CITY & TOWN

Frederick A. Laskey, Commissioner
Joseph J. Chessey, Jr., Deputy Commissioner

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Legislative Changes Affecting the Appellate Tax Board

written by Bruce Stanford

With the enactment of Chapter 485 of the Acts of 1998, the Legislature instituted a number of changes affecting the Appellate Tax Board (ATB). Some of these changes have major significance to cities and towns since the ATB plays a key role in the process whereby local residents may seek abatements of property taxes and other local charges. To request an abatement, residents must, initially, file a timely application with the city or town board or officer that assessed the respective tax or other charge, generally the assessors. An applicant dissatisfied with the outcome of an application may appeal to the ATB. This board possesses extensive jurisdiction to decide appeals relating to a wide range of assessments, including property taxes and motor vehicle excises. The ATB, in addition, has authority to decide appeals concerning state owned land valuation, exemption eligibility, property classification, and equalized values.

One change accomplished by Chapter 485 of particular importance to cities and towns deals with the authority of local assessors to settle assessment disputes during a discrete interval of time. This time period is the interval following the assessors' denial of an abatement application but before the applicant makes a formal appeal to the ATB. Formerly, assessors could enter into such agreements only in cases of "deemed denials," that is, cases in which they had failed to act upon an abatement application within three months, or a mutually agreed upon later time, after having received it. In such cases, abatement applications become automatically denied by operation of law. Pursuant to the new change, however, assessors can enter into settlement agreements in cases of actual denials, also, as well as in cases of deemed denials. In either instance, settlements during this time period must be final settlements; neither party may subsequently appeal an agreement.

The fact that this new settlement authority pertains only to the time period after a denial and before an appeal to the ATB does not mean, certainly, that assessors can only settle during this limited period. On the contrary, assessors always possess the authority to abate a tax or charge, in whole or in part, after an appellant has timely appealed to the ATB.

Another change of significance to cities and towns implemented by Chapter 485 relates to a requirement that some taxpayers must pay taxes in advance in order to be eligible to make an appeal to the ATB. This prepayment requirement applies to taxpayers who own real property for which the total tax for any fiscal year is more than $3,000. Such persons must timely pay all installments as they become due in order for the ATB to have authority to decide an appeal relating to that property. Formerly the threshold was $2,000. Chapter 485 increased it to $3,000.

No prepayment requirement exists, at all, at the local level. Whether a property owner is current with tax payments has no bearing either on that person's eligibility to receive or the assessors' jurisdiction to grant abatements. At the same time, however, applying for an abatement does not postpone the collection process. Interest will accrue on any delinquent amount, and collection fees may be added to a tax or other charge not timely paid.

Another change, which is of specific interest to municipal assessors, concerns appeals to the ATB in years succeeding a year for which the board determined the value of a parcel of real estate. Ordinarily, an appellant bears the burden of proof at the ATB. To prevail, the appellant must prove the assessors' valuation is incorrect. However, the burden of proof shifts to the assessors for a prescribed period of time if they determine the value of a parcel to be greater than the value determined by the board. To prevail, the assessors must prove the correctness of their value. Formerly, the shift of the burden of proof extended to the following three years. Chapter 485 reduced to two years the period during

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which the burden of proof in such cases is upon the assessors instead of the appellant.

A further change of special interest to assessors involves an appellant's including multiple parcels of real estate in a single appeal to the ATB. Formerly, an appellant had latitude to file such an appeal; however, the ATB, upon receiving notice, could require each parcel be the subject of a separate petition. Under the amendment, an appellant cannot include multiple parcels in a single petition without obtaining express authority from the board to do so.

Many of the other changes implemented by Chapter 485 are intended to enhance the ATB's effectiveness and reduce its caseload. For one thing, the statute alters the criteria defining cases which may be decided by a single board member, instead of requiring a vote of the entire board. Formerly, a single member could only resolve cases, single-handedly, in which the assessed value of the property involved in the appeal did not exceed $300,000 or, with the written consent of the parties, $500,000. Chapter 485 raised these levels to $500,000 and $750,000, respectively, thereby increasing the number of cases that may be decided by a single member.

As another means to increase the efficiency and reduce the caseload of the board, the new provisions authorize the board to add additional personnel. Specifically, the board may appoint additional members to work full-time, but on a temporary basis, for a one-year period, which may be extended for an additional year, if necessary. The temporary members may resolve cases eligible to be decided by single members. The statute also specifically authorizes the board to appoint five attorneys, as well as other employees, including additional clerks. Of course, all additional appointment authority is subject to sufficient appropriation.

Additionally, Chapter 485 imposes a number of strict deadlines on board members. For example, it specifies that members must, in general, render decisions within three months of the closing of a case. Similarly, if either party to a decision requests a report and findings of fact, the statute requires the preparation of these materials within a similar time period.

The statute, moreover, imposes substantial accountability upon members of the board. For one thing, it subjects them to annual, written performance reviews. Members will be evaluated based, in part, on their efficiency and fairness in conducting hearings, their promptness in issuing single member decisions, their contribution to issuing expeditious findings of facts and reports, and their role in the management and reduction of the board's caseload. The statute also requires an annual report to the Legislature. The report must provide "the aggregate number and type of cases assigned to each member, the manner by which each case was disposed of and the average length of time for issuing a decision."

As another way to reduce the ATB's caseload, Chapter 485 authorizes the utilization of alternative dispute resolution techniques. The statute directs that such techniques, including mediation and arbitration, be conducted upon terms and conditions established by the parties, with the approval of the board.

Taken together, the numerous changes introduced by Chapter 485 should significantly improve the administration of the abatement process. By amplifying the ATB's efficiency and reducing its backlog of cases, these changes should result in substantial benefits to cities and towns. ■

Property Tax Chief Named

Last month Revenue Commissioner Frederick A. Laskey announced the appointment of Bruce Stanford, Esq. to the position of Property Tax Bureau Chief in the Division of Local Services. An attorney specializing in municipal law, Bruce has been with the Division of Local Services for 15 years where he has made many significant contributions. Three recent accomplishments come to mind. First, Bruce prepared the *Motor Vehicle & Trailer Excise Manual,* a booklet which has become indispensable to local assessors and tax collectors. Second, his close cooperation with the Massachusetts Treasurers and Collectors Association produced the first updated *Collector's Manual* in several years. Third, Bruce was the recipient of two statewide awards for his part in the Regulation Review Project. He received the Governor's Pride in Performance Award for his leadership in developing the "how to" guide to writing regulations and the Manual Carballo Governor's Award for Excellence in Public Service for his part in the team that eliminated 22 percent of government regulations and modified another 49 percent.

