



Deputy
Commissioner
Robert G. Nunes

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DOR 360



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TAP into DLS Expertise to Set Your Tax Rate in November

DLS has just completed a thorough analysis of the FY14 tax-rate setting season, including a review of the flow of proposed tax rates submitted by 351 cities and towns and two special taxing districts.

There are plenty of statistics and data points to review, but the big picture starts with this - in December 2014, 219 tax rates were approved, almost double the number approved in the three previous months combined.

This rate of tax rate approvals was not unique to December 2014. In 2012-2014, for instance, the average of tax rate approvals issued in December was 63 percent.

There are lots of reasons for this. Some communities hold their town meetings in December or late November by custom or tradition, even though the approvals required to set a tax rate may have been issued earlier. Similarly, some communities schedule their tax classification hearing months in advance and hold to that schedule even if their approvals are in hand. Some communities believe that by submitting their information in December they will avoid closer DLS scrutiny allegedly applied to earlier submissions. Some communities wait simply because they feel no rush to conclude the process as long as their quarterly tax bills are set to go by December 31. Whatever the reason, 177 communities held their classification hearings this past December.

A process which compresses approvals for more than 60 percent of tax rate approvals into a single month is inherently inefficient and

puts extra strain and stress on both local officials and DLS as the calendar ticks down to the December holidays. It's hard to imagine that having your tax rate approval come down to the wire is a calming experience.

Why is such a process inefficient? DLS wants to provide local officials with the most constructive review of budgets and property values possible. Our field staff in the Bureau of Accounts and Bureau of Local Assessment want to give each community a thorough - not nitpicky, but thorough - review. The volume of December tax rate submittals impedes DLS' ability to fully perform this essential function.

Our internal review of our own processes, which is part and parcel of engaging with stakeholders through [our surveys](#) of accountants, auditors, chief financial officers, as well as with assessors, has revealed areas where DLS can improve its performance, and we pledge to do so. The tax-rate setting process is, after all, collaboration between local officials and DLS.

We do believe it is possible with your cooperation to reduce the number of December tax rate submissions. So we will look to enlist 10 to 15 communities this spring and summer in a pilot program called TAP, the DLS Taxpayer Assistance Program, which is designed to see if we can move some December communities into earlier tax rate approval. We may reach out to certain communities to seek their inclusion in the pilot, but your participation will be voluntary. Communities able to move out of December will receive recognition for that accomplishment in *City & Town*, and, if you so wish, collaborative public notification to your community.

In return, DLS will offer interested communities a more personal touch. If you believe your local officials involved in tax-rate setting could benefit from an overview of the process from DLS field staff, we will provide it in your town or city hall. If you believe that a review specific to your community would provide insight, we will provide it. If you believe a phone call from me to your executive or executive decision-making body would be helpful in making a decision to set a rate earlier, I will be happy to make the call.

In addition to enlisting communities in the TAP Pilot, you will be receiving regular reminders this fall from DLS about key dates to keep in mind in order to set a tax rate in November or earlier. We will also use the Gateway system to automatically generate reminders. Let's say your community has received preliminary certification. If after three weeks, you have not sought final certification, we will send an email reminder that the next step awaits.

As for the possible belief that earlier submission to DLS means a higher level of scrutiny, let me say if that is your experience in this pilot, it will not have been successful.

We want to do our job better, and to give you the quality of service you deserve. By moving some of December's tax-rate setting volume into November, we think we can do a better job and help you to set your tax rate earlier. We are willing to give this a try.

Please consider joining this effort. Feel free to email me at nunesr@dor.state.ma.us or call me at (617) 626-2381 to let me know if your community is interested or to learn more about the program.

Robert G. Nunes
Deputy Commissioner and Director of Municipal Affairs
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DLS Releases Instructional Video on Schedule A Uploading

DLS is pleased to announce the release of a new instructional video regarding the Excel-based uploader for Schedule A's. At less than five minutes, it serves as a brief but informative step-by-step visual guide through the process. We highly suggest interested accountants and auditors take a look. Simply click on the second video on the player on [our website](#). Stay tuned for future videos as well!

Ask DLS

This month's *Ask DLS* features frequently asked questions about collection of motor vehicle excises. Please let us know if you have other areas of interest or send a question to cityandtown@dor.state.ma.us. We would like to hear from you.

