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CITY & TOWN

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New Local Option Law Supports Brownfields Redevelopment

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Uncollected past property tax obligations often present insurmountable financial impediments to redevelopment of abandoned contaminated industrial properties. As a result, municipal officials must frequently decide whether to pursue collecting accrued back taxes or to forgo them in favor of supporting the redevelopment of urban brownfields. The decision hinges on more than a consideration of the numbers.

Abandoned industrial and commercial properties may impose more burdensome costs upon communities than unpaid back taxes. Such properties may invite crime, blight, inner-city job loss, vandalism and urban sprawl. The dollar costs of these consequences are incalculable, and the human and community impact is severe.

In response, the administration and the legislature enacted a "brownfields bill" in August 1998 that makes several changes to existing law and adds a number of new procedures to help address these serious social and economic problems. For one thing, the new law alters the liability exposure for innocent subsequent owners and secured lenders, and reduces the burden on municipalities. The law also provides \$30 million for loans and grants through MassDevelopment, creates a \$15 million state loan-guarantee and cost-over run insurance program for private bank loans, and establishes state tax credits up to 50 percent of cleanup costs.

Recognizing that back taxes were a serious problem and that municipalities possessed very little ability to

abate them, drafters of the bill included provisions, codified as M.G.L. Ch. 59 §59A, to deal with this difficulty. This new statute makes available a local-option provision that allows municipalities to negotiate outstanding tax obligations associated with contaminated industrial or commercial properties.

Specifically, the brownfields tax abatement law provides as follows:

- The municipality has authority to negotiate an agreement with a private purchaser.
- The private purchaser must be an innocent owner.
- The subject property must be zoned for commercial or industrial use.
- The property must contain oil or hazardous materials.
- The municipality has full discretion to determine terms of repayment, if any.
- The mayor or board of selectmen must sign the agreement.
- The agreement must specify the amount of outstanding obligation, payment term, interest rate (if applicable), and "any other contractual obligations arranged between the parties." It must be notarized and attested to by the town or city clerk, with copies distributed to a number of entities.
- The agreement does not require approval by the Department of Revenue.
- Municipalities must adopt an "implementation by-law" concurrently with the acceptance of this provision that sets forth in detail the person or per-

sons authorized to negotiate and bind the municipality. The by-law should also delineate the scope of abatement authority (e.g., all accrued principal, interest and penalties, or some variation on those categories). A proposed implementation by-law will be generated by the Governor's Office of Brownfields Revitalization in conjunction with DOR.

Municipalities should consider accepting this law in order that it might exercise its provisions when an appropriate situation arises. Regardless of when and how these provisions are utilized, having the authority in place provides flexibility that would not otherwise be available. For example, a provision in MassDevelopment's loan program allows for "priority projects" eligible for up to \$2 million in program funds. To access these monies, however, a municipality has to demonstrate a significant financial commitment to the project. Such a commitment can be in the form of a tax abatement program administered under Ch. 59 § 59A.

continued on page two ➡

Inside This Issue

Legal

Questions & Answers 2

Focus

Local Revenue Components 3

DLS Update

New Regional Manager 7

Corp Book Available 7

Municipal Fiscal Calendar 8

Appraisal Services Sought 8

LEGAL

in Our Opinion

Q: A buyer and seller agreed on a purchase price for a property. A separate agreement required the buyer to give to the seller the right to repurchase the property if the buyer defaulted on the mortgage or ceased to be employed by the seller. Under the terms of the agreement, the repurchase price was fixed at varying percentages of the then appraised value of the property depending on the year of resale. Should the assessors consider the repurchase agreement in valuing the property?

A: No. It is a well-established rule that real estate taxes are assessed on the whole value of the parcel and not merely on the interest of the person being assessed.¹ In other words, the assessment must be based on the parcel's highest and best use, not its value to the current owner. If the terms of a private agreement restrict or affect the use and enjoyment of the property in a way that would affect the parcel's value for a potential buyer, then the private agreement would be relevant to the parcel's value for assessment purposes.² If, however, the private agreement merely affects the owner's economic benefits, then the assessors should disregard the agreement. The private agreement, in the case at hand, does not affect the enjoyment of the

parcel. Even though the agreement may contain unfavorable economic terms, the agreement has no bearing on the parcel's value. Consequently, the assessors should not discount the parcel's valuation.

Q: Who is liable for delinquent personal property taxes if the personal property is sold?

A: The seller is responsible for the taxes. Personal property taxes are assessed to the owner as of January 1 preceding the start of the fiscal year.³ There is no lien with personal property taxes. Consequently, only the assessed owner is personally liable for the taxes. Even though there may be an agreement between buyer and seller as to the payment of the outstanding personal property taxes, the collector can only bring a civil suit against the assessed owner (seller).⁴

Q: If a civil suit is barred by the six-year statute of limitations, what remedies are available to the town collector in the collection of delinquent personal property taxes?

A: The remedies are (a) set-off and (b) denial, revocation or suspension of licenses and permits. Set-off is a viable remedy if the town owes the assessed owner an abatement refund or money

for goods or services.⁵ Under set-off, the treasurer may on his own initiative, or shall, upon direction of the collector, direct payment of such amounts to the collector to be applied against the outstanding taxes. The remedy of set-off is permissible only if the assessed owner is the same legal entity or person to whom the refund or payment is owed. The alternative remedy is a local option statute that requires the adoption of a local by-law to put into effect.⁶ Under the terms of this statute, a community can deny, revoke or suspend certain licenses and permits if the permit applicant owes taxes, or business was conducted "on or about the real estate whose owner has neglected or refused to pay any local taxes, fees, assessments, betterments or any other municipal charges. ..." This law would not apply in the case of unpaid personal property taxes assessed to a firm which did business on real estate where another business is now operating. ■

compiled by James Crowley

1. *Donovan v. Haverhill*, 247 Mass. 69 (1923).

2. *Lodge v. Swampscott*, 216 Mass. 260 (1913).

