



June 1st, 2023



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## Important Dates & Information

### DLS Survey: Financial Forecasting in Your Community

The Division of Local Services requests your assistance with a short survey regarding your municipality's experience with financial forecasting, including the use of our [Financial Forecasting Template](#) and the related [Instructions](#) on the [DLS website](#). Your feedback will help us improve the services and tools we provide to all communities. The survey can be filled out anonymously and will take approximately three minutes to complete. We greatly appreciate your participation.

To view the survey, please click [here](#). Thank you!

### Register Now for the DLS Completing the Tax Rate Recap Forms Webinar

Please join the Division of Local Services (DLS) for *Completing the Tax Rate Recap Forms* webinar on

## DLS Unveils Redesigned Data Analytics and Cherry Sheet/Local Aid Pages, Adds Visualization Tools

**Sean Cronin - Senior Deputy Commissioner of Local Services**

Earlier this week, we sent out a DLS Alert regarding enhancements made to the DLS website, specifically the [Data Analytics](#) and [Cherry Sheet](#) sections. Our extensive library of analytics and reports can now be searched using keywords or by topics including property taxes, debt, revenue, demographics and more. On the main analytics page, we've grouped things by more intuitive categories with each category allowing an additional search to further narrow the results. We've also placed our most requested offerings, including visualizations, the [Community Comparison](#) and the [Municipal Finance Trend Dashboard](#), near the top for easy access.

June 6, 2023 from 10am-12:30pm. DLS staff will go over each of the forms of the tax rate recap, discuss how to complete them and who is responsible for their submittal, where the information comes from, and what the Bureau's expectations are when we review each form. DLS staff will be available to answer your questions following the presentation. A recording of the webinar will be available on the [DLS YouTube](#) channel for those unable to attend the live presentation.

Click [here](#) to register. If you have any questions about this webinar, please email us at [dlsregistration@dor.state.ma.us](mailto:dlsregistration@dor.state.ma.us). A confirmation with login details for the webinar will be shared once you have registered. Be sure to review and bookmark the [Municipal Finance Training & Resource Center](#) and subscribe to the [DLS YouTube](#) channel.

### New Informational Guidelines Releases (IGRs)

The Division of Local Services Municipal Finance Law Bureau and Bureau of Local Assessment have issued nine new Informational Guidelines Releases (IGRs).

**IGRs 2023-1 through 2023-4**, respectively, explain the procedures and tax billing requirements for quarterly tax billing and payment systems, regular semi-annual payment systems, semi-annual tax billing and payment systems with optional preliminary bills and semi-annual tax billing and payment systems with annual preliminary bills.

[IGR 2023-1: FISCAL YEAR 2024 TAX BILLS QUARTERLY PAYMENT SYSTEM](#)

[IGR 2023-2 "FISCAL YEAR 2024 TAX BILLS SEMI-ANNUAL PAYMENT SYSTEM – ANNUAL PRELIMINARY BILLS](#)







[IGR 2023-3: FISCAL YEAR 2024 TAX BILLS SEMI-ANNUAL PAYMENT SYSTEM](#)

[IGR 2023-4: FISCAL YEAR 2024 TAX BILLS SEMI-ANNUAL PAYMENT SYSTEM – OPTIONAL PRELIMINARY BILLS](#)

**IGR 2023-5** informs local officials that FY2024 deductions from gross receipts for Clause 41s senior personal exemption increased by 8.7% over FY2023.



[IGR 2023-5: SOCIAL SECURITY DEDUCTION FOR FISCAL YEAR](#)

### Databank reports

<b>All reports</b> +  Listing of all reports available on the DLS website based on data submitted to DLS by local governments, state agencies or the federal government. <a href="#">more</a> +	<b>Debt</b> +  Analytics relating to debt management, borrowings and bond ratings. <a href="#">more</a> +	<b>Demographics</b> +  Demographic indicators from various state and federal agencies including population statistics, income, births, registered voters and labor force. <a href="#">more</a> +
<b>Expenditures</b> +  Actual municipal spending analytics as reported by local governments on the annual Schedule A (end of year financial report) and tax rate recap sheet. <a href="#">more</a> +	<b>Financial indicator</b> +  Historical data from Moody's and S&P bond rating agencies. <a href="#">more</a> +	<b>Proposition 2 1/2</b> +  Proposition 2 1/2 analytics showing ballot question results for all types of Proposition 2 1/2 ballot measures as well as the amount of debt that has been excluded from the levy. Historical amount of excess and override capacity available by community. <a href="#">more</a> +

Our [Visualizations page](#) is also brand new, allowing faster, easier access to our expanding library. Our most recently released products are at the top, and we'll continue adding categories underneath as we release more Tableau and PowerBI viz products.