A graduate of the University of Massachusetts at Amherst and Suffolk University Law School, Bruce is a lifelong resident of Cape Cod. He and his wife Melissa have five children. His past municipal experience as a selectman/assessor and school committee member in the Town of Sandwich further adds to his value in the Division and to local officials.

Bruce replaces Harry Grossman, who served as Chief of the Property Tax Bureau for 12 years. Harry, who was promoted to First Deputy Commissioner of Revenue in 1997, recently has been given special responsibility for the resolution and settlement of tax disputes. ■

FOCUS on Municipal Finance

1998 Equalized Valuations

The Equalized Valuations (EQVs) for Massachusetts for 1998 reflect an 8.2 percent increase from the 1996 EQVs. This article examines the results of the EQV study for 1998 as well as cumulative changes in EQVs between 1988 and the present. The latter five EQVs illustrate the shifts in property values statewide.

Every even numbered year, the Commissioner of Revenue is required to develop an estimate of the fair cash value of all taxable property in each city and town as of January 1 of that year.[1] This estimate is called the equalized valuations or EQVs. The purpose of EQVs is to present municipal property values in a comparable manner by adjusting for the differences in local assessing practices and revaluation schedules. There are three major uses for these "equalized" values: the allocation of certain state aid distributions, the calculation of various state and county assessments to municipalities, and the determination of municipal debt limits.

EQV Methodology

Assessed values as of January 1, 1997 (FY1998) served as the starting point for calculating the 1998 EQVs. For residential property, these values were compared to sales prices for the preceding year, January 1 through December 31, 1996. Only arms-length sales were included in this comparison. These are sales between a willing buyer and seller without any unusual circumstances or conditions. Excluded were non-arms-length sales, such as those between relatives, court ordered sales or other non-fair markets sales.

As a result of the analysis of the relationship between the assessed value and the price for residential property which actually sold, a composite assessment sales ratio (assessed value/market value) was determined for each city and town. The total assessed value was then divided by the composite sales ratio to estimate the fair market value of the residential class.

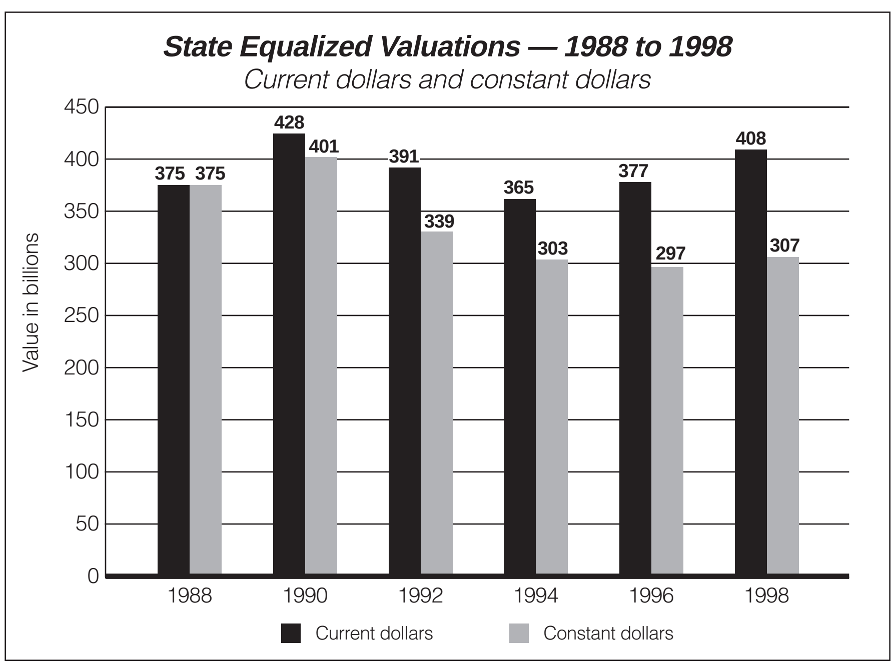
Since there were few arms-length sales of commercial and industrial properties, the sales ratio sampling technique could not be used as the sole estimate of the fair market value for these property classes. Therefore, market appraisals, direct income capitalization information, and other sales and economic data were used in addition to sales data to determine the fair market value of these classes.

The 1998 EQVs are the sum of the estimated fair market value for each property class plus an estimate of new growth, resulting in values indicative of January 1, 1998. The Division of Local Services sent proposed 1998 EQVs to the cities and towns by June 10, 1998. After public hearings on the proposed values, communities were notified of any revisions by July 20. Although the municipalities had until August 10 to appeal their values to the Appellate Tax Board, there were no appeals. Final 1998 EQVs were sent to the legislature early in calendar year 1999 for adoption as House Bill 1001.