3. M.G.L. Ch. 59 Sec. 18.

4. M.G.L. Ch. 60 Sec. 35.

5. M.G.L. Ch. 60 Sec. 93.

6. M.G.L. Ch. 40 Sec. 57.

Local Option Law

➡ continued from page one

Adoption of Section 59A, however, is merely a preparatory step. Of greater importance is attracting the interest of the private sector in contaminated sites. There are many relatively low-cost actions a municipality may take to advance this process.

Repositioning Properties

Most municipalities do not have sufficient money to clean up and redevelop properties on their own. A municipality, however, can significantly reposition properties for redevelopment.

Redeveloping a brownfield requires removing obstacles. One obstacle may be the unavailability of critical information about a property. Who owns the it? What contamination is there? What is the back tax debt? What is the zoning? What is the commitment of the municipality? Not knowing these things may be enough to make a developer look elsewhere — turning to industrial parks and greenfields.

Here are a few suggestions as to how a municipality may best prepare its own

brownfields for consideration by private developers and businesses:

- **Create an inventory of suspected contaminated commercial and industrial sites.** The list does not have to be complete or official. Ask the city council members or selectmen to give you a list from their own personal knowledge of sites they see driving around their neighborhoods.

continued on page seven ➡

FOCUS

on Municipal Finance

Local Revenue Components

Four sources of revenue support local spending: the property tax levy, state aid, local receipts and other revenues.¹ In this issue we look at each source as a percent of the total FY1999 budget in each Massachusetts city and town. We identify the five communities with the highest percentages of the total, as well as the five lowest, with respect to each component. The article also discusses how those percentages have changed over time for the state as a whole.

Property Tax Levy

The property tax levy is the revenue a city or town raises through real and personal property taxes. Since 1982, the amount of money a community can raise from this source has been constrained by the limits imposed by Proposition 2½. The amount of a community's levy is limited to 2.5 percent of the total assessed value (commonly known as the levy ceiling). Also annual increases in the levy are limited to no more than 2.5 percent of the prior year's levy limit, plus certified new growth and any additional property taxes authorized by override referenda. Communities can also increase their levy limit temporarily through debt or capital outlay expenditure exclusion referenda.

Statewide in FY1999, the property tax provided slightly more than half of local revenues (50.2 percent). For most communities, the property tax constitutes the largest single source of revenue. The five communities with the highest share of local revenue provided by the property tax levy are New Marlborough (86.07 percent), Dover (83.32 percent), Sherborn (82.99 percent), Stow (81.19 percent) and Dunstable (81.01 percent). All of these communities that rely heavily on the property tax are relatively small towns that belong to re-

gional school districts. In a regional school district, all education aid is paid directly to the school district, so the towns appear to receive little state aid (six percent or less of total revenues for these towns). The five communities with the lowest percentage share are Lawrence (16.94 percent), Chelsea (22.42 percent), Fall River (23.14 percent), Winchendon (24.99 percent) and Holyoke (25.11 percent). These communities receive a high portion of their total budgets from state aid.

State Aid

In FY1999 state aid provided 27.3 percent of the total receipts statewide. State aid is allocated directly to cities, towns and regional school districts through the Cherry Sheet programs. Cherry Sheet aid includes distributions that provide funds according to various formulas, reimbursements for all or part of the costs incurred during a prior period for certain programs or services, and offset items that are funds which must be spent for specific municipal functions. Chapter 70 aid, the largest single distribution program, is education aid designed to ensure equitable and adequate funding of schools. The Chapter 70 aid bridges the gap between a community's educational costs and their ability to raise enough revenue to meet those needs. Lottery aid is a general purpose financial assistance program. Any additional lottery money is allocated by an equalizing formula giving more aid to communities with lower property values and large populations and less aid to those with higher values and smaller populations. This amount is then added to the prior year's base. The five communities receiving the highest percentage of state aid are cities with large populations but low property values: Lawrence (67.99 percent), Holyoke (62.76 percent), Springfield (60.59 percent), Chelsea (60.30 percent), and

Fall River (59.90 percent). Equalized valuations are used in several of the Cherry Sheet distribution formulas. When ranked on equalized property values per capita, these five cities are at or near the bottom — Lawrence (351), Holyoke (345), Springfield (350), Chelsea (344) and Fall River (337). The five with the lowest percentage provided by state aid are communities with higher property values and fewer students resulting from a large number of summer residents: Chilmark (0.15 percent), Aquinnah (formerly Gay Head) (0.40 percent), Nantucket (1.48 percent), Dennis (2.14 percent), and Gosnold (2.15 percent). Chilmark, Aquinnah and Dennis are in regional school districts and therefore receive less direct aid for education. When ranked on equalized valuations per capita, these towns are at or near the top of the list: Chilmark (1), Aquinnah (3), Nantucket (4), Dennis (31) and Gosnold (2).

Local Receipts

Local receipts are revenues generated at the local level from a variety of different sources. Motor vehicle excise; fines, licenses and permits; charges for water, sewer and trash collection services; and investment income are some of the most common. Local receipts can be included in the general fund or reserved for a specific departmental use. Local receipts comprised 17.5 percent of statewide revenues. The five communities generating the largest percentage share of revenues through local receipts are Norwood (46.71 percent), Russell (39.88 percent), Haverhill (39.67 percent), Yarmouth (34.34 percent), and Provincetown (33.77 percent). Some of these towns have additional sources of revenues in this category. For example, Norwood has a municipal light depart-