### Latest data visualizations

	<b>Free Cash Use</b> Shows a municipality's free cash in relation to the local operating budget and the percentage of free cash appropriated annually.
	<b>Trends in Local Receipts</b> Compares the municipality's estimated versus actual local receipts.

### Additional data visualizations

<a href="#">Massachusetts Average Single Family Tax Bill</a> +	<a href="#">Municipal Financial Self-Assessment</a> +	<a href="#">Municipal Finance Trend Dashboard</a> +
<a href="#">Community Tax Rate Status</a> +	<a href="#">Municipal Finance Interactive Overview</a> +	<a href="#">Massachusetts Workforce Dashboard</a> +

Related to our data visualization offerings, I am excited to announce the two newest editions to the library: [Trends in Local Receipts](#) and [Free Cash Use](#). As shown in the screenshots below, these easy-to-use powerful visual tools provide important local finance information such as local receipts actual vs budget, both in the aggregate and by type (e.g., MVE, local option taxes, Licenses/Permits, etc.), and

## 2024

**IGR 2023-6** informs local officials that 6.5% is the (1) maximum local option cost-of-living-adjustment (COLA) increase in Cl. 17 (surviving spouse/minor & elderly) exemption amount; (2) optional COLA applied to increased asset limit of Cl. 17s exemptions; (3) optional COLA applied to increase income & asset limits of Cl. 41s senior exemptions.

### [IGR 2023-6: OPTIONAL COST OF LIVING ADJUSTMENT FOR FISCAL YEAR 2024 EXEMPTIONS](#)

**IGR 2023-7** informs local officials of a calendar 2023 6.5% increase in the maximum valuation for parcels qualifying for land of low value foreclosure procedure to a new maximum of \$26,417.

### [IGR 2023-7: CALENDAR YEAR 2023 ADJUSTMENT IN LAND OF LOW VALUE FORECLOSURE VALUATION LIMIT](#)

**IGR 2023-8** provides combined guidelines for annual determination of property assessments for certification and interim years, classification of property according to usage class, calculation of the minimum residential factor and allocation of the tax levy among the property classes for Fiscal Year 2024.

### [IGR-2023-8 – FISCAL YEAR 2024 GUIDELINES FOR ANNUAL ASSESSMENT AND ALLOCATION OF TAX LEVY](#)

**IGR 2023-9** describes procedures and forms for reporting tax base growth and adjusting levy limits for FY2024.

### [IGR-2023-9 – FISCAL YEAR 2024 GUIDELINES FOR DETERMINING ANNUAL LEVY LIMIT INCREASE FOR TAX BASE GROWTH](#)

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

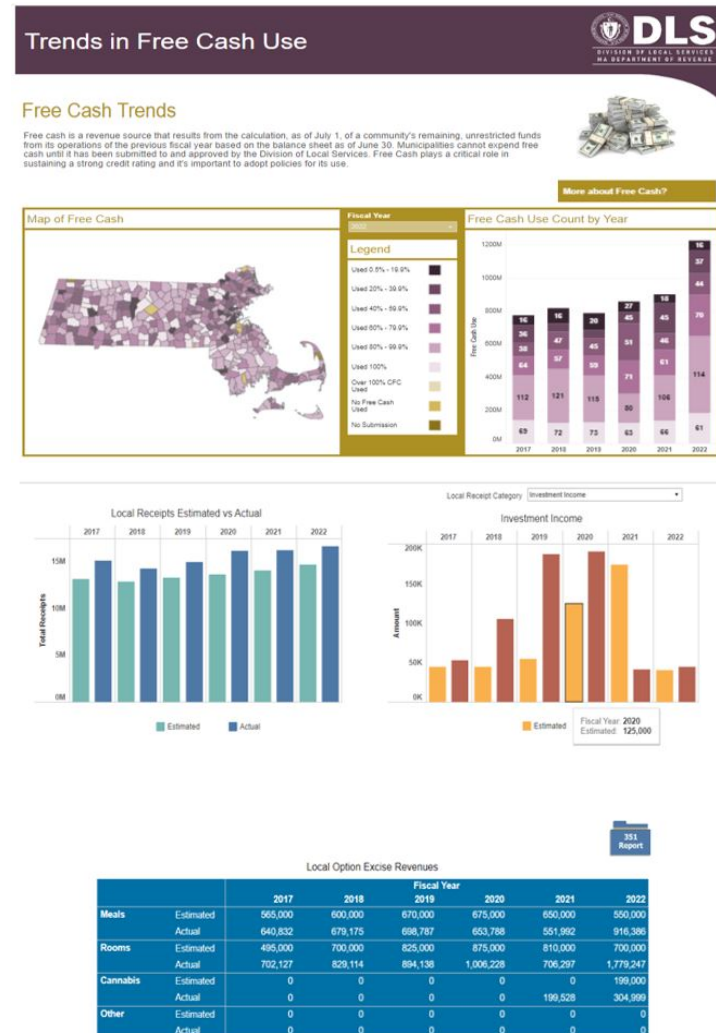
### **Latest Issue of *Buy the Way* Now Available**

