



November 16th, 2023



In this edition:

- **EQV: Leveling the Playing Field – Part 2**
- **Adult-Use Cannabis Sales and Impacts on Local Finances**

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:
48

Final Certification: 39 (of 67 total)

LA4 (Assessed Values):
243 approved (268 submitted)

LA13 (New Growth):
241 approved (258 submitted)

Tax Rates: 68 approved

Balance Sheets: 203 approved

Total Aggregate Free Cash
Approved: \$1,387,041,477

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 and regulatory functions, DLS has compiled the following resources,

EQV: Leveling the Playing Field – Part 2

James J. Paquette – Bureau of Local Assessment Program Coordinator

In a recent edition of *City & Town*, [we introduced the basics of Equalized Valuations \(EQV\)](#). In this edition, we'll examine data trends and provide helpful context related to EQV. For reference, EQV data is available on the DLS website by [clicking here](#).

Value Changes in EQV from 2020 to 2022

Before we begin, it's important to note that EQV does not include property exempted from local taxation. In 2020 EQV totaled \$1.42 Trillion statewide and increased to \$1.58 Trillion in 2022 statewide which was an overall increase of 11.5%. In 2022 the average change per community was 11.8% for all 351 cities and towns in the Commonwealth. The three municipalities with the highest change from the prior 2020 EQV are Everett, Egremont and Blanford with changes of 35.2%, 33.6%, and 33.4%, respectively. The three communities with the lowest change from the prior 2020 EQV are Goshen, Dover and Mount Washington with changes of 1.5%, 0.8%, and 1.65%.

When sorted by the 14 counties in Massachusetts, eight saw a total average below the community average and six saw a total above the community average. The largest change occurred in Suffolk County with 16.1%, while the smallest was in Nantucket with 2.5%. To view EQV data in more detail, [click here](#).

tools and guidance for this time of year. Bookmark our Fall resources [here](#).

Reducing Flood Risk through Local Actions: Upcoming Regional Engagement Sessions

The Executive Office of Economic Development (EOED) is hosting a series of online engagement sessions to inform development of a Local Floodplain Action Guide, a guide to assist cities and towns in taking impactful zoning, administrative, and other local actions to reduce flood risk and promote flood-resilient construction. Municipal staff, elected officials, regional planning agencies, community-based organizations, and stakeholders are invited to join. Sessions will be conducted in an online format, with date, time, topic, and joining details published [here](#). Upcoming sessions currently include:

Reducing Flood Risk in Boston Harbor and the North & South Shores
Thursday - 11/30/23
12pm

Reducing Flood Risk in the Cape, Islands, and South Coast
Thursday - 12/07/23
12pm

New DLS Visualization Tool Highlights Trends in Municipal Debt

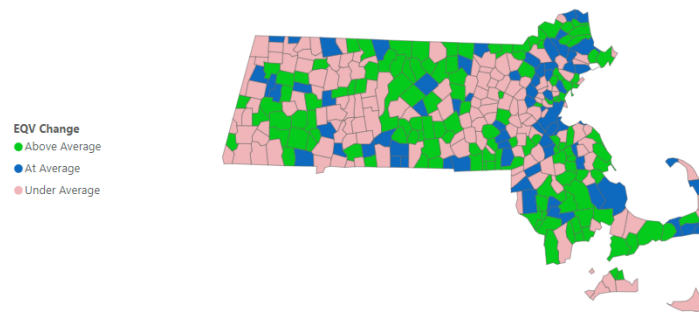
DLS is pleased to announce the release of our latest municipal finance visualization. Our new [Trends in Municipal Debt](#) tool provides an in-depth look at both general fund debt service and outstanding debt using data collected through the [DLS Gateway application](#). Individual charts show trends in debt service over time and sort the data by type and per capita. We've also included a glossary page to help explain many of the terms associated with [municipal debt](#). Each dashboard can be downloaded to a PDF file, and the source data can be accessed using the "351 Report" button.

Please email any feedback to the Data Analytics & Resources Bureau at DARB@dor.state.ma.us.