continued on page six ➡

Revenue Components as a Percentage of Total Receipts

Municipality	Tax levy	State aid	Local receipts	All other	Total receipts	Municipality	Tax levy	State aid	Local receipts	All other	Total receipts	Municipality	Tax levy	State aid	Local receipts	All other	Total receipts
Abington	50.37%	28.28%	13.93%	7.41%	28,529,952	Chesterfield	75.93%	12.05%	5.34%	6.68%	1,735,663	Hancock	50.78%	17.67%	20.91%	10.64%	1,128,583
Acton	76.01%	7.07%	13.90%	3.02%	43,893,535	Chilmark	37.66%	43.24%	17.99%	1.11%	101,504,263	Hanover	60.78%	19.04%	16.28%	3.90%	30,159,793
Acushnet	40.67%	36.24%	17.92%	5.18%	16,157,540	Chilmark	68.06%	0.15%	13.36%	18.42%	4,207,998	Hanson	65.28%	11.27%	13.48%	9.97%	13,010,971
Adams	56.23%	19.55%	9.70%	14.52%	9,801,799	Clarksburg	32.76%	56.11%	8.78%	2.35%	2,644,440	Hardwick	56.20%	16.15%	14.91%	12.74%	3,375,248
Agawam	50.08%	30.37%	15.48%	4.09%	49,427,002	Clinton	40.69%	44.89%	13.66%	0.75%	23,059,971	Harvard	61.08%	27.42%	8.81%	2.69%	12,913,574
Afford	80.28%	3.04%	8.72%	7.96%	835,920	Coltasset	65.66%	8.16%	15.81%	10.37%	21,462,161	Harwich	62.16%	7.91%	18.95%	10.97%	31,775,726
Amesbury	44.16%	34.36%	16.04%	5.45%	34,609,144	Corrain	75.60%	13.24%	5.95%	5.21%	2,018,482	Hatfield	53.28%	17.10%	20.48%	9.17%	6,161,906
Amerist	42.74%	26.04%	24.78%	6.46%	48,286,606	Concord	78.85%	8.70%	8.57%	3.77%	40,807,319	Haverhill	28.96%	28.78%	39.67%	2.59%	152,092,598
Andover	67.38%	9.88%	17.94%	4.81%	86,206,568	Conway	55.69%	25.98%	4.67%	12.76%	37,171,184	Hawley	59.37%	18.05%	3.62%	18.96%	569,033
Aquinnah	65.63%	0.40%	18.82%	15.16%	1,872,975	Cummington	61.89%	9.53%	9.67%	18.90%	1,437,159	Heath	61.25%	21.16%	8.69%	8.90%	1,368,964
Arlington	62.72%	19.14%	16.07%	2.07%	83,915,267	Dalton	61.12%	12.34%	12.57%	13.98%	9,825,986	Hingham	69.95%	10.40%	13.87%	5.78%	46,653,475
Ashburnham	65.54%	9.88%	20.68%	3.89%	7,065,634	Danvers	57.79%	12.18%	25.03%	5.01%	58,572,852	Hingsdale	51.12%	7.67%	7.47%	33.74%	3,467,899
Ashby	72.86%	12.39%	8.58%	6.18%	3,331,713	Dartmouth	56.67%	19.99%	19.12%	3.63%	43,492,497	Holbrook	51.52%	26.52%	14.40%	7.56%	20,968,152
Ashfield	70.38%	11.20%	13.08%	5.34%	2,722,537	Deerfield	65.96%	13.78%	15.75%	5.11%	50,012,601	Holden	65.70%	8.17%	21.54%	4.59%	24,048,628
Ashland	65.02%	14.15%	19.58%	1.28%	27,002,669	Dennis	64.61%	2.14%	22.26%	10.99%	9,175,584	Holland	63.94%	20.39%	6.79%	8.89%	4,108,690
Athol	47.18%	19.08%	22.96%	10.78%	10,995,924	Dighton	66.99%	8.72%	12.66%	11.64%	7,756,600	Holliston	60.93%	23.53%	11.59%	3.94%	28,636,443
Attleboro	38.87%	38.11%	21.51%	1.51%	77,078,483	Douglas	44.89%	39.09%	9.67%	6.34%	13,090,972	Holyoke	25.11%	62.76%	8.33%	3.81%	113,962,681
Auburn	59.00%	19.65%	15.15%	6.20%	25,939,051	Dover	83.32%	3.24%	9.26%	4.18%	33,090,972	Hopedale	48.10%	34.71%	12.62%	4.57%	11,832,011
Avon	65.48%	13.14%	10.58%	10.81%	10,928,757	Dracut	47.54%	35.68%	12.95%	3.83%	44,950,879	Hopkinton	67.07%	11.94%	16.05%	4.94%	28,594,120
Ayer	53.76%	27.17%	15.41%	3.66%	17,763,656	Dudley	47.24%	15.35%	28.90%	8.51%	8,995,845	Hubbardston	68.24%	8.80%	15.11%	7.86%	3,874,974
Barnstable	62.97%	8.89%	23.29%	4.85%	95,324,678	Dunstable	81.01%	5.43%	5.87%	7.69%	4,090,485	Hudson	51.38%	21.08%	18.90%	8.64%	34,567,855
Barre	52.24%	13.06%	26.42%	8.27%	3,901,149	Duxbury	67.28%	8.80%	17.47%	6.45%	36,543,388	Hull	52.61%	26.89%	15.92%	4.58%	25,469,344
Becket	72.47%	5.46%	12.77%	12.77%	3,300,298	E. Bridgewater	44.69%	39.23%	8.90%	7.19%	25,295,634	Huntington	61.77%	12.92%	17.72%	7.60%	2,382,624
Bedford	63.26%	8.00%	13.18%	15.56%	42,022,008	E. Brookfield	46.64%	12.99%	19.84%	20.53%	2,182,116	Ipswich	57.94%	15.80%	17.77%	8.48%	25,645,015
Belchertown	42.50%	39.81%	10.37%	7.37%	23,893,917	E. Longmeadow	64.68%	15.97%	12.84%	6.51%	28,243,103	Kingston	63.35%	16.49%	14.57%	5.59%	19,784,554
Bellingham	51.82%	29.88%	12.87%	5.43%	30,867,027	Eastham	77.71%	3.09%	10.87%	8.32%	12,416,893	Lakeville	59.87%	23.03%	12.42%	4.68%	13,353,425
Belmont	59.80%	10.77%	20.95%	8.48%	60,990,072	Easthampton	39.07%	36.31%	17.20%	7.43%	27,032,185	Lancaster	58.21%	10.56%	14.87%	16.36%	8,443,124
Berkley	38.88%	50.02%	6.74%	4.36%	9,095,849	Easton	55.37%	23.04%	15.92%	5.67%	39,110,241	Lanesborough	66.25%	15.97%	10.70%	7.09%	5,859,762
Berlin	63.37%	16.50%	6.93%	13.20%	5,352,181	Edgartown	70.66%	3.26%	21.16%	4.92%	16,731,018	Lawrence	66.94%	67.99%	13.28%	1.79%	162,473,275
Bernardston	68.35%	15.43%	9.55%	6.68%	2,785,415	Egremont	72.93%	4.13%	16.02%	6.92%	2,594,320	Lee	53.17%	18.45%	20.35%	8.04%	11,851,565
