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DLS Unveils Two New Visualizations

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By the Numbers

City & Town provides updates on the progress of the tax rate and certification process. This information is available 24/7 by [clicking here](#).

Preliminary Certifications Approved: 24

Final Certification: 5 (of 67 total)

LA4 (Assessed Values):
58 approved (77 submitted)

LA13 (New Growth):
57 approved (71 submitted)

Tax Rates: 19 approved

Balance Sheets: 106 approved

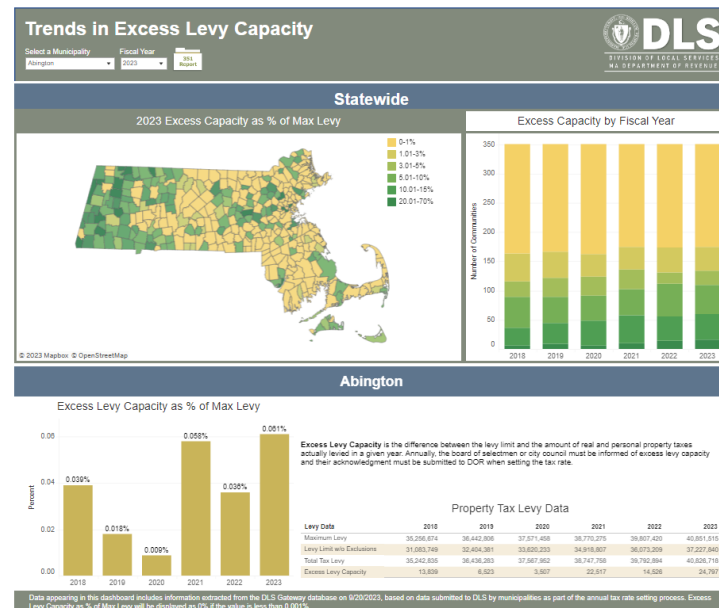
Total Aggregate Free Cash
Approved: \$817,613,518

Important Dates & Information

DLS Fall Update

Fall is one of the busiest times of the year in municipal finance. To assist local officials with certain reporting requirements, municipal responsibilities, billing processes

We're pleased to announce the release of two new Tableau visualizations on our [City and Town Data Visualizations page](#): Trends in Excess Levy Capacity, and General Fund Expenditures.



[Trends in Excess Levy Capacity](#) offers a look at trends in the amount of excess levy capacity as reported on the Tax Rate Recap. Excess capacity is the difference between the maximum amount a municipality can levy in property taxes and what it chooses to levy. The top part of the viz shows statewide trends while the bottom half provides data for the past 6 years in individual cities and towns. This is an important Prop 2 ½ metric that decision makers should be aware of.

and regulatory functions, DLS has compiled the following resources, tools and guidance for this time of year. Bookmark our Fall resources [here](#).

BULLETIN-2023-6: Massachusetts Statewide Opioid Settlement Funds

The Division of Local Services (DLS) Bureau of Accounts has issued Bulletin 2023-6. Bulletin 2023-6 is a reminder to city and town accounting officials of the requirements for the accounting treatment of statewide opioid funds as well as the reporting requirements to document their use in accordance with the State Subdivision Agreement.

[BUL-2023-6 – Massachusetts Statewide Opioid Settlement Funds](#)

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

BULLETIN-2023-5: Tax Title Foreclosure Surplus Proceeds

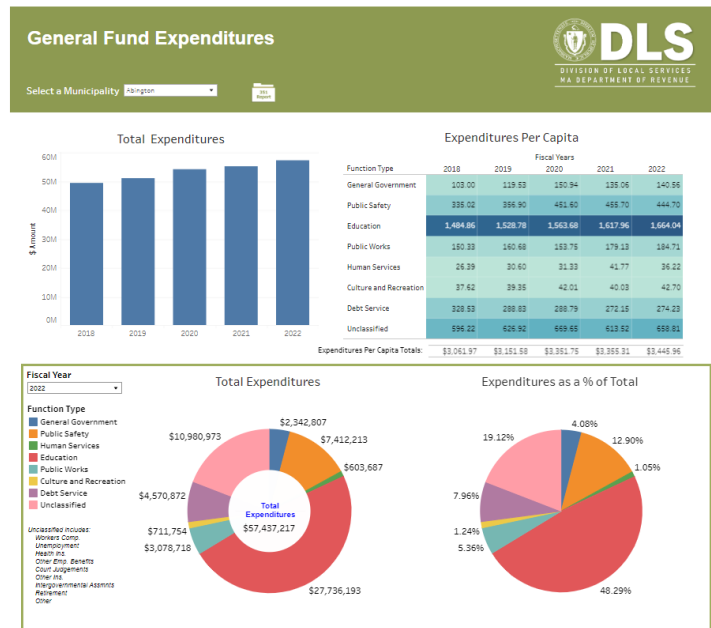
The Division of Local Services (DLS) Municipal Finance Law Bureau (MFLB) has a new Bulletin. Bulletin 2023-5 discuss a recently decided United States Supreme Court case, *Tyler v. Hennepin County*, 598 U.S. 631 (2023). As a result of that decision, there is uncertainty as to whether or not tax title foreclosure surplus proceeds will need to be returned to property owners. The Bulletin notes that DLS will not object to a community temporarily holding any such surplus proceeds in an agency account until there is a directive from the courts on this matter.