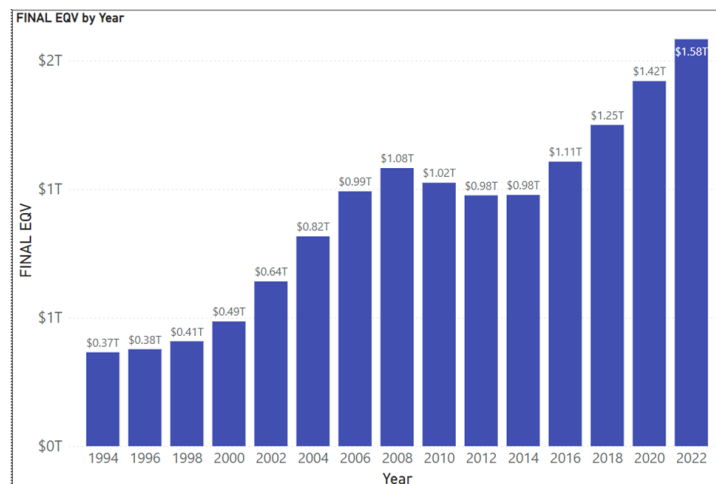
New Informational Resource Page for City/Town Clerks

The Division of Local Services is pleased to announce the availability of materials on the Municipal

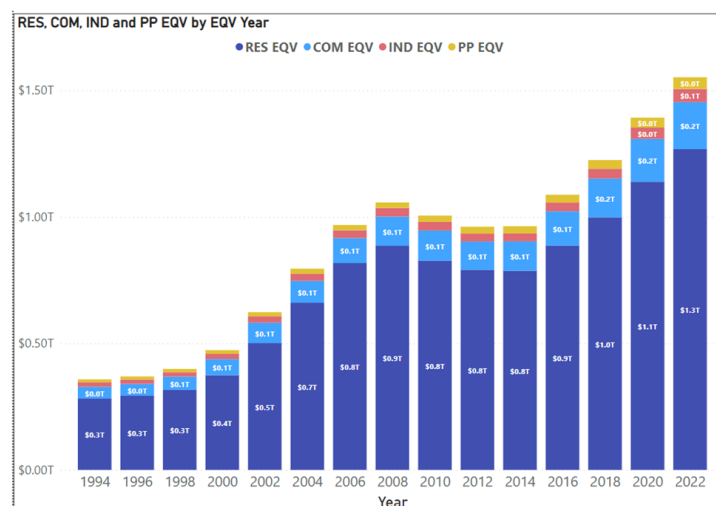
Change from EQV 2020 to EQV 2022 [Avg change 11.8%]



Reviewing EQV from 1994-2022



When reviewing the previous 15 EQVs, it becomes apparent that changes in values have had their ups and downs. Despite these fluctuations, there has been a 433% increase over 28 years. All four classes of property have seen major increases from the 1994 EQV to the 2022 EQV, with Residential showing the greatest increase and Industrial showing the smallest.



Finance Training & Resource Center under [resources by position](#) to assist city or town clerks. A city or town clerk is an integral member of the municipal management team and a central information point for residents. While the job responsibilities may vary from community to community in Massachusetts, the clerk is a bonded official who is the municipality's record keeper and often the chief election officer. The new page is one stop shopping for the following topics important to clerks:

- Overview of responsibilities
- Adopting local option excise
- Local elections and town meeting
- Local Officials Directory
- Municipal debt and borrowing
- Proposition 2 ½ votes
- Record legislative action
- Tax rate setting process

Be sure to bookmark the [Municipal Finance Training and Resource Center](#) page and subscribe to our [YouTube channel](#).

2024 Municipal Cybersecurity Awareness Grant Program

The Executive Office of Technology Services and Security (EOTSS) is pleased to announce the Municipal Cybersecurity Awareness Grant Program (MCAGP) for 2024!