When is a motor vehicle excise bill due?

A motor vehicle excise is due 30 days from its issue. [G.L. c. 60A, sec. 2](#). Payment must be received by the tax collector, not just mailed (postmarked), on or before the due date.

What remedies does a tax collector have to collect a delinquent motor vehicle excise?

A tax collector may collect the excise by placing ("marking") the delinquent taxpayer's vehicle registration and operating license in non-renewal status at the Registry of Motor Vehicles (RMV). [G.L. c. 60A, sec. 2A](#). That is the most often used remedy, but it is not the only one that may be used. A collector may also use any of the remedies

available to collect a personal property tax. See [G.L. c. 60A, sec. 3](#). Those would include bringing a lawsuit against the delinquent taxpayer, [G.L. c. 60, sec. 35](#), and withholding the amount outstanding from any amount payable by the city or town to the taxpayer ("set-off"), [G.L. c. 60, sec. 93](#). The taxpayer could also have a permit or license denied, revoked, suspended or not-renewed by a board, department or officer of the community if the community has accepted [G.L. c. 40, sec. 57](#) and adopted an implementation bylaw or ordinance.

What are the steps to be followed to mark a delinquent taxpayer's registration and operator's license in non-renewal status at the RMV?

These are the steps followed before marking a delinquent taxpayer's registration and operator's license in non-renewal status at the RMV under [G.L. c. 60A, sec. 2A](#):

1. The tax collector must send a demand for payment of the motor vehicle excise to the taxpayer. The earliest a demand may be sent is two days after the excise due date.

For example, motor vehicle excise bills are mailed on March 1, 2014 and are due 30 days later on March 31, 2014. A demand may be mailed on or after April 2, 2014.

2. The tax collector must wait at least 14 days after the demand is mailed (Step 1) to see if payment in full is made. If the excise is still unpaid after that time period, the collector issues a warrant to collect the excise to a deputy collector, assistant collector or other officer bonded to collect locally assessed taxes. The warrant authorizes the officer to collect the excise from the taxpayer.
3. The taxpayer is sent a notice that the tax collector has issued the warrant to collect the excise to the officer.
4. The officer must wait at least 30 days after the mailing of the notice of issuance of a warrant to collect the excise (Step 3). If the excise is still unpaid after that time period, the warrant to collect must be served on the delinquent taxpayer by:
 - a.) In person presentation of the warrant to the taxpayer, or the taxpayer's representative, or
 - b.) Hand delivery of a copy of the warrant to the taxpayer's usual and last known residence, or the taxpayer's place of business.
5. The delinquent taxpayer's registration and operator's license may be marked at the RMV any time after the warrant to collect is served (Step 4). Current RMV policy requires

marking within two years of the date the original excise bill was mailed. ([G.L. c. 60A, sec. 2A](#) permits marking up to six years from the billing.)

The mark remains until the excise is paid (or abated).

Is the collector still responsible for collection of a motor vehicle excise after issuing a warrant to collect to a deputy collector or other officer?

Yes. Deputy collectors are appointed by the tax collector to act as his or her agent in collecting local taxes. The warrant authorizes the deputy collector or other officer to collect the particular excise from the assessed taxpayer, but the collector remains obligated to collect all excises committed to him or her. The collector is also responsible for ensuring that any officer issued a warrant (1) uses proper collection procedures, i.e., only those consistent with state law and local policies, and (2) provides acceptable customer service to excise taxpayers, including properly answering their questions.

What additional amounts are added to a motor vehicle excise that is not paid on or before its due date?

By law, the following amounts are added to an overdue excise:

1.) Interest - 12% per year from due date to payment date. [G.L. c. 60, sec. 15\(1\)](#); [G.L. c. 60A, sec. 2](#).

2.) Collection costs for these actions:

- Sending the taxpayer a demand for payment of the excise - Set locally at amount up to \$30. [G.L. c. 60, sec. 15\(2\)](#).
- Issuing a warrant to collect the excise to a deputy collector, assistant collector or other officer - \$10. [G.L. c. 60, sec. 15\(9\)](#).
- Sending the taxpayer a notice that a warrant to collect the excise has been issued to a deputy collector, assistant collector or other officer - \$12. [G.L. c. 60, sec. 15\(10\)](#).
- Serving the taxpayer with the warrant to collect the excise - \$17. [G.L. c. 60, sec. 15\(11\)](#).
- "Marking" the taxpayer's vehicle registration and operator's license for non-renewal at the RMV - \$20. [G.L. c. 60A, sec. 2A](#).