Beverly	56.77%	16.56%	24.85%	1.82%	75,672,109	Erving	61.94%	6.95%	13.63%	17.59%	4,854,754	Leicester	33.84%	51.31%	6.08%	8.79%	18,369,063
Billerica	58.58%	23.64%	13.36%	4.41%	83,082,089	Essex	62.82%	14.44%	17.44%	5.71%	16,967,762	Lenox	45.52%	18.61%	25.63%	10.24%	13,959,344
Blackstone	55.37%	12.51%	16.29%	15.83%	9,868,157	Everett	57.53%	25.18%	14.89%	2.41%	82,318,195	Leominster	37.85%	40.78%	12.60%	8.77%	75,923,965
Blackford	66.01%	9.76%	16.88%	7.35%	1,610,881	Fairhaven	39.81%	28.54%	15.63%	16.02%	34,134,202	Leverett	71.39%	11.78%	7.76%	9.07%	3,227,825
Bolton	76.20%	8.63%	5.66%	9.51%	9,420,403	Fall River	23.14%	59.30%	13.69%	3.27%	166,766,557	Lexington	64.16%	8.19%	23.54%	4.11%	91,845,007
Boston	51.07%	13.86%	15.51%	1.56%	1,604,210,644	Falmouth	66.68%	9.09%	16.56%	7.66%	66,406,547	Leyden	77.45%	9.61%	6.85%	6.10%	890,945
Bourne	58.74%	17.57%	17.50%	6.20%	32,920,857	Fitchburg	29.15%	48.37%	21.57%	0.90%	77,966,759	Lincoln	66.74%	12.72%	9.72%	10.82%	19,196,763
Boxborough	73.47%	9.11%	10.22%	7.19%	10,772,709	Florida	56.62%	27.80%	5.16%	10.41%	2,076,406	Littleton	66.43%	10.31%	19.12%	4.14%	17,166,279
Boxford	74.02%	10.78%	8.91%	6.28%	17,411,861	Foxborough	54.47%	22.43%	17.35%	5.76%	32,630,626	Longmeadow	65.46%	14.00%	13.56%	6.99%	35,733,844
Boylston	66.15%	10.14%	14.26%	9.44%	6,834,053	Framingham	60.08%	13.24%	21.44%	5.25%	147,627,226	Lowell	55.14%	55.14%	14.46%	4.04%	236,284,839
Braintree	55.13%	14.73%	26.38%	3.78%	77,212,889	Franklin	48.37%	29.19%	17.42%	5.01%	59,472,594	Ludlow	43.26%	33.41%	17.63%	5.70%	34,111,171
Brewster	68.37%	7.45%	18.75%	5.42%	22,417,800	Freetown	61.10%	15.21%	12.86%	10.84%	12,164,969	Lunenburg	61.99%	25.00%	8.14%	4.87%	15,360,395
Bridgewater	53.27%	14.59%	22.49%	9.66%	29,477,578	Gardner	28.60%	47.43%	20.87%	3.10%	38,041,474	Lynn	29.55%	58.85%	9.40%	2.21%	183,044,855
Brimfield	47.46%	28.74%	11.06%	12.75%	5,753,707	Georgetown	52.61%	22.30%	16.21%	8.88%	14,672,127	Lynnfield	68.26%	12.73%	10.72%	8.30%	22,208,390
Brockton	29.13%	49.09%	16.96%	4.82%	222,691,414	Gill	67.05%	13.44%	6.35%	13.16%	1,638,087	Malden	40.80%	36.63%	22.37%	0.20%	97,755,501
Brookfield	35.24%	40.25%	12.17%	12.34%	5,661,768	Gloster	56.02%	18.18%	19.67%	5.93%	63,352,212	Manchester	69.26%	5.32%	21.18%	4.25%	15,546,489
Brookline	63.91%	9.51%	22.87%	3.72%	144,274,647	Gloster	78.96%	7.60%	7.56%	5.88%	1,392,646	Mansfield	48.94%	20.42%	16.89%	13.76%	51,532,186
Buckland	67.95%	9.76%	13.64%	8.66%	2,720,883	Goshen	28.58%	2.15%	28.67%	40.59%	838,158	Marblehead	63.39%	7.34%	21.75%	7.52%	44,154,132
Burlington	68.67%	10.25%	15.88%	5.21%	63,461,351	Grafton	51.68%	26.56%	7.94%	13.81%	22,030,721	Marion	73.02%	4.48%	12.97%	9.53%	11,408,416
Cambridge	49.83%	13.26%	22.86%	14.04%	319,101,237	Granby	44.17%	32.69%	11.72%	11.42%	10,028,481	Marlborough	50.34%	14.10%	20.13%	2.57%	76,290,797
Canton	64.64%	10.30%	20.06%	5.01%	45,655,699	Granville	52.44%	35.05%	6.28%	6.23%	2,942,021	Marshall	63.37%	23.70%	19.58%	6.38%	53,085,348
Carleise	78.11%	10.50%	7.60%	3.79%	12,822,035	Greenfield	68.07%	6.22%	16.74%	8.98%	13,508,519	Massapequa	67.25%	5.83%	21.65%	5.27%	30,873,444
Carver	42.42%	42.65%	8.16%	9.17%	24,868,916	Greenfield	38.75%	31.29%	13.06%	16.90%	40,154,319	Matapoisett	61.95%	20.53%	12.95%	5.27%	13,852,553
Charmont	65.03%	10.67%	8.18%	16.11%	2,141,705	Groton	71.39%	4.16%	20.96%	3.49%	17,033,544	Maynard	65.25%	14.65%	17.15%	4.57%	20,499,592
Charlton	66.83%	10.63%	14.02%	8.52%	11,176,358	Groton	71.39%	4.16%	20.96%	3.49%	17,033,544	Medfield	65.25%	14.65%	17.15%	2.95%	26,847,960
Chatham	66.70%	2.22%	18.99%	12.10%	25,301,618	Groton	71.39%	4.16%	20.96%	3.49%	17,033,544	Medford	57.01%	25.82%	19.27%	2.77%	101,024,329
Chatham	66.70%	2.22%	18.99%	12.10%	25,301,618	Groton	71.39%	4.16%	20.96%	3.49%	17,033,544	Medford	57.01%	25.82%	19.27%	2.77%	101,024,329
Chelmsford	65.24%	18.69%	9.84%	6.23%	66,766,400	Groton	71.39%	4.16%	20.96%	3.49%	17,033,544	Medway	57.01%	25.82%	19.27%	2.77%	101,024,329
Chelsea	22.42%	60.30%	17.24%	0.05%	86,241,340	Groton	71.39%	4.16%	20.96%	3.49%	17,033,544	Melrose	55.28%	22.46%	16.45%	3.36%	25,177,263
Cheshire	55.12%	20.15%	20.92%	3.81%	3,072,121	Groton	71.39%	4.16%	20.96%	3.49%	17,033,544	Mendon	69.02%	5.35%	16.66%	5.81%	51,506,688
Chester	70.09%	12.94%	13.45%	3.52%	1,535,278	Groton	71.39%	4.16%	20.96%	3.49%	17,033,544	Merrimac	49.77%	12.46%	23.47%	14.30%	9,003,700