Uses of EQV

Since EQVs provide uniform and comparable estimates of property values across the state, they are often used as an indicator of municipal wealth in local aid formulas. For example, EQVs are used in some distribution and assessment formulas in which communities with lower property values receive proportionately more aid or are charged less than those with higher property values. The 1998 EQVs will be used to calculate certain state distributions and assessments for FY2000 and FY2001. Local aid receipt programs *continued on page six* ➡

Figure 1



1998 Equalized Valuations

Municipality	1996 EQV	1998 EQV	96 to 98 EQV % change	1998 EQV per capita	Rate per capita
Abington	718,443,400	759,319,700	5.69%	51,714	268
Acton	1,666,438,600	1,867,427,500	12.06%	99,063	80
Acushnet	453,683,700	454,254,900	0.13%	46,150	300
Adams	310,627,800	318,941,200	2.68%	35,656	333
Agawam	1,394,724,700	1,471,926,500	5.54%	55,085	242
Alford	87,499,300	94,855,400	8.41%	229,674	15
Amesbury	797,621,300	859,771,400	7.79%	54,471	247
Amherst	1,046,631,600	1,094,394,100	4.56%	30,856	341
Andover	3,072,063,800	3,523,811,700	14.71%	114,072	56
Arlington	2,999,301,600	3,182,030,200	6.09%	72,889	159
Ashburnham	254,842,400	266,606,300	4.62%	48,731	279
Ashby	129,782,200	139,042,000	7.13%	47,390	293
Ashfield	115,968,300	114,846,100	-0.97%	65,852	189
Ashland	903,469,400	965,638,700	6.88%	74,624	144
Athol	363,713,800	353,288,100	-2.87%	31,662	339
Attleboro	1,698,474,700	1,757,870,300	3.50%	44,993	305
Auburn	875,955,700	926,918,600	5.82%	61,786	209
Avon	406,242,600	434,236,200	6.89%	94,174	84
Ayer	550,418,300	570,214,600	3.60%	77,286	128
Barnstable	4,825,386,900	5,168,638,100	7.11%	118,278	54
Barre	191,231,300	193,356,200	1.11%	40,241	325
Becket	207,417,500	222,583,500	7.31%	147,309	34
Bedford	1,293,047,700	1,412,198,800	9.21%	103,261	70
Belchertown	583,085,000	611,075,300	4.80%	51,980	262
Bellingham	958,717,400	1,051,041,800	9.63%	67,617	180
Belmont	2,376,571,300	2,540,168,700	6.88%	105,647	66
Berkley	289,696,600	302,142,300	4.30%	57,705	233
Berlin	187,963,600	228,258,100	21.44%	97,881	82
Bernardston	104,335,900	108,640,200	4.13%	51,956	263
Beverly	2,365,546,000	2,616,644,400	10.61%	67,796	179
Billerica	2,208,107,500	2,395,219,500	8.47%	61,636	210
Blackstone	339,983,500	361,943,600	6.46%	43,766	310
Blandford	83,610,000	79,900,800	-4.44%	70,273	172
Bolton	376,737,100	440,019,300	16.80%	134,193	40
Boston	31,075,293,700	35,853,362,600	15.38%	64,208	198
Bourne	1,437,733,300	1,543,900,100	7.38%	88,077	100
Boxborough	402,723,400	457,269,800	13.54%	114,921	55
Boxford	757,512,100	889,907,100	17.48%	104,083	69
Boylston	265,089,100	284,257,500	7.23%	74,982	143
Braintree	2,449,092,000	2,720,639,100	11.09%	78,387	123
Brewster	1,129,552,100	1,199,120,800	6.16%	129,481	47
Bridgewater	997,392,300	1,075,584,800	7.84%	45,399	303
Brimfield	174,995,500	179,292,000	2.46%	57,967	229
Brockton	2,811,051,100	2,894,652,600	2.97%	31,353	340
Brookfield	121,898,800	119,382,000	-2.06%	40,954	320
Brookline	5,048,485,400	5,637,538,000	11.67%	104,135	68
Buckland	104,410,600	100,807,800	-3.45%	51,883	264
Burlington	2,048,425,400	2,342,120,200	14.34%	99,694	78
Cambridge	7,593,801,600	8,569,361,200	12.85%	91,448	93
Canton	1,670,684,300	1,883,189,000	12.72%	92,704	88
Carlisle	574,967,000	646,085,300	12.37%	140,484	37
Carver	490,285,400	536,249,600	9.37%	47,502	291
Charlemont	61,392,300	68,337,100	11.31%	54,409	250
Charlton	531,720,300	554,397,200	4.26%	55,038	243
Chatham	1,628,155,200	1,814,375,400	11.44%	261,815	12
Chelmsford	2,129,612,700	2,298,992,900	7.95%	68,659	176
Chelsea	812,415,200	839,088,700	3.28%	30,393	344
Cheshire	149,481,300	154,073,000	3.07%	44,724	306
Chester	64,771,800	67,070,700	3.55%	53,571	255
Chesterfield	62,050,000	67,279,300	8.43%	60,017	215