May a tax collector waive interest and collection costs on a delinquent motor vehicle excise bill?

If the total amount of interest and collection costs added to an

overdue motor vehicle excise by law is \$15 or less, a tax collector may but is not required to waive any or all accrued interest and costs. [G.L. c. 60, sec. 15](#). Once the total interest and costs owed exceed \$15, however, the collector cannot waive any interest or costs for any reason.

Does a tax collector have to accept a partial payment of a motor vehicle excise bill?

No. Acceptance of partial payments for motor vehicle excises is solely at the collector's discretion. A taxpayer does not have a statutory right to make a partial payment of an excise, unlike a property tax or betterment under [G.L. c. 60, secs. 22, 62](#) and [62A](#).

If a partial payment is accepted for a particular motor vehicle excise bill, can the taxpayer direct that it be applied to the excise first?

No. The taxpayer cannot direct the application of a partial payment. [G.L. c. 60, sec. 3E](#). Any partial payment received must be applied in this order:

1. Interest added to the motor vehicle excise by law as of the payment date.
2. Collection costs added to the excise by law as of the payment date.
3. Outstanding excise.

If the collector waives interest and costs because they total \$15 or less, the payment is applied to the excise.

Is there a statute of limitations for motor vehicle excise bills?

No. There is no time limit on the validity of a locally assessed motor vehicle excise. A taxpayer is personally liable for the excise and that liability remains until satisfied.

However, there are time limits on the use of some of the collection remedies available to the collector to enforce the excise. For example, notices of non-renewal of the taxpayer's license and registration must be submitted to the RMV within two years of the mailing of the original excise bill under RMV rules implementing [G.L. c. 60A, sec. 2A](#). A lawsuit must be brought within six years of the date the excise is due and payable. [G.L. c. 60, sec. 35](#); [G.L. c. 260, sec. 2](#); see [Boston v. Gordon](#), 342 Mass. 586 (1961), at 590. No statute of limitations applies to the set-off remedy under [G.L. c. 60, sec. 93](#) or the local option license/permit non-renewal, denial, revocation or suspension remedy under [G.L. c. 40, sec. 57](#).

Farm Organization Denied Exemption

James Crowley, Esq., Bureau of Municipal Finance Law

The Appellate Tax Board (ATB) recently determined whether a multi-story office building in Deerfield owned by a non-profit corporation was eligible for a charitable exemption under M.G.L. Ch. 59 Sec. 5 Cl. 3. The case is Community Involved in Sustainable Agriculture, Inc. v. Assessors of Deerfield, ATB (docket # F310309, May 28, 2013).

Community Involved in Sustainable Agriculture, Inc. (Sustainable) is a non-profit corporation formed in 1998 under M.G.L. Ch. 180 "to support the advancement of understanding of farms and farming,... and to educate farmers, consumers and the general public on issues related to farming." On its website, Sustainable listed the goals of establishing new business markets for farmers, strengthening present markets and increasing restaurant and institutional purchase of local farm products.

Sustainable, which had received 501 (c)(3) status from the Internal Revenue Service, occupied 70 percent of the subject property and leased the remaining 30 percent to third party tenants. Sustainable followed the statutory procedural requirements for a Clause 3 charitable exemption, paid the fiscal year 2010 tax when its exemption application was denied, and timely appealed to the ATB. At issue on appeal was the tax status of the portion of the office building owned and occupied by Sustainable.

The ATB held that the burden of proof was on the taxpayer to demonstrate that it satisfied the requirements for a Clause 3 charitable exemption. Relying on prior court decisions, the ATB looked at whether the dominant purposes and methods of the organization were traditionally charitable. In determining charitable status, the ATB recognized that strict scrutiny had to be exercised where an entity seeking a property tax exemption operated in the fields of trade and commerce. In its review of prior judicial decisions, the ATB observed that the charitable exemption had been denied to the Boston Chamber of Commerce because the prime beneficiaries of the organization's activities were members of the business community. The general public was only incidentally benefited. Boston Chamber of Commerce v. Assessors of Boston, 315 Mass. 712 (1944). In a more recent Appeals Court decision, a charitable exemption was denied to a corporation which leased space to another corporation whose physicians operated a private group medical practice primarily for the physicians even though community needs were served. Sturdy Memorial Foundation, Inc. v. Assessors of North Attleborough, 60 Mass. App. Ct. 573 (2004).