Municipality	Tax levy	State aid	Local receipts	All other	Total receipts	Municipality	Tax levy	State aid	Local receipts	All other	Total receipts	Municipality	Tax levy	State aid	Local receipts	All other	Total receipts
Methuen	42.40%	36.77%	18.12%	2.72%	79,440,814	Princeton	67.09%	13.26%	11.37%	8.28%	6,017,363	Tyngsboro	54.67%	29.67%	9.53%	6.13%	21,259,116
Middleborough	40.28%	39.18%	12.41%	8.13%	41,259,824	Provincetown	50.80%	4.35%	33.77%	11.09%	15,500,807	Tyringham	76.67%	8.31%	6.26%	8.76%	942,206
Middlefield	75.90%	10.83%	9.13%	4.14%	737,907	Quincy	50.55%	20.89%	22.21%	6.35%	177,531,387	Upton	70.22%	6.89%	18.93%	3.96%	7,856,085
Middleton	70.96%	9.79%	10.47%	8.78%	13,222,388	Randolph	47.99%	27.65%	25.93%	8.83%	55,167,824	Uxbridge	36.74%	36.74%	11.64%	10.21%	22,356,134
Milford	54.90%	27.79%	12.78%	4.53%	50,567,286	Raynham	66.16%	9.68%	15.16%	9.00%	15,958,008	Wakefield	55.91%	14.35%	22.58%	7.15%	54,690,525
Milbury	46.57%	34.06%	10.15%	9.22%	18,414,197	Reading	53.93%	18.75%	22.92%	4.40%	53,162,851	Wales	49.34%	32.55%	8.69%	9.45%	2,705,182
Millis	55.23%	19.39%	15.35%	10.04%	15,786,424	Rehoboth	75.18%	8.48%	12.86%	3.48%	11,501,078	Walpole	58.73%	17.11%	20.02%	4.14%	43,716,870
Milwille	64.59%	11.18%	10.55%	13.69%	3,072,387	Revere	42.76%	39.40%	16.04%	1.79%	85,129,688	Waltham	41.77%	13.89%	21.62%	4.77%	130,836,474
Milton	60.73%	12.62%	19.31%	7.34%	53,754,178	Richmond	68.08%	13.80%	9.52%	8.60%	3,404,746	Ware	49.73%	40.21%	8.70%	9.31%	17,794,155
Monroe	51.82%	16.80%	7.69%	23.68%	488,069	Rochester	45.66%	16.36%	27.18%	10.80%	9,289,211	Wareham	44.02%	32.76%	17.36%	5.86%	40,307,650
Monson	37.54%	43.67%	12.41%	6.38%	16,139,365	Rockland	42.68%	33.41%	19.24%	4.67%	34,704,535	Warren	57.80%	12.87%	21.12%	8.21%	5,192,699
Montague	64.24%	10.89%	19.73%	5.15%	11,166,827	Rockport	59.70%	12.48%	19.50%	8.32%	20,301,561	Warewic	67.65%	21.92%	7.04%	3.39%	994,744
Monterey	78.99%	6.06%	8.65%	6.30%	1,904,767	Rowe	79.66%	2.26%	4.88%	13.20%	2,029,055	Washington	64.19%	23.42%	12.36%	0.03%	847,461
Montgomery	62.73%	8.18%	7.77%	21.32%	1,161,423	Rowley	66.00%	11.68%	15.76%	6.56%	8,385,478	Watertown	56.76%	17.28%	23.53%	2.41%	68,596,007
Mt. Washington	55.93%	29.72%	10.06%	4.29%	363,526	Royalston	31.74%	9.74%	6.24%	52.28%	2,290,139	Wayland	74.16%	9.77%	10.46%	5.61%	37,550,895
Nahant	58.08%	10.00%	28.84%	3.08%	7,716,074	Russell	47.18%	7.87%	39.88%	5.07%	2,614,247	Webster	39.94%	33.37%	19.16%	7.53%	26,639,268
Nantucket	55.47%	1.48%	32.99%	10.07%	51,582,704	Rutland	49.00%	10.84%	24.53%	15.64%	7,716,359	Wellesley	72.59%	9.33%	13.96%	4.12%	60,846,281
Natick	61.82%	12.80%	19.01%	6.38%	72,791,084	Salem	51.86%	25.05%	2.32%	2.32%	85,180,152	Wellesley	68.94%	4.50%	11.27%	15.29%	9,535,108
Needham	64.16%	8.50%	20.91%	6.43%	73,111,035	Salisbury	64.74%	5.93%	25.37%	3.96%	12,639,762	Wendell	60.04%	19.83%	18.41%	1.71%	1,419,675
New Ashford	47.03%	26.73%	15.42%	10.83%	339,866	Sandisfield	61.92%	6.13%	4.98%	26.97%	1,858,737	Wenham	75.70%	6.61%	11.70%	5.98%	7,489,479
New Bedford	26.22%	53.04%	20.73%	0.00%	202,660,414	Sandwich	67.87%	18.69%	7.17%	6.26%	36,801,002	W. Boylston	57.45%	21.95%	11.94%	8.66%	12,619,267
New Braintree	73.55%	14.34%	6.55%	5.56%	1,114,037	Saugus	62.97%	15.96%	17.54%	3.53%	47,471,795	W. Bridgewater	60.96%	19.20%	16.29%	3.55%	14,257,587
New Marlborough	86.07%	5.56%	8.31%	0.07%	2,391,343	Saugus	40.20%	42.30%	5.63%	11.86%	1,268,523	W. Brookfield	53.30%	9.49%	13.90%	23.31%	4,677,665
New Salem	54.61%	11.81%	27.11%	6.48%	1,359,801	Scituate	57.37%	12.76%	18.89%	10.97%	41,418,810	W. Newbury	73.00%	4.91%	13.88%	8.21%	7,112,771
Newbury	71.89%	13.66%	9.73%	4.73%	10,147,007	Seekonk	74.18%	16.78%	13.44%	5.60%	25,848,084	W. Springfield	52.80%	25.87%	15.55%	5.77%	57,667,977
Newburyport	61.85%	17.54%	18.15%	2.46%	35,152,781	Sharon	68.62%	14.65%	10.58%	6.15%	37,853,834	W. Stockbridge	79.12%	4.51%	9.35%	7.01%	2,921,132
Newburyton	67.77%	7.54%	20.66%	4.01%	212,624,482	Sheffield	80.53%	5.30%	11.39%	2.58%	5,328,331	W. Tisbury	79.34%	10.46%	6.40%	3.79%	7,472,489
Norfolk	60.71%	20.25%	14.42%	4.61%	18,364,882	Sherburne	67.23%	10.92%	12.32%	9.55%	2,535,572	Westborough	57.43%	8.73%	22.90%	10.94%	45,683,450
N. Adams	25.24%	56.30%	15.30%	3.16%	30,448,348	Sherborn	82.99%	4.48%	6.70%	5.82%	11,809,114	Westfield	38.86%	38.82%	17.55%	4.78%	79,263,009
