

# City and Town

Amy Pitter, Commissioner • Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs



A Publication of the Massachusetts Department of Revenue's Division of Local Services

## Senate Ways and Means Budget Local Aid Estimates

The FY2013 local aid estimates based on the Senate Ways & Means Committee (SWM) budget proposal have been posted to the Division of Local Services' website at the link below:

<http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/cherry-sheets/>

The SWM budget funds Chapter 70 aid at \$4.171 billion and provides additional Chapter 70 aid to districts in amounts necessary to maintain foundation spending levels. For districts with low or moderate wealth levels that receive less aid than indicated by their target aid share, additional aid has been awarded to close 25 percent of this shortfall in target aid. Other districts receive the \$40 per pupil minimum aid increase consistent with the House budget. The SWM budget proposal also increased the Unrestricted General Government Aid estimate by \$66 million over the FY2012 level. In addition, the SWM budget proposes slight decreases in the appropriations for regional school transportation, local share of racing taxes, and charter tuition reimbursements.

Charter School assessments have been updated to reflect April 1 enrollment. However, final Charter School and School Choice assessments may change significantly when updated with final tuition rates.

To review additional information about how the estimates were determined and what may cause them to change in the future, click on the link at the bottom for an index of the FY2013 programs and links to individual explanations.

If you have questions about these estimates, please call Lisa Juskiewicz at (617) 626-2386.

## Catching Up with the Community Innovation Challenge Grants

Tim Dodd, Program Manager, Executive Office for Administration and Finance

*(Starting this month, City and Town will highlight grant recipients and provide project updates from the Community Innovation Challenge Grant Program.)*

**Brookfield** - During the summer and fall of 2011, the communities of Brookfield, Brimfield, East Brookfield, West Brookfield, and Warren were hit hard by the unprecedented sequence of a tornado, Hurricane Irene, and a fall snow storm. These occurrences prompted highway departments from each town to call on one another for mutual aid more than ever before. These five communities have been discussing regional opportunities for several years, and the CIC grant has made it a reality. Using \$58,000 in CIC funds, the communities are establishing a coop to share and purchase highway equipment. The program has already proven to be a model for communities seeking to share equipment.

**Spencer** - Smaller communities are struggling to meet new EPA storm water management requirements. Many of the communities have a history of working together through the Greater Leicester Water Resources Project. "Cities and Towns have been struggling the past few years to maintain services and staff due to a decrease in revenues and increase in fixed costs. What has been even harder has been to fund mandates that have not been previously part of operating budgets," said

Adam Gaudette, Spencer Town Administrator. "This CIC grant award will allow our 13 communities to address EPA mandated stormwater management programs that otherwise will not have been implemented. In addition, undertaking this program jointly will allow these communities to save on costs. We are very grateful to Lt. Governor Murray and Secretary Gonzalez for supporting this program and other regionalization activities across the Commonwealth."

## **FY2013 Telephone & Telegraph Company Central Valuations**

### **Bureau of Local Assessment**

Local boards of assessors will find the fiscal year 2013 telephone and telegraph company central valuations pursuant to M.G.L. Chapter 59, Section 39 on the DLS [website](#) effective May 15, 2012. Also included is a memorandum to assessors about the FY2013 valuation as well as the valuation table used, the new growth figures, a list of company billing addresses and a list of filing companies that were not centrally valued and should be valued locally. The *Additional Landline Telephone and Telegraph Personalty by FCC Code* for each of the centrally valued telephone and telegraph companies' by community is also available.

## **New Resource for Overview of Municipal Health Option's Provision to Join the GIC**

### **Cindy McGrath, Communications Director, Group Insurance Commission**

The Group Insurance Commission recently launched a new website resource for municipalities that are considering joining the GIC under Municipal Health Reform. State law permits cities, towns, and other c. 32B entities such as regional school districts to transfer their employees, retirees, survivors, and dependents to the GIC for health insurance. Two parts of chapter 32B - Section 19, enacted as Chapter 67 of the Acts of 2007, and Sections 21-23, enacted as Chapter 69 of the Acts of 2011 - have different options for municipalities seeking GIC coverage. See [this new section](#) of the GIC's website for answers to some frequently asked questions about the two options.

## **Last Chance to sign up for the DLS New Officials Finance Forum!**

The Department of Revenue's New Officials Finance Forum will be held on Tuesday, May 29th at the College of the Holy Cross in Worcester. This course is for recently elected or appointed local municipal finance officials. With an emphasis on the basics, this course is designed to foster a team approach to municipal finance by developing an understanding of the responsibilities of the various offices as well as their interrelationships. The day will begin with Deputy Commissioner Robert Nunes' opening remarks and an overview of Local Services. Topics presented during this day-long seminar will include an overview of municipal government, the budget process, the tax recapitulation process and reserve and debt policies. We encourage municipalities to forward this information to any and all new officials who would benefit from attending.