In the case at hand, the ATB concluded from the evidence that the dominant purpose of the organization was to create a strong business market for local farmers by encouraging the general public and businesses to purchase locally grown food. According to the ATB, the taxpayer's dominant purpose was to benefit its members in the same manner as a chamber of commerce. Even if some of its programs, such as free or reduced cost food services, might be considered charitable, the ATB stated there was only an incidental benefit to the public.

On the facts presented, the ATB agreed with the assessors and denied the charitable exemption.

What's in a Name?

Tony Rassias - Deputy Director, Bureau of Accounts

Massachusetts has 351 cities and towns and each one required a name at the time of its incorporation. But where did those names come from?

Historians often agree on the origin of a name, but sometimes no one, even those in the city or town, are really sure. The following is a brief compendium of those names, compiled through a number of sources, including those who have written about the history of their community.

I've divided the names into five categories based on their presumed origins. Here they are along with some examples of each:

Names and places from jolly old England or elsewhere in Europe:

Prior to the American Revolution, it was fashionable to name new settlements after places in England or after English royalty. Amesbury, Boston, Falmouth and Tolland likely honor the settlers' towns of origin. Granville, Holland, Methuen and Orange were the names of English royalty, potential benefactors or simply someone for whom the settlers wished to honor. Avon was named after the English river and Cambridge after the University. As for other names, Berlin is German, Colrain and Charlemont are Irish, Leyden is Dutch, Melrose is Scottish, Orleans and Savoy are French and Pembroke is Welsh.

Names, places and events from the New World:

Adams and North Adams were named after Samuel Adams and Monroe after James Monroe. Both Washington and Mount Washington were named after George Washington. Franklin, Hamilton, Hancock and Revere were American Patriots during the Revolution while Webster honored Daniel Webster who rose to

prominence during the Civil War. Carver, Everett, Gill and Winthrop were Massachusetts Governors and Phillips (Phillipston) was a Lieutenant Governor. Warren, Lee and Montgomery were Generals. Norwell and Huntington were benefactors, Palmer and Stoughton were Chief Justices and Alford, Brewster, Dennis and Princeton were preachers.

As for places and events, Belmont was the estate of the town's largest donor and Ashland was Henry Clay's Kentucky estate. Monterey was named after the Mexican War Battle of Monterrey that helped propel General Zachary Taylor to the Presidency, Greenfield after the Green River, and Arlington changed its name from West Cambridge to honor the heroes buried at Arlington National Cemetery.

Names that are in some way descriptive:

If the land separated from the north, south, east or west, that direction many times became part of the incorporated name. Northampton could have dual origins, either from its geography or as the namesake of Northampton, England. Middlefield was incorporated from surrounding lands. If the community's name begins with "new," it is probably because a community of that same name was already given within the Commonwealth such as New Marlborough (Marlborough) and New Braintree (Braintree). Newton was the "new town" at the time of its incorporation, Rehoboth and Salem were scriptural from the Hebrew and Sharon was named for Israel's Sharon plain. Oak Bluffs was named for the oak groves along the bluffs and Marblehead because the first settlers mistook its granite ledge for marble. Concord was named for its "peaceful acquisition" and Somerville was just a "fanciful" name.

If the community's name begins with "rock" or "stone" that was probably a prominent feature such as in Rockland or Stoneham. Rockport was named for the nautical shipping of high quality granite from its port, Buckland was said to have ample good hunting, Marshfield had its salt marshes and the amenable natural properties of Fairhaven brought about its name. When Goshen separated from Chesterfield, it took its name from the Land of Goshen, considered the best land in Egypt, because it was thought by some to be the best land in Chesterfield.

Names of Native American Tribes or descriptive names from the indigenous Tribal language:

In Wampanoag, Aquinnah means "land under the hill," Mattapoisett means "a place of resting," Seekonk means "black goose," Scituate means "cold brook," and Mashpee means "great pond" or "land near great cove." In Algonquin, Nantucket means "faraway land or island" and Cohasset means "long rocky place." In Nipmuc, Chicopee means "violent waters." Swampscott means "land of the red rock" and Merrimac was the Tribal name and in their language meant "swift water place."