N. Andover	60.90%	13.67%	23.36%	2.07%	50,093,573	Shirley	40.54%	46.79%	8.83%	3.84%	9,160,503	Westford	64.06%	17.00%	12.39%	6.56%	44,705,121
N. Attleboro	40.87%	29.07%	15.37%	10.69%	54,004,511	Shrewsbury	51.87%	16.98%	16.27%	14.88%	51,258,068	Westhampton	60.14%	24.82%	6.83%	8.21%	2,740,751
N. Brookfield	26.53%	46.82%	19.63%	11.03%	9,054,005	Shutesbury	60.58%	21.27%	7.92%	10.33%	3,914,015	Westminster	63.30%	7.16%	15.32%	14.22%	9,774,301
N. Reading	57.10%	15.25%	20.69%	6.97%	32,220,406	Somerset	70.64%	9.98%	15.05%	4.33%	36,251,509	Weston	73.27%	6.18%	14.08%	6.46%	39,117,974
Northampton	42.45%	25.48%	31.42%	0.65%	54,321,868	Somerville	35.26%	41.13%	17.93%	5.68%	167,620,769	Westport	56.09%	22.51%	16.38%	5.02%	20,329,859
Northborough	67.41%	15.49%	15.43%	4.73%	26,221,734	S. Hadley	48.44%	29.91%	17.04%	4.61%	25,848,627	Westwood	71.83%	7.69%	16.82%	3.70%	37,850,418
Northbridge	34.04%	49.64%	11.71%	4.61%	24,309,139	Southampton	52.68%	30.25%	12.49%	4.58%	8,074,881	Weymouth	46.66%	27.11%	22.13%	4.10%	100,938,684
Northfield	66.55%	12.89%	12.12%	8.48%	3,981,705	Southborough	70.64%	5.79%	14.77%	8.81%	19,950,483	Whately	69.56%	14.47%	10.05%	5.91%	3,094,499
Norton	41.71%	32.88%	12.31%	13.10%	30,848,974	Southbridge	25.16%	50.83%	17.75%	6.26%	32,011,761	Whitman	58.20%	10.31%	19.12%	12.37%	19,771,480
Norwell	70.19%	12.56%	12.48%	4.77%	23,741,888	Southwick	64.04%	9.69%	15.89%	10.38%	11,014,574	Willbraham	69.05%	5.61%	19.97%	5.37%	21,332,911
Norwood	38.43%	10.92%	46.71%	3.94%	82,253,129	Spencer	48.85%	17.57%	21.79%	11.80%	11,673,614	Williamsburg	59.75%	19.95%	15.94%	4.36%	3,765,515
Oak Bluffs *	69.48%	7.27%	16.86%	6.39%	12,515,285	Springfield	27.75%	60.59%	10.68%	0.98%	356,945,338	Williamstown	56.50%	12.89%	23.80%	6.82%	13,876,727
Oakham	62.86%	13.11%	12.56%	11.48%	1,889,373	Sterling	63.43%	6.15%	16.26%	14.16%	11,031,384	Wilmington	71.57%	13.18%	12.54%	2.71%	42,887,639
Orange	29.80%	45.02%	12.97%	12.21%	15,632,583	Stockbridge	66.83%	2.52%	14.48%	16.17%	5,386,881	Winchendon	24.99%	56.27%	8.78%	9.97%	20,869,735
Orleans	64.18%	3.41%	20.81%	11.60%	17,106,786	Stoneham	54.23%	15.45%	23.58%	6.74%	44,246,502	Winchester	71.68%	8.75%	15.73%	3.85%	48,306,549
Otis	79.40%	4.01%	4.74%	11.85%	2,907,722	Stoughton	53.40%	20.42%	22.90%	3.28%	55,328,528	Winthrop	66.70%	14.30%	9.55%	9.46%	1,216,835
Oxford	36.41%	38.59%	5.79%	19.22%	23,819,952	Stow	81.19%	3.52%	9.83%	5.46%	11,442,616	Winthrop	37.81%	32.10%	21.68%	8.41%	29,651,171
Palmer	37.80%	47.98%	11.30%	2.91%	24,604,846	Sturbridge	62.29%	12.05%	20.13%	5.53%	14,389,329	Woburn	56.33%	14.19%	22.89%	6.59%	80,505,879
Paxton	69.75%	8.01%	17.32%	4.92%	6,016,830	Sudbury	77.18%	10.53%	9.66%	2.73%	77,180,181	Worcester	34.60%	46.14%	18.43%	0.83%	374,340,134
Peabody	44.75%	27.08%	12.48%	5.59%	95,043,279	Sunderland	54.58%	28.98%	9.63%	6.91%	4,970,284	Worthington	69.81%	9.47%	9.94%	10.79%	1,649,078
Pelham	65.88%	9.85%	11.45%	12.82%	2,542,848	Sutton	52.93%	28.98%	7.72%	10.37%	14,317,000	Wrentham	60.38%	21.15%	9.44%	9.02%	19,875,389
Pembroke	58.20%	21.12%	14.46%	6.22%	27,834,918	Swampscott	67.53%	11.01%	18.71%	2.74%	31,022,480	Yarmouth	55.62%	2.85%	34.34%	7.19%	49,525,375
Pepperell	61.95%	19.21%	10.34%	10.34%	14,051,863	Swansea	62.14%	29.14%	7.61%	1.11%	22,315,636	State total	50.20%	27.30%	17.50%	5.00%	100.00%
Peru	67.83%	21.03%	6.31%	4.83%	995,638	Taunton	39.53%	36.61%	31.97%	9.96%	110,071,707	Note: FY1998 data was used for Oak Bluffs					
Petersham	55.80%	19.31%	22.32%	2.57%	1,626,922	Templeton	39.53%	16.40%	21.04%	12.10%	7,263,337	Source: FY1999 tax rate recapitulation sheets					
Phillipston	64.27%	11.21%	10.28%	14.25%	1,724,130	Tewksbury	55.84%	21.63%	16.16%	6.36%	56,835,630						
Pittsfield	43.06%	40.93%	15.12%	0.89%	85,980,499	Tisbury	69.08%	3.97%	13.49%	13.46%	13,207,071						
Plainfield	74.72%	10.54%	6.32%	8.43%	952,661	Tolland	75.32%	12.57%	8.84%	3.27%	565,607						
Plainville	50.72%	17.59%	16.66%	15.03%	12,708,186	Topsfield	72.89%	9.83%	11.84%	5.44%	12,812,962						
Plymouth	60.52%	21.12%	12.96%	5.40%	111,011,024	Townsend	69.18%	10.48%	9.32%	11.02%	10,871,718						
Plympton	69.54%	17.01%	7.37%	6.09%	4,371,799	Truro	68.47%	5.84%	11.31%	14.38%	7,134,439						