[BUL-2023-5 – TAX TITLE FORECLOSURE SURPLUS PROCEEDS](#)

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

MassDEP: New Large Entity Reporting Requirement

The Massachusetts Department of Environmental Protection (MassDEP) adopted a new regulation 310 CMR 7.41: *Large Entity Reporting Requirement* that became effective on September 1, 2023, which requires large entities (fleet owners, businesses, government agencies, municipalities, brokers, etc.) to submit a one-time report on medium- and heavy-duty (MHD) vehicles greater than 8,500 lbs. operated or dispatched in Massachusetts. Specific information



[General Fund Expenditures](#) provides insight into a single

community's spending across a number of governmental functions, as reported on Schedule A. While recognizing that communities can report expenditures differently, this visualization shows how total spending is allocated across categories that are important in every community, including education, public safety, public works, human services and general government. Analyzing expenditure trends can help assess whether budget expenditures over time match a community's priorities, and where investments or spending in particular areas might be reviewed and evaluated. We also provide a link to a report showing the source data for all 351 cities and towns, which can be used for comparison analysis.

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 shirer@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.

FY2024 Tax Rate Recap Prep Tips

Bureau of Accounts Field Representatives

that must be reported includes vehicle type and usage characteristics.

This report will help MassDEP assess the best way to develop electric vehicle charging infrastructure and programs to support and accelerate the MHD zero emission vehicle market in Massachusetts.

Entities must submit the report to MassDEP by **5:00 PM on Friday, March 1, 2024**. To determine whether an entity is required to report, follow the instructions provided in the link below:

<https://www.mass.gov/how-to/large-entity-reporting-requirement>

"Adopting Local Option Excise Taxes" Training Video Now Available

The Division of Local Services is pleased to announce the availability of a [new training video](#) explaining the process for adopting a local option excise on room occupancy, meals and adult use recreational marijuana, or a community impact fee on short-term rentals in your community. The training also covers the Division of Local Services' role in local option excises, discusses the timetable involved with adopting any of these options, and provides examples of warrant language to assist you in preparing for a vote on a local option excise tax.

The [training video](#) is now available on the DLS YouTube channel, along with the [presentation slides](#). Additional [local options related training resources](#) and [local options data and reporting](#) information is also available on the DLS website. If you have any questions relative to adopting local option excise taxes please contact databank@dor.state.ma.us.

Be sure to bookmark the [Municipal Finance Training & Resource Center](#) page and subscribe to our [YouTube channel](#) to stay updated on new items added.

OIG Offers No Cost Procurement Training for Municipalities

The Office of the Inspector General introduced a pilot program, "One Free Designee," that offers core public procurement training to one public employee per municipality at no cost. Effective in FY 24 (July 1, 2023 – June 30, 2024), the OIG is offering free tuition for the three courses required for one employee

As most cities, towns and tax rate setting districts enter their FY2024 tax rate season, DLS Bureau of Accounts (BOA) staff would like to provide some helpful tips on preparing and presenting a Tax Rate Recap to help expedite the approval processes. As always, if you have any questions, please [contact us](#).