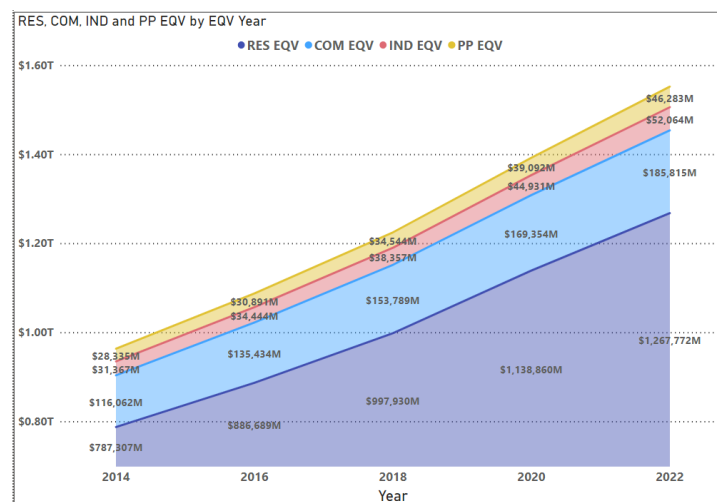
The MCAGP is **open to all local government agencies** (municipalities, public school districts, libraries, police departments, fire departments, planning commissions, and municipally run utility departments and airports), as well as members of the PERAC Retirement System. The program improves overall cybersecurity posture by helping organizations mitigate their human risk through awareness training, and monthly threat simulations (phishing campaigns).

EOTSS' Office of Municipal and School Technology (OMST) procures the user licenses and manages the program – making the program **free** to participating organizations. More specific information about the program, learning paths, and information sessions can be found [here](#). The applications are now available, but act quickly! The application period will close when all available seats are taken or on January 10, 2024, whichever occurs first.

Year	RES EQV	COM EQV	IND EQV	PP EQV
1994	\$282,062,458,000	\$46,226,481,300	\$18,304,767,700	\$11,305,583,400
1996	\$293,501,914,900	\$46,532,188,500	\$17,157,212,500	\$12,121,604,300
1998	\$316,318,518,000	\$52,251,692,700	\$17,693,295,800	\$12,826,568,400
2000	\$374,276,024,600	\$63,570,459,400	\$20,585,268,600	\$14,874,065,100
2002	\$501,084,844,800	\$80,667,212,900	\$24,753,668,000	\$16,785,483,600
2004	\$660,695,571,800	\$86,455,093,800	\$28,166,582,000	\$20,046,946,900
2006	\$817,653,336,500	\$98,582,344,400	\$30,894,661,100	\$20,797,715,000
2008	\$885,843,763,100	\$115,478,349,400	\$34,043,472,400	\$21,685,046,400
2010	\$826,964,992,100	\$119,211,186,200	\$33,985,021,200	\$25,067,089,800
2012	\$790,948,931,700	\$111,725,159,400	\$31,342,642,300	\$27,123,766,800
2014	\$787,306,946,600	\$116,061,747,800	\$31,366,712,900	\$28,335,018,900
2016	\$886,688,753,200	\$135,434,065,900	\$34,444,211,300	\$30,891,472,500
2018	\$997,930,495,700	\$153,788,801,600	\$38,357,164,900	\$34,544,433,300
2020	\$1,138,859,569,600	\$169,353,727,600	\$44,931,429,400	\$39,092,311,100
2022	\$1,267,771,918,400	\$185,815,253,200	\$52,063,603,500	\$46,283,221,800

A Closer Look at 2014-2022

There has been a continuing increase in EQVs for all four property classes over the last four EQVs. Residential continues to represent the most significant change, increasing from \$787B in 2014 to \$1.3T in 2022.



Latest Issue of *Buy the Way Now* Available

Don't miss Issue #23 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.

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

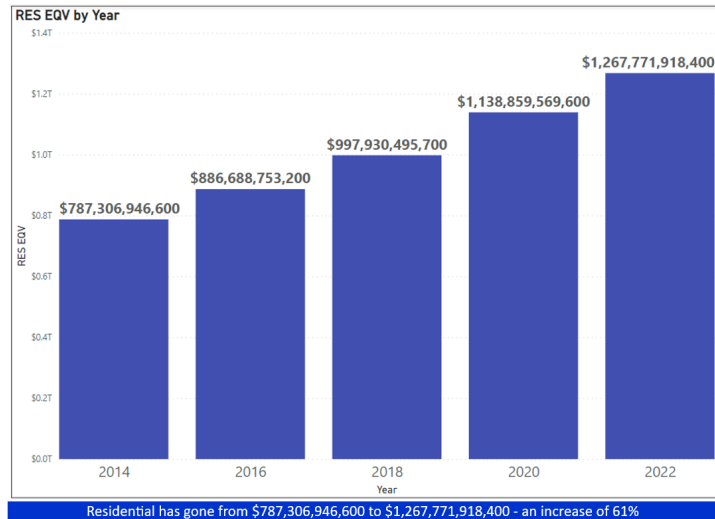
The DLS Municipal Finance Law Bureau has a new Bulletin. Bulletin 2023-5 discuss a recently decided United States Supreme Court case, *Tyler v. Hennepin County*, 598 U.S. 631 (2023). As a result of that decision, there is uncertainty as to whether or not tax title foreclosure surplus proceeds will need 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