Names with unknown or obscure origin:

For these, a call to the municipality's historical society was necessary in order to find out what's been embraced locally. Deerfield was named for all the deer sightings, Boxborough was cut out like a box, Spanish Florida was the topic of conversation in 1805 when the town of Florida was named and Plainfield was named for the plain fields in the center of town.

Here are a few more names of particular interest.

The last town to be separated from the west side of Dedham was to be incorporated as Nahatan. When the elected representative from Nahant objected to the name due to its similarity, it name was changed and in 1897 the town was subsequently incorporated as Westwood.

In 1778, the Town of Ward was incorporated honoring American Revolution General Artemis Ward. After the United States Post Office objected because it was too difficult to distinguish Ward from nearby Ware, Ward changed its name to Auburn in 1837 after an area along the Charles River that Harvard College students referred to as "sweet auburn."

Erastus Bigelow and his brother Horatio reportedly loved to visit the DeWitt Clinton Hotel in Albany, New York. The hotel was named after a former New York Governor who was instrumental in the building of the Erie Canal and whose uncle George Clinton was Vice President under Thomas Jefferson and James Madison. The Bigelow brothers founded a town in 1850 which they named Clinton. Wikipedia notes that many places around the country have been named after the Clintons.

Whether it was because Oliver Partridge was a suspected tory and an absentee proprietor as some said or that the name was just too long, in 1805 there was a petition to change the name of what was once known as Partridgefield to Troy. Instead, Reverend John Leland, an outspoken Baptist minister who in 1802 delivered by sleigh a 1,234 pound block of cheese as a gift to President Jefferson from the people of nearby Cheshire, suggested an alternative. A high mountain deserved a name mirrored its lofty status not just locally, but internationally. As a result, in 1806, Partridgefield was re-named Peru.

Similar Revolutionary War political embers were stoked when the people of Murrayfield discovered that one of their founders and the town's namesake was actually a tory. Angered by the news, they petitioned the Legislature to change the name on the basis of the similarity of the name Murrayfield to that of Myrifiel (now known as Rowe). The names of Mountfair and Fairfield were presented, but in 1783 the Legislature chose the name Chester.

Canton's influential citizen, Elijah Dunbar, believed that the geographic opposite to the town on the other side of the world must be China. This rationale may be that China trade was becoming important or simply that no one else had any better suggestions, but in 1797 the people eagerly voted the name of Canton for incorporation. Had anyone in the parish at the time had access to Google Maps, it can be theorized that Dunbar's "antipodal" belief may have suffered in the final vote!

The author would also like to thank Bob Bliss, Regional Offices Manager, Division of Local Services, for his assistance.

Registration Open for the 2014 MASSbuys EXPO

Operational Services Division

Join your peers on Thursday May 1, 2014, for the highly anticipated [MASSbuys EXPO](#) returning again to the DCU Center in Worcester, MA. This event, designed exclusively for Commonwealth Statewide Contractors and public officials, will provide you with a one-of-a-kind opportunity to discover the latest products and services available on Statewide Contracts which municipalities can use free of charge.

At MASSbuys you'll have the opportunity to meet with over 375 vendors on Statewide Contracts and attend morning and afternoon educational workshops all designed to improve job performance and enhance professional growth.

The exhibit hall opens at 8:00am with complimentary continental breakfast until 9:30am and a hot buffet lunch from 12 noon until 1:30pm. The MASSbuys EXPO is FREE to attend, so register for an exciting day where a wealth of knowledge is exchanged and you can buy on-site! Register today at [the MASSbuys EXPO website](#).

April Municipal Calendar

April 1	Collector	Mail 2nd Half Semi-Annual Tax Bills In communities using a regular semi-annual payment system, the 2nd half actual tax bill, or the actual tax if an optional preliminary bill was issued, should be mailed by this date.
April 1	Taxpayer	Deadline for Payment of Semi-Annual Bill Without

		Interest According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for receipt of the actual tax payment in communities using the annual preliminary tax billing system on a semi-annual basis, unless the bills were mailed after December 31. If mailed after December 31, payment is due May 1, or 30 days after the bills were mailed, whichever is later.
Final Day of Each Month	Treasurer	Notification of monthly local aid distribution. Click www.mass.gov/treasury/cash-management to view distribution breakdown.

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