Table 1

Local Revenue Components

→ continued from page three

ment. Haverhill has a hospital. Yarmouth and Provincetown have larger amounts of boat excise and hotel/motel excise. Provincetown also receives tuition payments from surrounding towns without their own high schools. Russell received a one-time revenue from the sale of timber. The five communities generating the lowest percentages of local receipts are all small towns in western Massachusetts: Hawley (3.62 percent), Conway (4.57 percent), Otis (4.74 percent), Rowe (4.88 percent), and Sandisfield (4.9 percent).

Other Revenues

All revenues that do not fall into one of the other categories are included in the Other Revenue category. Free cash, overlay surplus, gifts and bequests, stabilization funds, and trust funds and other reserves are examples of other revenues. Statewide, five percent of the total receipts were included in this category. The communities with the largest

percentage of their FY1999 budgets generated by Other Revenues are Royalston (52.28 percent), Gosnold (40.59 percent), Hinsdale (33.74 percent), Sandisfield (26.97 percent) and Monroe (23.68 percent). Royalston and Sandisfield used large amounts of free cash. Hinsdale transferred money from a stabilization fund and water surplus. Gosnold has a harbor fund and another trust fund. Monroe used highway money. The five communities with the lowest percentages in this category are New Bedford (0.00 percent), Washington (0.03 percent), Chelsea (0.05 percent), New Marlborough (0.07 percent) and Malden (0.20 percent). There does not seem to be any clear pattern in this category.

Findings

Comparing local revenue components from FY1992, chosen to reflect the statewide decline in revenues in the recession of the early 1990s, to FY1999,

there are changes in the proportionate shares. The property tax provided 52.4 percent of the total in FY1992. It has declined to 50.2 percent in FY1999. In FY1992 state aid comprised 21.5 percent of the total revenues. Since then, it has risen steadily to its FY1999 percent of 27.3. Local Receipts represented 21.3 percent of the total in FY1992. Its share decreased to 17.4 percent in FY1998. In FY1999 it has remained at essentially the same level — 17.5 percent. Other revenues contributed 4.8 percent of the total revenues in FY1992, declined to a low of 4.5 percent in FY1995, and then has remained at approximately five percent since then. The percentage of the total revenues statewide for each of the four components has remained relatively steady for the past five years. ■

written by Jean McCarthy
data provided by Debbie DePerri

1. Free cash, stabilization funds, gifts, trust funds, and other available funds.

Table 2

Local Revenue Components, FY92–99									
<i>State totals, Massachusetts cities and towns</i>									
Fiscal year	Property tax levy	Percent of total	State aid	Percent of total	Local receipts	Percent of total	All other	Percent of total	Total receipts
92	5,017,705,745	52.40	2,057,507,189	21.50	2,045,127,785	21.30	464,175,959	4.80	9,584,516,681
93	5,249,675,623	52.90	2,191,009,153	22.10	2,035,899,378	20.50	452,635,275	4.60	9,929,219,420
94	5,464,414,052	52.60	2,349,182,814	22.60	2,074,561,533	20.00	505,777,439	4.90	10,393,935,853
95	5,701,066,408	52.10	2,551,580,915	23.30	2,193,878,042	20.10	489,846,880	4.50	10,936,372,238
96	5,920,694,306	51.20	2,794,847,943	24.20	2,303,531,459	19.90	552,264,318	4.80	11,571,338,024
97	6,160,184,909	51.50	3,060,681,746	25.60	2,108,780,330	17.60	621,990,649	5.20	11,951,637,632
98	6,455,892,738	51.10	3,356,233,207	26.60	2,195,664,977	17.40	614,759,620	4.90	12,622,550,534
99	6,752,744,528	50.20	3,675,496,286	27.30	2,358,076,155	17.50	669,416,649	5.00	13,455,733,619