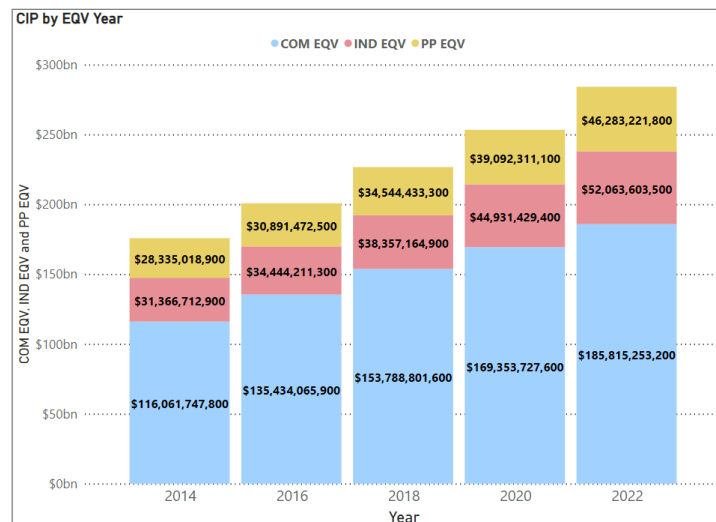


Reviewing Commercial, Industrial and Personal Property EQV

Property is broken into four separate and distinct classifications.

They are residential, commercial, industrial, and personal property.

More information on property classification and taxation can be found [here](#). When reviewing EQV broken down by classification, it's important to acknowledge changes beyond those in the residential class. Commercial EQV has increased 60% from \$116B to \$186B. Industrial has increased 66% from \$31B to \$52B. Personal property has increased 63% from \$28B to \$46B.



We hope you've found this information interesting and useful. To view EQV data in more detail, [click here](#). If you have any questions regarding your community's EQV or would like to suggest a topic for future articles, please email us at bladadata@dor.state.ma.us.

report on medium- and heavy-duty (MHD) vehicles greater than 8,500 lbs. operated or dispatched in Massachusetts. Specific information 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

DLS 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.

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 to receive MCPPO designation to any municipality in the

Adult-Use Cannabis Sales and Impacts on Local Finances

Melinda Ordway – Financial Management Resource Bureau

Project Manager

It's been five years since the first legal adult recreational use cannabis sales began in Massachusetts. Once the Massachusetts Cannabis Control Commission approved final licenses for two retail shops in Leicester and Northampton, they opened for business on November 20, 2018. While these were the first establishments to sell adult-use, non-medical, marijuana products on the East Coast, additional shops opened in 13 other Massachusetts communities before the end of the calendar year.

The legalization of recreation cannabis was accomplished after Massachusetts voters passed a statewide ballot question in 2016 and former Governor Charlie Baker signed the measure ([c. 55 Acts of 2017](#)) into law on July 28, 2017. Each municipality then decided to prohibit marijuana establishments or by ordinance or bylaw allow them, enacting applicable zoning and adopting the local option cannabis excise ([G. L. c. 64N, § 3](#)).

The Division of Local Services (DLS) issued [Bulletin 2018-3](#), providing information about the procedures for implementing the local option cannabis excise, which is separate from the cannabis impact fee. A majority vote of the legislative body, subject to local charter, must accept [G. L. c. 64N, § 3](#) and specify the local excise rate up to 3%. Like rooms and meals excise, the city or town clerk must [notify DLS Municipal Databank](#) of the adoption within 48 hours of the vote. The Department of Revenue (DOR) collects the local option excise for a community based on the wording of the legislative vote and the date DLS is notified, and then the revenue taken in is distributed at the end of each fiscal year quarter. In the first year FY2019, 106 communities notified DLS of their local adoption, which has climbed to 188 communities over five years.

Local Option Cannabis Excise Adoption Reported to DLS

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.

