due date of the first actual (not preliminary) tax payment for the fiscal year. DLS will be publishing a standard application form for this exemption. Lastly, a municipality may adopt ordinances or by-laws to implement the provisions of the exemption.

[Municipal Finance Training  
and Resource Center](#)

[Local Officials Directory](#)

[Municipal Databank](#)

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

[Bulletins](#)

[Tools and Financial  
Calculators](#)



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