- Be sure that all Recap contributors and signees have Gateway access. Local officials with questions should contact DLS Gateway Support at DLSGateway@dor.state.ma.us.
- Check each form and Gateway's Recap Logical Edit Report for entry errors and warnings.
- Submit the Recap early to allow time for Bureau approval and local issuance of property tax bills without a last-minute scramble.
- Recap pg. 4 - Complete after the city/town council or town meeting has concluded and include all appropriation action by the legislative body, including General Fund transfers, since the previous fiscal year's Recap was certified.
- Recap pg. 4, col. (c) Free Cash - Review reported amounts with the accounting officer to match those reported on the balance sheet.
- Recap pg. 4, column (d) Other Available Funds - Report each funding source/vote separately rather than combined into a one-line entry.
- Recap page 3, Estimated Receipts
 - Report Solar revenue received as a line 4 PILOT, not as Miscellaneous.
 - Consider the reasonableness of a Cannabis Impact Fee estimate.
 - First year estimates can be shown if received prior to Recap submission.

to receive MCPPO designation to any municipality in the Commonwealth for whom the cost is a barrier. The \$100 fee associated with all designation applications and renewals has been eliminated.

To receive the free training for an employee, the chief municipal officer (Mayor, Manager/Administrator or Select Board Chair) must submit a [form](#) indicating the employee they wish to receive the training and an acknowledgement that obtaining the cost of training could be a factor in obtaining the designation. The class schedule and enrollment form will be issued later this summer.

If you want to learn more about the MCPPO designation, please visit our [website](#). If you have any questions, please email the OIG at MA-IGO-TRAINING@mass.gov.

[One Free Designee Application Form | Mass.gov](#)

Latest Issue of *Buy the Way* Now Available

Don't miss [Issue #22 of *Buy the Way*](#), the official magazine of the Operational Services Division (OSD).

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

Recent Flooding Events – Emergency Expenditure Process for Municipalities

In light of the recent flooding events in the Commonwealth, the Division of Local Services (DLS) would like to direct municipal managers to the DLS resources regarding emergency declarations and emergency spending procedures under MGL 44 § 31.

[Emergency Expenditures, Chapter 44, Section 31](#)

DLS is ready to assist you in any way we can. If you have further questions please contact your [Bureau of Accounts Field Representative](#).

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

- Increases in estimates over prior year actuals may require both a comment and supporting documentation uploaded into Gateway.
 - Complete all applicable tabs for Tax Rate Recap Page 3 Support and detail miscellaneous entries as much as possible.
 - Tax title interest and penalties, not the tax title itself, may be estimated.
 - Do not include an unrealized loss in column (a).
- Recap page 2, Other Amounts to be Raised
 - Upload support for Part IIB entries other than for lines 1, 4, 5, 8 and 9.
 - Submit the Letter in Lieu if the Recap is submitted before the balance sheet has been approved.
 - Assessor Signatures - A majority of the Board of Assessors, not otherwise ineligible to sign, must electronically sign the LA-4, LA-5 and Recap Page 1.
 - A-2, Enterprise Funds
 - Complete and upload the Enterprise user charge template found on Gateway's Tax Rate module landing page and any other documentation to support estimates over prior fiscal year actuals.
 - Report previous fiscal year Retained Earnings appropriated after last fiscal year's Recap was certified, offset by an equal amount in Part 2.
 - Report indirect costs into the categories shown.
 - Review reported Retained Earnings with the accounting officer to match those reported on the balance sheet.
 - A voted budget is not sufficient support for the revenue estimate.
 - OL-1, Overlay – Submit the OL-1 after the Recap is considered complete and the Recap adjustment button has been clicked as line 2 of this form must match page 2 of the

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](#)

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](#)



Recap.

- DE-1, Debt Exclusion
 - Upload the schedule of premiums being amortized reported in col. H.
 - If prior fiscal year excluded debt was greater than expended, reserve the difference on the balance sheet, include the amount in col. H of next fiscal year's form and report the amount on Recap pg. 3 as a Miscellaneous Non-Recurring estimate.
 - Submit the DE-1 prior to submitting the Levy Limit form.
 - Enter new debt exclusion votes into Gateway ASAP.
- LA-5
 - Notify the DLS Databank at databank@dor.state.ma.us if your community is adopting a Residential Exemption, Open Space Discount, Small Commercial Exemption and/or Senior Means-Tested exemption for the first time or if changing a percent already adopted.
 - The mayor's electronic signature is required only if there is a mayor in your community. Otherwise, leave it blank.
 - A majority of the Board of Assessors must electronically sign the form.
- Submission
 - Submit a Recap after a posted city/town council or town meeting has concluded.
 - Communicate your tax rate submission plan with your Bureau of Accounts field representative
 - Be sure that excess levy capacity is the amount expected.