Don't miss [Issue #21 of \*Buy the Way\*](#), the official magazine of the Operational Services Division (OSD).

### **OSD: MASSBUYS EXPO 2023 One Month Away!**

The MASSBUYS EXPO, hosted by the Operational Services Division (OSD), is taking place June 7, 2023, at the Hynes Convention Center. [Register here](#).

how much Free Cash a community uses annually. The Free Cash Use tool allows users to see this information statewide via an interactive mapping function, so if you are interested in seeing how other municipalities in your area measure in this metric, simply choose the area and hover over the map.



At DLS, we're constantly improving how we make available information accessible and usable, and that is made easier with your feedback. Please email me at [croninse@dor.state.ma.us](mailto:croninse@dor.state.ma.us) with any thoughts, suggestions or ideas about how we can better present information and what additional data sets/visualizations we can develop.

Thank you and best wishes for a smooth close to FY23!

This year, OSD has prepared a full day of activities on and off the Expo floor, and buyers are encouraged to plan ahead to make the most of the day. Traditionally, MASSBUYS is the largest business-to-government event in the Commonwealth.

[Workshops](#) are filling up fast, so register today to ensure that your spot is secured in your preferred workshops and activities throughout the day. Registration is free for attendees.

Watch our brief [video](#) to learn more! We hope to see you there!

### **Farm Value Advisory Commission FY2024 Recommended Chapter Land Values**

The Division of Local Services has posted the Farmland Valuation Advisory Commission adopted range of recommended agricultural, horticultural, and forest land use values for the various categories of land classified under *Chapter 61 and 61A* for Fiscal Year 2024.

Please see below for the land rates and related information:

[Click here for more information on the FY 2024 Chapter Land 61 and 61A Valuations](#)

Communities questioning the FY 2024 chapter land rates should contact the Bureau of Local Assessment at [bladata@dor.state.ma.us](mailto:bladata@dor.state.ma.us).

### **OSD Climate Action Survey: Meeting Your Electric Vehicle Needs**

The Operational Services Division consistently reviews the marketplace, buyer purchasing trends, and our Statewide Contract portfolio to determine if there are gaps in our offerings. The Local Government Enablement team at OSD is reaching out to our municipal partners to understand your goals with respect to Climate Action Initiatives, with a focus on Vehicles, Vehicle Infrastructure, and Grants. Your feedback will inform our Statewide Contract procurement activities going forward and ultimately assist municipal organizations in meeting their short- and long-term purchasing goals.

[Take the survey](#)

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

# **Free Cash and Tax Rate Recap Tips for a Successful FY24 Season**

**Deb Wagner - Director of Accounts**

It's a busy time in cities and towns across the state, ending one fiscal year and starting another. Before you know it, it'll be time to start the budget process for the next. I think our [Foundations in Municipal Finance Training](#) video really got it right when it claimed you are working in fiscals past, present and future all at once! With all that's going on in your municipality right now, I'd like to share some tips to make the FY24 free cash submission and tax rate setting process a little easier.

First, complete as many of the required tax recap forms as you can now. If you had your annual town meeting or your council has passed the budget for the upcoming year, the city/town clerk can enter your appropriation votes on recap page 4. Have the accountant/auditor verify those entries! When the accountant/auditor signs recap page 3, "Local Receipts", they are attesting that they reviewed recap page 4 and agree with the entries there. This is a critical step in the process and ensures that the funding sources and amounts that go into calculating your tax rate are accurate. Just this past year, multiple communities either did not raise enough or raised more than they needed from taxation due to this type of inaccuracy. Your town meeting articles, or council orders should be clear as to amount, funding source and purpose.

Did your town appropriate an amount from free cash to reduce the tax rate? If so, two things should occur. The first is that the vote must be clear that this amount was voted "to reduce the tax rate." Second, any amount voted to reduce the tax rate should not appear on tax recap page 4. This amount belongs on tax recap page 2, section IIIId. Including this amount on recap page 4 will not have the desired effect on the tax rate.