FY99 state totals reflect FY98 data for Oak Bluffs

DLS UPDATE

New Regional Manager

Deputy Commissioner Joseph J. Chessey, Jr. has announced the appointment of Diane Murphy as regional manager for the Worcester and Springfield offices of the Division of Local Services. Diane will oversee the field staff who provide technical assistance to 219 communities in central and western Massachusetts. Diane brings almost 20 years experience in municipal government to her new position. She served for 10 years as assistant to the mayor of Chicopee specializing in program and policy development. Her knowledge of municipal operations, as well as her experience in the area of state and local government relationships, provide an excellent background for her new responsibilities. A resident

of Chicopee, Diane has three children and two grandchildren.

Diane replaces Dennis Rindone who served as regional manager for DLS for three and a half years. One of Dennis' accomplishments while at DLS was the institution of the Local Government Partnership (LGP), a program introducing concepts of state and local government into secondary school curricula. Under his leadership, students in 10 high schools participate in the LGP. Dennis is now serving as Executive Secretary of the Town of Princeton. ■

"Corp Book" Supplements Available

Massachusetts Domestic and Foreign Corporations Subject to an Excise, 1999 Supplement is now available. Local boards of assessors have each

received a copy. Commonly known as the "corp book," the publication includes a list of all for-profit corporations doing business in Massachusetts. A complete compilation is printed every five years with supplemental lists printed in the intervening years. Assessors use the "corp book" to identify businesses exempt from certain personal property taxes because of their manufacturing status. Manufacturers pay a state excise in lieu of the local personal property tax.

DLS is creating a database program to search and categorize the data published in the 1999 supplement. The program, which will be posted to the DLS website, allows users to search for a corporation by keyword. Questions about the search program can be directed to Burt Lewis at (617) 626-2358. ■

Local Option Law

→ continued from page two

- **Review whether real estate taxes are owed.** Focus on the sites for which back taxes are owed and, thus, over which the municipality may exercise control. Prioritize that list.

- **Resolve ownership issues.** Find out if the owner of title is still an operating entity and whether the property is for sale. Ensure that the property can be and will be easily transferred if a buyer materializes, including resolution of tax liens with the existing owner.

- **If necessary, take the property.** Recent revisions to the state's hazardous waste laws make municipal ownership a very minor concern and municipal ownership eliminates one more party from the transaction. Municipal ownership clarifies title issues neatly.

- **Decide the maximum abatement of back taxes** the municipality will accept with a new owner/developer in **consultation with the head of the City Council or Town Selectmen**, or other designated officials.¹ Advertise that number up front.

- **List the property** with the Massachusetts Alliance for Economic Development (MAED) 800-247-7800; www.massecon.com, local commercial realtors, and notify the regional office of the Massachusetts Office of Business Development (MOBD) (800) 522-7482; www.state.ma.us/mobd.

- **Conduct a preliminary site assessment.** Predevelopment site assessment funds (both loans and grants) are available through MassDevelopment (617-451-2477). Once obtained, add that information to the listing.

- **Start to identify other municipal, state and federal assistance** for marketing, cleanup and development by contacting the newly established Governor's Office of Brownfields Revitalization (617-973-8621), MassDevelopment or the Department of Housing and Community Development.

Today's booming economy presents a unique window of opportunity to attract private dollars to urban brownfields. Redeveloping a brownfield in your community will generate new tax revenues and enhance the quality of life for everyone who works and lives around it. The return on today's investment of time, personnel and tax abatement, can be beneficial long into the future. ■

1. Please remember that the abatement of taxes under this provision must still comply with the law pertaining to charges against overlay accounts.

Municipal Fiscal Calendar

June 15

DOR: Commissioner Determines and Certifies Pipeline Valuations

Assessors: Deadline for Appealing Commissioner's Telephone & Telegraph Valuations

Assessors: Make Preliminary Quarterly Tax Commitment

June 20

Assessors: Final Date to Make Omitted or Revised Assessments

June 30

State Treasurer: Notification of Quarterly Local Aid Payments Before June 30

Assessors: Overlay Surplus Closes to Surplus Revenue

Assessors: Physical Inventory of All Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)

Assessors: Submit Annual Report of Omitted or Revised Assessments

Assessors: Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under the Various Clauses of Ch. 59, Sec. 5

July 1

Collector: Mail Preliminary Quarterly Tax Bill

July 15

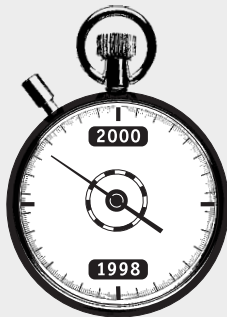
Accountant: Certification Date for Free Cash: Anytime After Books are Closed

Assessors: Deadline for Appealing Commissioner's Pipeline Valuations to ATB

July 31

Treasurer: File IRS Form 5500 (Report of Employee Benefit Plan)

Countdown to Y2K



Professional Appraisal Services Sought

DOR's Bureau of Local Assessment will release a Request for Responses for Professional Appraisal Services (RFR) to assist it in estimating the fair cash value of certain state owned lands. Bids will be sought regionally.

The RFR will be issued in June 1999. Appraisal companies wishing to bid should check the Commonwealth's Internet procurement site. To locate the RFR go to www.Comm-PASS.com and then select *Open Solicitations*, then choose Department of Revenue as the *Purchasing Entity* and finally pick the Professional Services *Category*. For additional information call Regina McArdle at (617) 626-2368. ■

City & Town



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