Call us. If you or a colleague need further guidance, please contact your BOA field representative. [Click here for a list of BOA field representative assignments by municipality](#) and [click here for a list](#)

We're here to help.

Ask DLS: "8 of 58" Applications

This month's *Ask DLS* features frequently asked questions concerning "8 of 58" applications and common scenarios that often receive favorable consideration for abatement. Please see [IGR-2020-10](#) for more information concerning the statute and application process. 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.

What is an "8 of 58" Application?

Under [G.L. 58, § 8](#), the Commissioner of Revenue may authorize local assessors or other assessing officers to abate local taxes or charges in cases where they do not otherwise have authority to do so. This procedure does not provide an alternative to the standard abatement procedures provided by [G.L. c. 59, § 59](#) or other applicable law. Instead, absent extraordinary circumstances, the procedures set out in [G.L. c. 59, § 59](#) for the abatement of real and personal property taxes constitute the remedy for an overassessment. Three factors are relevant to the Commissioner's exercise of discretion in granting this abatement authority. First, the taxpayer was prevented by extraordinary or mitigating circumstances from seeking an abatement through the usual abatement process. Second, abatement of the tax or charge is supported by the facts. Third, granting abatement authority will correct a substantial inequity, cure a grievous hardship or provide a considerable public benefit.

In the case of a paid tax, there are additional requirements. In such cases, the Commissioner may issue abatement authority if the paid tax or charge:

(1) was made no more than three fiscal years prior to the year when an application for abatement authority is made to the Commissioner;

and

(2) arose through an “obvious clerical error” in the valuation, assessment or collection process.

The following situations are frequently the subject of 8 of 58 applications and are examples of scenarios that are very often approved.

Government Owned Property

Real and personal property owned by the United States is exempt, unless Congress has expressly authorized its taxation. [G.L. c. 59, § 5, cl. 1](#). Property owned by the Commonwealth of Massachusetts, its political subdivisions, and public authorities, and held for public purposes, is also exempt. [G.L. c. 59, § 5, cl. 2](#). As such, 8 of 58 applications seeking abatement for real property assessments that were made on government owned land are traditionally given favorable abatement authority. A notable exception is that the commissioner will not authorize abatement of taxes attributed to the ownership of a city/town during or after an acquisition year because those taxes should be abated by the assessors under [G.L. c. 59, § 72A](#). Upon acquisition, the city/town is required under section 72A, to adjust the taxes as of the date that title passes and collect same from the grantor for the period of the grantor's ownership.

Duplicate Taxation of a Solar Facility which is also the Subject of a PILOT Agreement

Sometimes assessors seek to abate amounts assessed to the owner of a solar facility that is already the subject of a PILOT agreement under [G.L. c. 59, § 38H](#). Many times, the taxpayer does not timely file for an abatement assuming the bill was just a mistake, especially if the taxpayer is current on their PILOT payments. After receiving a demand from the collector to pay the additional tax, the taxpayer sometimes contacts the assessors' office after the period for filing an abatement has expired. DLS has routinely said that notwithstanding that the taxpayer should have known to timely file for an abatement, authority to abate may be approved in such cases

because the public interest in abating a virtually duplicate assessment outweighs the taxpayer's failure to follow the regular abatement process.

Personal Property Not in Community on Applicable January 1 Assessment Date

All personal property owned by Massachusetts and non-Massachusetts residents and businesses that is situated in Massachusetts on January 1 is taxable, unless an exemption applies. [G.L. c. 59, § 18](#). As such, 8 of 58 applications seeking abatement for personal property assessments that were made on personal property that was not situated in the community on the applicable January 1 assessment date are traditionally given favorable abatement authority.

Overassessment Due to Affordable Housing Restriction


A case we frequently see is an affordable housing unit being over-assessed. In such cases, the taxpayer's deed will contain an affordable housing deed restriction, pursuant to [G.L. c. 40B](#), which reduces the valuation of the property. Many times, abatement authority is sought because the tax bill that was given to the property owner was accidentally based on a higher market rate. Additionally, there are many times where extenuating or mitigating circumstances for the taxpayer's failure to file a timely abatement application exist. In such cases, DLS has found that granting an abatement would cure a grievous hardship, especially to a taxpayer who is of limited means. There are additional requirements if the abatement being sought has already been paid.

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Contact *City & Town* with questions, comments and feedback by emailing us at 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.



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