We highly recommend analyzing the revenue estimates for your enterprise now rather than later. Revenue estimates for FY24 user

Don't miss Issue #20 of [Buy the Way](#), the official magazine of the Operational Services Division (OSD).

This issue includes our feature article, Climate Action in Action, other Earth Week-related stories, plus standard features such as Statewide Contract Updates, Strategic Sourcing News, and more!

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

### **DCR Lifeguarding Program Seeks Applicants**

The Department of Conservation and Recreation continues to seek lifeguards at agency-managed waterfronts and pools across the state for the summer season. Pay starts at \$22/hour; and positions are available five days per week, 40 hours per week, weekends included. Interested candidates 16 years and older can find additional information by visiting the [DCR lifeguard webpage](#). To apply to be a lifeguard, please visit the [application webpage](#). To assist DCR in safeguarding local swimming destinations in your area, please share with any interested applicants seeking summer employment.

### **BULLETIN 2023-1: Summary of 2022 Municipal Finance Law Changes**

The DLS Municipal Finance Law Bureau has issued a new Bulletin. To keep local officials informed of legislative developments, DLS periodically publishes a Bulletin summarizing new laws that affect municipal budgets and local tax assessment, administration and collection. Each issue contains a cumulative summary of session laws enacted to that time and indicates whether the Division has issued any further implementation guidelines. This edition of the LEGISLATIVE BULLETIN includes any legislative changes affecting municipal finance found in Chapters 1 - 448 of the Acts of 2022.

[BUL-2023-1](#) – Summary of 2022 Municipal Finance Law Changes

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

### **MBI Municipal Digital Equity Planning Program is Live**

The Massachusetts Broadband Institute (MBI) is accepting applications for the [Municipal Digital Equity Planning Program](#)!

fees should be no more than the prior year actual plus any voted rate increases. Documentation of a rate increase should include the old rate, new rate, the date of the vote and effective date of the rate increase uploaded to the corresponding tax recap form A-2.

Explanations for anticipated changes in usage should be included.

We request that you use the [Enterprise Fund User Charge Template](#) found on the tax rate landing page. Looking at this and discussing any potential concerns now will make for a much easier tax rate setting later.

If your community passed a Proposition 2 ½ override, override, debt or capital expenditure exclusion, please have the clerk enter the vote in Gateway. Not having the votes already in Gateway will slow approval of your tax rate. What better time to do this than right after town elections! Our webinar, [Submitting Proposition 2 ½ Votes Using DLS Gateway](#) explains this process.

Finally, consider holding your classification hearing as soon as your values are certified. If you're not making any appropriations from taxation subsequent to setting the budget and prior to setting your tax rate, and not having a meeting to appropriate free cash in the fall, we suggest you consider setting your tax rate sooner this year than last.

Switching gears to fiscal year end, there are a few things you can do so you can submit for your free cash certification/excess and deficiency without delay. Staying up to date with cash and outstanding receivables reconciliations is not only a critical internal control, but will ensure you don't experience year-end closing delays. Reconciling cash is only complete once the treasurer has balanced the treasurer's cash book to the bank statements and the treasurer's cash book to the accountant's ledger.

Once you complete the documentation required for the certification of free cash, take a moment to double check your work. Do all supporting forms such as the Year-End Cash report and the Statement of Indebtedness agree to the balance sheet? Do all fund balance details agree to the combined balance sheet? Did you complete checklist question 12a regarding free cash votes



The ability to engage in digital equity planning activities will be a critical step for municipal leaders and staff to build a broad understanding of how internet access, or lack thereof, affects residents of their community, and to develop actionable solutions to bridge the digital divide.

Specifically, the Municipal Digital Equity Planning activities will support municipalities in:

- Decision-making and investments related to services and infrastructure that will increase access, adoption, and usage of the internet for the populations most impacted by the COVID-19 pandemic.
- Preparing to submit grant proposals to existing or forthcoming state or federal opportunities related to solving the digital divide.

Municipalities participating in this program will receive expert advisement from a network of prequalified consultants identified by the MBI.

[Click here to find full program details, eligibility requirements, and apply!](#) For questions or additional information, please reach out via email at [eichen@masstech.org](mailto:eichen@masstech.org).

## DLS Links:

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

[Events & Training Calendar](#)

[Municipal Finance Training and Resource Center](#)

[Local Officials Directory](#)

[Municipal Databank](#)

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

[Bulletins](#)

[Tools and Financial Calculators](#)

correctly? Also, take the time to watch our webinar on the [Free Cash Upload & Certification Process](#). If you are in a regional school district reading this, check out our [Excess and Deficiency Upload](#) webinar. These webinars will help ensure that your free cash/excess and deficiency certification goes smoothly.