Municipality	1996 EQV	1998 EQV	96 to 98 EQV % change	1998 EQV per capita	Rate per capita
Chicopee	2,009,630,800	2,017,478,000	0.39%	36,996	331
Chilmark	830,061,200	904,638,400	8.98%	1,184,082	1
Clarksburg	59,068,900	62,812,200	6.34%	37,322	330
Clinton	510,779,700	499,101,700	-2.29%	38,184	329
Cohasset	856,628,200	916,152,800	6.95%	129,583	46
Colrain	94,018,600	89,445,300	-4.86%	48,585	280
Concord	2,269,975,300	2,436,119,900	7.32%	136,922	38
Conway	115,030,800	116,320,000	1.12%	70,754	169
Cummington	60,935,700	63,673,700	4.49%	80,295	118
Dalton	329,135,800	349,298,100	6.13%	50,150	273
Danvers	2,103,970,900	2,167,339,400	3.01%	88,582	98
Dartmouth	2,048,446,800	2,140,901,200	4.51%	76,189	133
Dedham	1,683,887,500	1,893,300,500	12.44%	79,748	119
Deerfield	341,103,300	358,366,200	5.06%	72,120	164
Dennis	2,132,188,600	2,271,547,200	6.54%	157,495	31
Dighton	313,263,400	339,071,400	8.24%	57,754	232
Douglas	328,223,700	364,590,100	11.08%	59,331	222
Dover	933,790,700	1,010,805,100	8.25%	187,777	22
Dracut	1,230,001,400	1,283,735,500	4.37%	46,229	299
Dudley	389,958,100	393,148,000	0.82%	40,631	322
Dunstable	195,678,900	214,676,500	9.71%	83,047	111
Duxbury	1,408,233,000	1,578,071,900	12.06%	105,156	67
E. Bridgewater	621,421,400	648,515,500	4.36%	53,451	256
E. Brookfield	110,979,900	116,459,100	4.94%	57,911	230
E. Longmeadow	961,818,500	1,009,843,900	4.99%	72,703	160
Eastham	862,680,900	879,449,900	1.94%	181,143	25
Easthampton	654,489,600	663,480,800	1.37%	42,142	316
Easton	1,229,042,000	1,364,884,600	11.05%	65,087	193
Edgartown	1,226,925,600	1,450,565,600	18.23%	411,391	5
Egremont	182,770,200	204,939,400	12.13%	166,077	27
Erving	143,781,100	140,752,300	-2.11%	102,291	73
Essex	319,590,500	338,417,500	5.89%	100,480	76
Everett	2,097,750,800	2,180,908,600	3.96%	62,301	205
Fairhaven	868,082,800	929,707,000	7.10%	58,198	228
Fall River	2,813,460,700	2,927,188,100	4.04%	32,215	337
Falmouth	3,618,170,500	3,853,965,400	6.52%	126,563	49
Fitchburg	1,178,184,300	1,179,184,900	0.08%	29,596	346
Florida	55,857,400	55,259,100	-1.07%	75,388	141
Foxborough	1,083,159,400	1,189,724,400	9.84%	74,307	148
Framingham	3,955,109,800	4,233,536,500	7.04%	65,600	192
Franklin	1,760,276,700	2,036,847,400	15.71%	76,389	131
Freetown	478,349,400	494,206,100	3.31%	56,591	237
Gardner	603,909,500	617,076,000	2.18%	30,617	343
Aquinnah*	198,164,900	195,219,200	-1.49%	834,270	3
Georgetown	469,697,100	534,766,000	13.85%	75,810	137
Gill	69,805,300	75,346,100	7.94%	47,417	292
Gloucester	2,091,570,400	2,182,974,100	4.37%	74,588	145
Goshen	63,117,400	64,619,300	2.38%	75,933	134
Gosnold	93,475,000	94,465,800	1.06%	973,874	2
Grafton	686,121,500	754,816,200	10.01%	56,813	236
Granby	292,461,000	292,781,200	0.11%	50,048	274
Granville	97,011,200	100,045,400	3.13%	71,257	167
Grt. Barrington	537,847,200	548,707,300	2.02%	71,670	166
Greenfield	760,475,000	762,981,700	0.33%	41,065	319
Groton	605,556,200	697,673,000	15.21%	79,380	121
Groveland	318,689,700	381,615,800	19.75%	68,024	178
Hadley	365,919,000	408,853,800	11.73%	93,623	86
Halifax	333,267,900	360,794,300	8.26%	52,717	259
Hamilton	621,002,900	678,963,000	9.33%	90,686	94
Hampden	283,779,600	278,054,300	-2.02%	58,637	225

Municipality	1996 EQV	1998 EQV	96 to 98 EQV % change	1998 EQV per capita	Rate per capita
Hancock	89,283,500	85,032,100	-4.76%	144,367	35
Hanover	1,013,626,800	1,081,632,900	6.71%	83,906	109
Hanson	490,380,200	520,393,800	6.12%	54,709	245
Hardwick	120,459,700	120,204,000	-0.21%	46,973	295
Harvard	524,248,300	562,202,100	7.24%	48,508	282
Harwich	1,626,185,400	1,774,872,300	9.14%	156,680	33
Hatfield	264,923,000	282,586,200	6.67%	87,137	102
Haverhill	2,120,295,100	2,323,104,600	9.57%	43,059	312
Hawley	22,418,700	22,463,000	0.20%	68,694	175
Heath	46,358,400	45,573,900	-1.69%	61,503	212
Hingham	2,021,730,100	2,191,461,700	8.40%	108,140	63
Hinsdale	112,261,800	113,648,800	1.24%	60,323	214
Holbrook	510,091,200	524,863,600	2.90%	47,319	294
Holden	850,242,800	894,934,000	5.26%	59,822	218
Holland	147,859,100	155,963,200	5.48%	74,092	149
Holliston	925,422,900	1,009,681,100	9.10%	75,456	140
Holyoke	1,121,974,300	1,257,077,100	12.04%	30,320	345
Hopedale	273,138,400	292,626,600	7.13%	52,060	261
Hopkinton	1,036,439,600	1,211,238,000	16.87%	112,100	58
Hubbardston	179,958,800	177,714,400	-1.25%	52,687	260
Hudson	983,249,800	1,058,347,200	7.64%	59,811	219
Hull	619,736,500	673,535,900	8.68%	64,318	197
Huntington	95,752,400	98,484,600	2.85%	46,324	298
Ipswich	991,783,700	1,113,370,500	12.26%	90,137	96
Kingston	695,879,100	765,144,300	9.95%	73,241	155
Lakeville	605,001,300	632,319,500	4.52%	73,560	152
Lancaster	318,554,000	348,556,900	9.42%	53,280	257
Lanesborough	235,853,100	235,989,700	0.06%	77,298	126
Lawrence	1,124,106,800	1,198,684,000	6.63%	17,421	351
Lee	387,403,200	437,881,200	13.03%	76,246	132
Leicester	395,974,000	415,122,200	4.84%	40,198	326
Lenox	459,095,100	485,932,200	5.85%	96,761	83
Leominster	1,707,632,600	1,727,211,600	1.15%	43,991	308
Leverett	114,412,400	112,863,300	-1.35%	61,506	211
Lexington	3,689,184,800	4,029,658,200	9.23%	136,673	39
Leyden	38,597,300	39,724,400	2.92%	56,108	239
Lincoln	837,001,800	1,006,836,400	20.29%	127,464	48
Littleton	628,787,500	694,245,400	10.41%	90,220	95
Longmeadow	1,192,398,500	1,216,791,100	2.05%	81,862	113
Lowell	2,644,624,100	2,713,255,400	2.60%	26,871	348
Ludlow	922,732,200	944,298,400	2.34%	50,266	272
Lunenburg	496,698,400	542,006,800	9.12%	58,374	227
Lynn	2,451,325,700	2,479,323,300	1.14%	30,775	342
Lynnfield	1,091,309,900	1,150,816,600	5.45%	102,459	72
Malden	1,998,192,800	2,136,555,600	6.92%	40,504	324
Manchester	854,321,900	997,573,000	16.77%	186,219	24
Mansfield	1,391,011,300	1,472,798,900	5.88%	78,315	124
Marblehead	2,249,236,900	2,388,893,800	6.21%	119,606	53
Marion	602,319,400	653,541,800	8.50%	131,949	43
Marlborough	2,155,718,500	2,386,290,000	10.70%	72,369	162
Marshfield	1,651,966,800	1,770,864,300	7.20%	77,293	127
Mashpee	1,298,760,900	1,432,920,600	10.33%	160,372	28
Mattapoisett	620,738,100	608,067,400	-2.04%	98,234	81
Maynard	594,055,900	646,315,300	8.80%	62,074	206
Medfield	1,039,177,400	1,143,475,100	10.04%	99,719	77
Medford	2,850,402,200	3,036,185,900	6.52%	54,034	253
Medway	727,465,900	801,322,700	10.15%	70,347	171
Melrose	1,580,721,000	1,702,010,600	7.67%	62,058	207
Mendon	304,447,700	334,002,200	9.71%	75,927	135
Merrimac	272,194,900	320,047,900	17.58%	56,446	238