The deadline to sign up is Tuesday, May 22nd. Pre-registration is required. For further information and a registration form, please click [here](#). Questions regarding the forum can be directed to [dlswebcontacts@dor.state.ma.us](mailto:dlswebcontacts@dor.state.ma.us) or 617.626.3838.

## **May and June Municipal Calendars**

### **MAY**

#### **May 1: Taxpayer**

Deadline for Payment of Semi-Annual and 4th Quarterly Tax Bill Without Interest. According to M.G.L. Ch. 59, Sec. 57, this is the deadline for receipt of the 2nd half actual tax payment, or the actual tax payment if an optional preliminary bill was issued. According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for the 4th Quarter tax payment.

**May 1: Treasurer**

Deadline for Payment of 2nd Half of County Tax.

**May 1: Accountant/Treasurer**

As required by M.G.L. Ch. 44, Sec. 16, the Accountant or Treasurer must notify the assessors of all debt due in the next fiscal year because the municipality is required to pay its debts, appropriated or not. Since all debt service must be paid, any debt service not covered by appropriations is added to the "Other Local Expenditures" category, found on page 2 of the Tax Recapitulation Sheet. It is important that the Assessors have this information in order to avoid setting a tax rate lower than required and raising insufficient revenue to cover the municipality's expenditures.

**May 15: DOR/BLA**

Commissioner determines and certifies Telephone and Telegraph Company Valuations.

**JUNE****June 1: Clerk Certification of Appropriations**

This is done after City/Town Council or Town Meeting so the Accountant may setup accounts for each department in the municipality.

**June 1: Assessors Determine Valuation of Other Municipal or District Land**

In certain communities where land is owned by another community or district, the value of the land is determined by the Assessors in the year following a revaluation year, for in-lieu-of-tax payments.

**June 1: DOR/BLA Notification of Proposed EQVs (even numbered years only)****June 1: DOR/BLA Notification of SOL Valuations (every 4th year after 2005)****June 10: DOR/BLA Concludes Public Hearings on Proposed EQVs (even numbered years only)****June 10: DOR/BLA Concludes Public Hearings on Proposed SOL Valuations (every 4th year after 2005)****June 15: DOR Commissioner Determines and Certifies Pipeline Valuations****June 15: Assessors Deadline for Appealing Commissioner's Telephone & Telegraph Valuations****June 15: Assessors Make Annual Preliminary Tax Commitment**

The preliminary tax commitment must be based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50% of that amount. This should be done early enough for the annual preliminary quarterly or semi-annual bills to be mailed by July 1.

**June 20: Assessors Final Date to Make Omitted or Revised Assessments**

As required by M.G.L. Ch. 59, Sections 75 and 76, if a property is inadvertently excluded or mistakenly under-assessed on the warrant for property taxes, it is the Assessors' role to correct the mistake and assess the property correctly. Such an assessment may not be made later than June 20 of the taxable year or 90 days after the date the tax bills are mailed, whichever is later.

**June 30: State Treasurer Notification of Quarterly Local Aid Payments Before June 30****June 30: Assessors Overlay Surplus Closes to Surplus Revenue**

Each year, any balance in the overlay reserve accounts in excess of the remaining amount of the warrant to be collected or abated in that year, is certified by the Assessors. The transfer from overlay reserves to the overlay surplus is done on the Assessors' initiative or within 10 days of a written request by the chief executive officer. Once in overlay surplus, these funds

may be appropriated for any lawful purpose. Any balance in the overlay surplus at the end of the fiscal year shall be closed to surplus revenue and, eventually, free cash.

**June 30: Assessors Physical Inventory of all Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)**

**June 30: Taxpayer Deadline for Applying to Have Land Classified as Forest Land, M.G.L. Ch. 61**

According to M.G.L. Ch. 61, Section 6, this is the deadline to apply to the State Forester to have land classified as forest land.

**June 30: Assessors Submit Annual Report of Omitted or Revised Assessments**

**June 30: Assessors Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under the Various Clauses of Ch. 59, Sec. 5**

If an exemption is granted to a residential property owner, the property tax is lowered, and the city or town collects fewer tax revenues than anticipated. These exemptions are partially reimbursed by the state as indicated under "Payments for Loss of Taxes," section B of the Cherry Sheet. It is the responsibility of the Assessors to submit all exemptions to DOR so that the community may be reimbursed for statutory exemptions. If the Assessors fail to submit a request, the community's loss of tax revenues will not be offset by exemption reimbursements from the state. These reimbursements may not be filed retroactively for any year. If tax bills are mailed late, assessors may submit requests for reimbursement until August 20.

**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.

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