Finally, now is the perfect time to reach out to your Bureau of Accounts field representative ([cities/towns](#), [districts](#)) to discuss any questions you may have regarding the completion of the tax rate or free cash certification forms. We look forward to hearing from you!

## Ask DLS: Intermunicipal Agreements

This month's *Ask DLS* features frequently asked questions concerning regionalization through intermunicipal agreements and assessor agreements. Please let us know if you have other areas of interest or send a question to [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). We would like to hear from you.

### What is regionalization?

Some communities choose to regionalize government functions by sharing services with surrounding cities or towns pursuant to an intermunicipal or other cooperation agreement. Areas where communities have historically combined to provide shared services include education, elder services, municipal finance, green initiatives, housing and economic development, information technology, libraries, public health, public safety, transportation and public works, and veterans' services.

### What is an intermunicipal agreement?

An intermunicipal agreement is one form of regionalization where a compact or agreement is created between two or more units of government in Massachusetts, often with one city or town assuming a lead role. [G.L. c. 40, § 4A](#). In some cases, a contractual relationship may be formed between a city or town and a "higher"



level of government (such as a Council of Governments or County).

Intermunicipal agreements pursuant to [G.L. c. 40, § 4A](#) can be conceptualized in three basic categories:

- Formal Contracts,
- Joint Service Agreements, or
- Service Exchange Agreements.

In the formal contractual relationship, one city or town agrees to provide a service to one or more cities and towns for an agreed upon fee. In many cases this involves sharing personnel, such as an animal control officer or health director. Joint Service Agreements are agreements between two or more municipalities join forces to plan, finance, and deliver a service within the boundaries of all participating jurisdictions. The joint purchasing and maintenance of equipment and shared solid waste disposal districts constitute most of these types of arrangements. Service Exchange Agreements are largely made up of mutual-aid agreements for public safety. In any case, intermunicipal agreements pursuant to [G.L. c. 40, § 4A](#) are restricted to a maximum term of 25 years.

#### **What is an assessing agreement?**

[G.L. c. 41, § 30B](#) provides for a very specialized intermunicipal agreement pertaining only to assessment and, as such, is distinct from [G.L. c. 40, § 4A](#). These assessing agreements allow 2 or more municipalities to combine an assessing offices pursuant to an agreement that clearly defines the operation of the new assessing entity, how a municipality may withdraw from or end its participation, the cost-sharing methodology for expenses, the assessment procedures to be utilized and the filing of annual reports. Notably, the agreement also supersedes any general or special law, municipal charter, local vote, by-law or ordinance. Assessor agreements are restricted to a maximum term of 25 years and may not take effect until approved, in writing, by the Commissioner of Revenue.

[G.L. c. 41, § 30B](#) agreements may provide for:

1. Administrative Assessing Functions: Two or more municipalities may agree that:

- All administrative functions may be divided, merged or consolidated among or between two or more cities and towns;
- One municipality's department may perform all of the assessing duties for the members;
- A new assessing department may be created to perform all assessing duties; and
- In each case, a board of assessors may perform the administrative assessing functions.

2. Board of Assessors: An agreement may vest all assessing duties in one person, in a board of assessors of one municipality, or in a regional board of assessors. An appointing authority is empowered to appoint an assessor, assistant assessors and other staff to carry out the administrative assessing functions. Where the assessing duties are vested in one person, all local boards of assessors would relinquish responsibilities and terminate in accordance with [G.L. c. 41, § 2](#). In all cases, appointments are subject to rules and regulations established by the Commissioner of Revenue, pursuant to [G.L. c. 58, § 1](#).

3. Financing of Joint or Cooperative Venture: While the statute allows members to decide on sharing of administrative duties and assessing functions, finance-related decisions and procedures must conform to state laws and regulations. The members may allocate costs in these ways:

- One member provides assessing services to other members through a purchase-of service contract where each party makes payments throughout the fiscal year on delivery of services,
- One of the members may serve as the "host" community, where the member bears all costs, then is reimbursed by the other members, in accordance with the agreement, or
- Members establish a regional district to provide assessing services to members, each of which are assessed for the services, in accordance with the agreement.



For further information on [G.L. c. 41, § 30B](#) agreements please see [DLS IGR-2022-11](#).

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Contact *City & Town* with questions, comments and feedback by emailing us at [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). To view previous editions, please [click here](#).

To unsubscribe to *City & Town* and all DLS alerts, email [dls\\_alerts@dor.state.ma.us](mailto:dls_alerts@dor.state.ma.us).

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