Municipality	1996 EQV	1998 EQV	96 to 98 EQV % change	1998 EQV per capita	Rate per capita
Methuen	1,922,748,900	1,959,211,600	1.90%	47,752	288
Middleborough	918,457,000	996,109,100	8.45%	51,881	265
Middlefield	31,068,600	32,870,900	5.80%	73,373	154
Middleton	553,789,900	634,654,000	14.60%	112,847	57
Milford	1,362,827,200	1,448,609,100	6.29%	57,498	234
Millbury	581,586,800	573,552,400	-1.38%	46,521	296
Millis	474,942,900	504,400,400	6.20%	63,327	201
Millville	113,180,900	118,790,300	4.96%	48,845	278
Milton	1,811,114,100	1,898,079,500	4.80%	73,586	151
Monroe	17,687,700	19,778,500	11.82%	175,031	26
Monson	376,479,200	386,067,700	2.55%	48,568	281
Montague	395,147,400	402,912,600	1.97%	48,063	286
Monterey	164,715,400	166,958,100	1.36%	208,437	20
Montgomery	48,768,600	51,909,300	6.44%	66,126	186
Mt. Washington	33,443,200	34,920,100	4.42%	264,546	11
Nahant	314,619,700	319,729,600	1.62%	84,540	107
Nantucket	3,514,157,300	4,667,148,100	32.81%	642,239	4
Natick	2,655,370,000	3,150,223,500	18.64%	100,614	75
Needham	3,131,771,600	3,395,354,400	8.42%	122,012	51
New Ashford	18,787,800	20,119,600	7.09%	111,158	60
New Bedford	2,950,935,400	2,829,354,300	-4.12%	29,198	347
New Braintree	45,860,800	49,508,700	7.95%	52,950	258
New Marlborough	198,830,500	180,449,700	-9.24%	142,987	36
New Salem	51,154,400	53,440,200	4.47%	64,776	194
Newbury	501,494,200	552,185,700	10.11%	92,262	90
Newburyport	1,183,744,500	1,336,744,400	12.93%	80,731	115
Newton	8,906,905,500	9,926,932,200	11.45%	123,719	50
Norfolk	620,850,500	670,735,300	8.03%	64,562	195
N. Adams	446,712,800	424,508,400	-4.97%	26,788	349
N. Andover	1,911,398,400	2,226,893,800	16.51%	91,706	91
N. Attleborough	1,413,941,100	1,566,548,500	10.79%	61,313	213
N. Brookfield	191,043,800	187,984,700	-1.60%	39,025	327
N. Reading	1,043,098,800	1,143,843,700	9.66%	88,540	99
Northampton	1,470,426,100	1,591,616,500	8.24%	55,192	241
Northborough	964,534,800	1,083,923,400	12.38%	84,675	106
Northbridge	538,657,200	593,948,400	10.26%	43,376	311
Northfield	164,051,700	172,129,200	4.92%	59,090	224
Norton	762,852,900	849,587,400	11.37%	54,256	251
Norwell	946,606,700	1,049,001,400	10.82%	108,682	62
Norwood	2,162,907,600	2,181,758,400	0.87%	75,496	139
Oak Bluffs	702,097,000	796,363,900	13.43%	254,592	14
Oakham	88,793,000	91,318,500	2.84%	55,614	240
Orange	239,221,200	245,222,200	2.51%	32,596	336
Orleans	1,186,890,900	1,311,649,000	10.51%	212,069	18
Otis	274,263,800	278,289,300	1.47%	259,841	13
Oxford	529,357,600	557,110,200	5.24%	42,743	314
Palmer	546,694,100	571,254,400	4.49%	47,976	287
Paxton	238,677,600	247,219,600	3.58%	59,990	216
Peabody	3,330,340,100	3,534,645,400	6.13%	73,083	157
Pelham	81,502,400	85,013,400	4.31%	59,533	221
Pembroke	963,754,300	1,056,225,200	9.59%	65,973	188
Pepperell	533,839,800	581,198,100	8.87%	54,799	244
Peru	37,080,000	40,601,000	9.50%	53,919	254
Petersham	79,390,700	76,462,500	-3.69%	66,144	185
Phillipston	75,684,800	79,371,700	4.87%	49,208	277
Pittsfield	1,984,639,200	2,046,640,800	3.12%	44,190	307
Plainfield	46,114,400	51,685,600	12.08%	84,870	105
Plainville	415,746,300	428,016,200	2.95%	59,135	223
Plymouth	3,289,205,600	3,500,046,100	6.41%	72,421	161
Plympton	161,003,800	172,960,500	7.43%	66,167	184

Municipality	1996 EQV	1998 EQV	96 to 98 EQV % change	1998 EQV per capita	Rate per capita
Princeton	234,529,700	243,801,400	3.95%	73,192	156
Provincetown	588,630,600	718,181,300	22.01%	195,105	21
Quincy	4,498,810,500	4,663,349,500	3.66%	54,522	246
Randolph	1,468,588,200	1,480,000,600	0.78%	48,439	284
Raynham	706,935,600	759,113,700	7.38%	72,207	163
Reading	1,675,702,200	1,848,577,900	10.32%	80,527	117
Rehoboth	636,203,300	671,154,800	5.49%	71,751	165
Revere	1,695,498,900	1,747,439,000	3.06%	41,844	318
Richmond	172,806,900	181,803,600	5.21%	111,468	59
Rochester	289,548,900	306,110,700	5.72%	69,681	173
Rockland	791,190,200	852,906,600	7.80%	49,484	276
Rockport	772,507,100	810,246,500	4.89%	106,893	65
Rowe	149,715,600	153,145,200	2.29%	406,221	6
Rowley	335,021,400	382,540,600	14.18%	73,622	150
Royalston	60,049,100	58,282,600	-2.94%	48,448	283
Russell	76,402,800	77,042,400	0.84%	48,333	285
Rutland	248,675,200	267,318,800	7.50%	51,546	270
Salem	2,083,065,400	2,174,217,600	4.38%	57,204	235
Salisbury	525,853,300	563,260,100	7.11%	79,411	120
Sandisfield	124,267,200	123,849,100	-0.34%	187,366	23
Sandwich	1,486,417,600	1,658,139,900	11.55%	92,551	89
Saugus	1,886,327,300	1,989,806,600	5.49%	75,880	136
Savoy	33,713,200	37,415,400	10.98%	54,462	248
Scituate	1,498,124,400	1,612,453,800	7.63%	93,519	87
Seekonk	1,018,081,900	1,049,163,300	3.05%	79,069	122
Sharon	1,280,919,700	1,385,244,900	8.14%	83,028	112
Sheffield	287,818,300	279,284,200	-2.97%	94,130	85
Shelburne	114,117,800	118,825,100	4.12%	58,621	226
Sherborn	607,849,500	644,845,300	6.09%	157,011	32
Shirley	248,609,400	260,549,000	4.80%	34,912	334
Shrewsbury	1,838,100,900	1,994,689,800	8.52%	74,509	146
Shutesbury	109,450,000	113,876,000	4.04%	66,516	183
Somerset	1,402,452,300	1,439,008,400	2.61%	81,213	114
Somerville	2,805,809,000	3,170,880,300	13.01%	42,645	315
S. Hadley	798,598,100	790,564,400	-1.01%	46,376	297
Southampton	284,198,400	290,848,400	2.34%	59,932	217
Southborough	836,931,400	983,173,800	17.47%	133,077	41
Southbridge	524,358,400	552,791,800	5.42%	31,684	338
Southwick	432,240,900	478,181,200	10.63%	59,735	220
Spencer	482,416,500	491,438,700	1.87%	40,645	321
Springfield	4,097,775,200	3,933,745,400	-4.00%	26,234	350
Sterling	430,076,300	451,394,600	4.96%	65,820	190
Stockbridge	373,855,300	374,469,000	0.16%	160,098	29
Stoneham	1,406,201,000	1,517,097,700	7.89%	68,551	177
Stoughton	1,457,014,800	1,589,716,000	9.11%	57,848	231
Stow	470,428,500	503,172,600	6.96%	87,798	101
Sturbridge	478,653,000	496,519,500	3.73%	62,763	202
Sudbury	1,866,486,800	1,966,475,300	5.36%	129,972	45
Sunderland	160,751,600	174,316,500	8.44%	49,536	275
Sutton	472,689,100	496,287,900	4.99%	67,614	181
Swampscott	1,121,853,200	1,223,236,100	9.04%	89,444	97
Swansea	908,797,400	992,116,100	9.17%	63,872	200
Taunton	2,250,229,800	2,387,354,400	6.09%	45,966	301
Templeton	258,133,100	272,078,100	5.40%	38,918	328
Tewksbury	1,830,605,100	1,992,894,400	8.87%	69,575	174
Tisbury	642,116,700	703,100,500	9.50%	210,446	19
Tolland	90,732,900	95,608,800	5.37%	321,915	8
Topsfield	543,986,200	623,117,900	14.55%	102,184	74
Townsend	411,661,700	428,091,000	3.99%	47,582	290
Truro	600,002,500	646,739,500	7.79%	374,054	7

Municipality	1996 EQV	1998 EQV	96 to 98 EQV % change	1998 EQV per capita	Rate per capita
Tyngsborough	524,052,400	627,685,500	19.78%	64,050	199
Tyringham	77,096,000	79,940,200	3.69%	217,229	16
Upton	402,725,600	430,820,200	6.98%	80,693	116
Uxbridge	547,933,000	600,462,400	9.59%	54,454	249
Wakefield	1,712,489,800	1,871,739,500	9.30%	75,608	138
Wales	76,809,300	80,949,000	5.39%	51,692	269
Walpole	1,591,345,300	1,708,689,400	7.37%	76,792	130
Waltham	3,748,643,300	4,202,403,400	12.10%	73,451	153
Ware	388,143,800	398,848,600	2.76%	40,628	323
Wareham	1,245,904,000	1,259,404,900	1.08%	64,436	196
Warren	185,870,000	203,013,100	9.22%	44,994	304
Warwick	39,141,100	38,714,900	-1.09%	50,542	271
Washington	39,232,100	41,320,700	5.32%	66,113	187
Watertown	2,187,958,300	2,370,096,100	8.32%	72,948	158
Wayland	1,450,192,100	1,580,612,800	8.99%	131,269	44
Webster	703,750,400	705,170,500	0.20%	43,829	309
Wellesley	3,914,149,200	4,279,350,300	9.33%	159,624	30
Wellfleet	703,867,400	765,329,900	8.73%	282,097	10
Wendell	43,451,100	41,111,800	-5.38%	43,004	313
Wenham	363,518,900	379,379,800	4.36%	85,774	104
W. Boylston	405,565,700	413,495,800	1.96%	62,414	204
W. Bridgewater	493,167,900	500,391,300	1.46%	75,281	142
W. Brookfield	184,176,700	196,056,100	6.45%	54,174	252
W. Newbury	334,166,900	383,559,700	14.78%	99,085	79
W. Springfield	1,404,520,000	1,358,149,700	-3.30%	51,854	266
W. Stockbridge	149,089,100	157,934,500	5.93%	107,879	64
W. Tisbury	545,653,900	647,326,000	18.63%	298,444	9
Westborough	1,416,340,000	1,667,271,000	17.72%	111,114	61
Westfield	1,675,556,600	1,718,739,200	2.58%	45,785	302
Westford	1,521,187,700	1,705,081,600	12.09%	91,465	92
Westhampton	92,538,000	97,686,800	5.56%	67,463	182
Westminster	390,996,800	411,067,300	5.13%	62,644	203
Weston	2,001,436,800	2,267,712,300	13.30%	217,048	17
Westport	1,168,931,100	1,176,255,000	0.63%	84,060	108
Westwood	1,526,558,900	1,712,391,300	12.17%	132,384	42
Weymouth	2,776,803,700	2,838,467,700	2.22%	51,752	267
Whately	111,349,700	120,805,700	8.49%	83,257	110
Whitman	549,559,400	578,402,000	5.25%	42,087	317
Wilbraham	856,219,400	880,739,000	2.86%	70,884	168
Williamsburg	142,668,500	160,803,300	12.71%	62,014	208
Williamstown	495,770,000	527,623,100	6.42%	65,617	191
Wilmington	1,689,244,100	1,717,300,900	1.66%	86,409	103
Winchendon	321,638,200	326,832,400	1.61%	36,595	332
Winchester	2,258,551,500	2,439,200,800	8.00%	120,051	52
Windsor	60,074,800	58,917,800	-1.93%	76,816	129
Winthrop	800,633,400	825,455,300	3.10%	47,700	289
Woburn	2,687,725,100	2,726,532,500	1.44%	74,438	147
Worcester	5,409,541,600	5,536,578,100	2.35%	33,283	335
Worthington	79,917,500	85,239,900	6.66%	70,446	170
Wrentham	657,863,300	785,205,700	19.36%	78,138	125
Yarmouth	2,161,867,200	2,303,392,500	6.55%	103,129	71
Totals	**377,222,382,300**	**408,164,774,800**	**8.20%**	**66,996**	

*formerly Gay Head

Table 1

1998 Equalized Valuations
➡ *continued from page three*

using EQVs are: Lottery, Public Libraries (Municipal Equalization Grants), and certain components of Chapter 70 aid. Cherry Sheet charges use EQVs as a factor in determining each municipality's share of County Tax, Mosquito Control and Air Pollution Control District assessments. (More in-depth information on the calculation of all distributions and assessments can be found in the FY1999 Cherry Sheet Manual.)

The lottery aid program, the second largest state aid program, uses EQV per capita based on the current EQVs and population data to determine how the annual lottery aid increases are to be allocated among communities. The 1998 EQVs are not used to redistribute the entire lottery aid, only to allocate the additional aid. In other words, in FY2000, communities will receive the same amount distributed in FY1999 plus their share of the additional aid based on the EQV per capita formula. For FY2000, a $72.5 million increase in statewide lottery aid has been proposed in the Governor's budget.

Finally, EQVs are used to compute municipal debt limits. The debt limit for cities is calculated at 2.5 percent of the latest EQVs. For towns, it is set at 5 percent of the latest EQVs. Communities may petition the Emergency Finance Board to increase their debt limit up to 5 percent for cities and 10 percent for towns. Although many borrowing purposes (e.g., water projects, landfill closure and certain sewer projects) are outside of this general debt limit, certain of these purposes have specific debt limitations that are also based on EQVs.

Findings

Table 1 lists for each municipality the 1996 EQVs, the 1998 EQVs, the 1998 EQV per capita, and the statewide rank in EQV per capita. In addition, it provides the percentage change in EQVs between 1996 and 1998. The statewide average 1998 EQV per capita was $66,996 compared with the 1996 state average of $62,442, a 7.3 percent change. The town of Chilmark again had the highest 1998 EQV per capita, $1,184,082, with Gosnold and Aquinnah (Gay Head) close behind at $973,874 and $834,270, respectively. Communities with very high levels of new development and/or marked appreciation in their real estate market but with relatively stable populations experienced the largest percentage increases in their EQV per capita figures. These included Provincetown (22.01 percent), Berlin (21.44 percent) and Lincoln (20.29 percent).

Figure 1 depicts graphically the change in statewide EQVs between 1988 and 1998 in terms of both actual and 1988 dollars. The fluctuations over the years mirror the rise and fall of the statewide real estate market. As was explained in the methodology section, EQVs are primarily tied to real estate prices of two years earlier. 1990 EQVs reflect the market peak of 1987–1988. This was actually a continuation of a rapidly escalating trend noted in the 1988 EQVs. The decreases in the 1992 and 1994 EQVs parallel the downturn in real estate of the early 1990s. With the 3 percent increase in 1996 EQVs, it would be easy to conclude that the signs of a slight market recovery existed. However, when adjusted for inflation (by using constant 1988 dollars), the 1996 EQVs actually continued a slight downward trend. It is only in the latest 1998 values, with a biennial increase of 4 percent in constant and 8 percent in actual dollars, that a true market turnaround can be seen. It is also interesting to note that the current total adjusted EQVs are still considerably less than those of 1988 and 1990.

Table 2 presents the valuation increase between 1996 and 1998 in greater detail so that geographic and property class differences can be noted. There was an upward trend in values across the state of 8.2 percent, although the extent of the rise varied depending on region. The greatest increases occurred in the eastern part of the state, particularly in the Northeast and on the Cape and Islands. The acceleration of values on Martha's Vineyard (Dukes County) and Nantucket, especially in the residential class, was actually responsible for much of the change in the latter

continued on page seven ➡

Table 2

1996–1998 EQV Percent Change

Region	Counties	Residential percent change	C & I percent change	EQV overall percent change
Northeast	Essex, Middlesex, Suffolk	9.18%	13.51%	10.07%
Southeast	Bristol, Norfolk, Plymouth	7.27%	3.92%	6.83%
Cape	Barnstable, Dukes, Nantucket	11.41%	9.41%	11.39%
Central	Worcester	4.98%	7.23%	5.56%
West	Berkshire, Franklin, Hampden, Hampshire	1.61%	6.46%	2.53%
Totals		**7.77%**	**9.82%**	**8.20%**

DLS UPDATE

New Officials Finance Forum

New officials have an opportunity to gain a broad overview and basic understanding of municipal government and the roles of other local officials. The Division of Local Services is presenting two seminars for recently elected or appointed local finance officials on Friday, May 21, in West Springfield and Friday, June 4, in Framingham. Selectmen, mayors, city/town council members, accountants, auditors, assessors, collectors, treasurers, clerks, finance directors, city/town managers and finance committee members and their staffs are invited to participate. New officials will gain a basic understanding of Proposition 2½, budgeting, setting the tax rate, free cash and reserve and debt policies. The structure of the seminar is intended to encourage a team approach to fiscal management. After a presentation by DLS staff, participants will have the opportunity to work with other local officials to calculate a levy limit and to complete a tax recapitulation sheet.

Participants will return to their communities with knowledge and understanding that should enable them to be effective and efficient members of their local financial management teams. They will know whom to contact at DLS for technical assistance if needed. Attendees will receive written materials, providing an excellent resource. DLS will award certificates to those who complete the seminar.

FY2000 Growth Factors

The Division of Local Services has provided preliminary FY2000 municipal revenue growth factors (MRGF) to the Department of Education (DOE) to be used to calculate the amount of Chapter 70 aid proposed in the Governor's budget (House 1). Both Chapter 70 and the MRGFs may change as a result of the legislative process. Based on statute, the MRGFs are used to increase the local municipal contribution to support schools and the gross standard of effort used to measure ability to pay under the Education Reform Act.

The law provides for a cap on the MRGFs based on the annual percent increase in formula aid for Chapter 70. For FY2000, the factors were capped at 5.55 percent.

The MRGF is an estimate of the percentage change in a municipality's revenue growth for a fiscal year. It represents the combined percentage increase in the following revenue components: automatic 2½ percent increase in the levy limit, estimated new growth, the change in selected unrestricted state aid categories, and the change in selected unrestricted local receipts. The MRGF is the summary of the change in the four components.

Detailed descriptions of the calculation of every community's preliminary FY2000 MGRFs are available on the DLS Web site (see MRGF00.xls). To see a community's numbers, click on the "reports" menu choice. A companion file provides spreadsheets that give the calculations in column format for all 351 cities and towns (see MRGF00C2.xls). For questions call Lisa Juskiewicz or Rick Kingsley at DLS. ■

1998 Equalized Valuations
➡ *continued from page six*

area. Values in these communities jumped 13 percent and 32 percent respectively. The Northeast shift was characterized by a marked increase in the City of Boston's EQVs, especially in the commercial and industrial (C&I) classes. Suffolk County, of which Boston is the primary municipality, experienced a 14.2 percent general increase and a 23.34 percent upswing in C&I values. Overall, the EQVs of the major property classes rose at about the same rate. This is particularly noteworthy since in the last escalating market in the 1980s, residential values significantly outpaced commercial and industrial values. Again regional differences in class shifts can be seen. The Southeast had less growth in C&I values, primarily because there was practically no increase in those classes in Bristol County. In the West, most counties experienced a greater change in C&I than in residential class values, except for Hampshire county in which C&I increased only slightly.

The changes in EQVs, between 1996 and 1998 and historically, demonstrate vividly the need for the local boards of assessors to monitor the market closely and update values annually as needed. It is especially important to institute such a program in those areas of the state with lively and fluctuating real estate markets. The overall level of assessment found in 1998 EQVs is well within the Commonwealth's standard of full and fair cash valuation. However, annual updates can help to ameliorate the natural lag that occurs between changes in the real estate market and assessments. Also, because changes occur in different classes at different rates, it can promote even greater property tax equity. ■

written by Regina McArdle and Donna Demirai

1. M.G.L. Ch. 58, Sec 9, 10, 10A, 10B, and 10C.

Municipal Fiscal Calendar

May 1
Taxpayer: *Deadline for Payment of Semi-Annual and Quarterly Tax Bill Without Interest*

Treasurer: *Deadline for Payment of 2nd Half of County Tax*

Accountant/Treasurer: *Notification of Amount of Debt Due in Next Fiscal Year*

May 15
Treasurer: *3rd Quarterly Reconciliation of Cash (due 45 days after end of quarter)*

DOR/BLA: *Commissioner Determines and Certifies Telephone and Telegraph Company Valuations*

June 1
Clerk: *Certification of Appropriations*

Assessors: *Determine Valuation of Other Municipal or District Land*

Opportunities for Training

A *Telecommunications Appraisal Course* will be given on Wednesday, May 19, at the Abington Town Hall. Sessions will be from 8:30 a.m. to 4:30 p.m.

Two *New Officials Finance Forums* will be given. The first will be held at the Best Western Hotel in West Springfield on Friday, May 21, 1999, and the second will be on Friday, June 4, 1999, at the Sheraton Hotel in Framingham. The forums will be from 8:45 a.m. to 3:00 p.m.

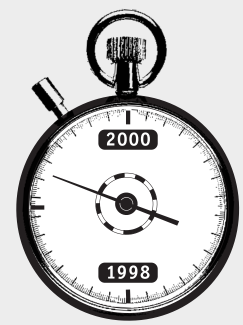
An *Electric Generation, Transmission and Distribution Course* will be given from June 14 through June 17 at the City of Boston Assessing Department, 294 Washington Street Room 534 (The Old South Building), in Boston from 8:30 a.m. to 4:30 p.m.

Contact Training Coordinator Barbara LaVertue at (617) 626-2340 to register or for more information. ■

Our Apologies

The Division of Local Services would like to inform readers that changes made to the *City & Town* mailing list after our March 8 move to Sleeper Street have been lost. Please re-notify DLS of recent address changes by contacting Elaine Lombardi at (617) 626-2337. ■

Countdown to Y2K



City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS website at **www.state.ma.us/dls** or by writing to PO Box 9655, Boston, MA 02114-9655.

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