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](#)

DLS Links:

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

[Events & Training Calendar](#)

[Municipal Finance Training and Resource Center](#)

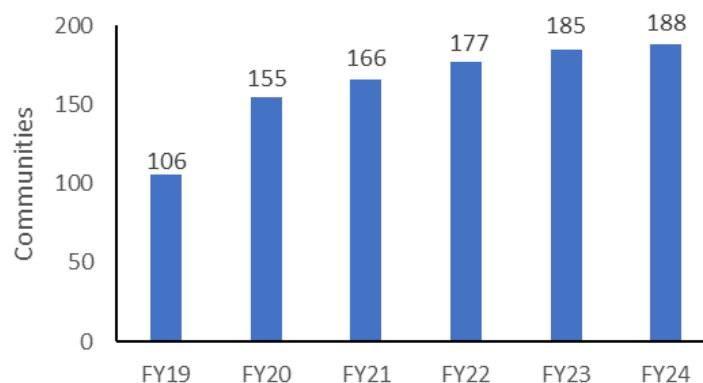
[Local Officials Directory](#)

[Municipal Databank](#)

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

[Bulletins](#)

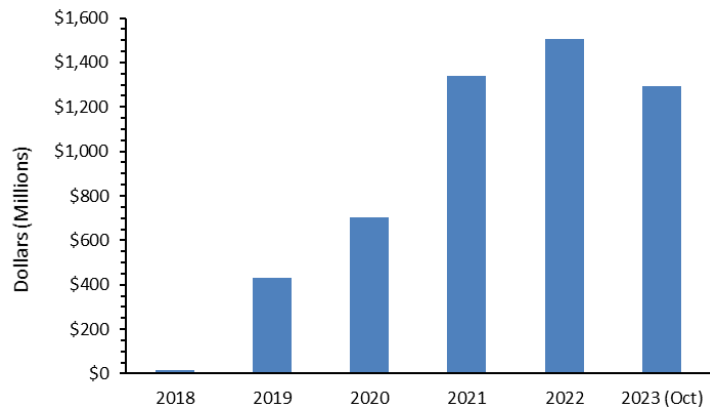
[Tools and Financial Calculators](#)



As a new industry in Massachusetts, it had a slow start. The [Massachusetts Cannabis Control Commission](#) (Commission) is the regulatory body that built a new independent agency and legal industry from the ground up. The Commission hired staff, developed regulations, and instituted compliance procedures to handle applications, perform inspections, and grant licenses. Over time, the process has been streamlined for new and renewing licenses for cultivators, product manufacturers, retailers, independent testing laboratories, microbusinesses, marijuana couriers, and more. Additionally, cannabis businesses had to find communities willing to negotiate host agreements for cultivation, manufacturing and/or retail operations. Adding to this, all marijuana being sold in Massachusetts must be grown in the state. Constructing a cultivation or manufacturing facility takes time and capital. Once built and fully equipped, it takes time to grow the crop and as well as to convert raw materials into finished cannabis products. As this industry has matured, new establishments have been licensed and settled in many communities across Massachusetts, jumping in on a hot and growing market.

According to data from the Commission, there was just over \$15 million in sales during the last two months of 2018. As seen in the graph below, statewide sales for cannabis have grown year-over-year with over \$433 million in 2019, \$702 million in 2020, \$1.34 billion in 2021, and \$1.5 billion in 2022. Sales through October 2023 are almost \$1.3 billion and, contributing to \$5.29 billion cumulative gross sales over five years.

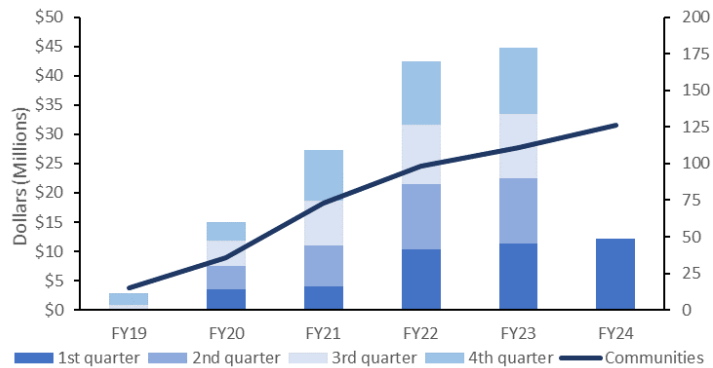
Adult Recreational Use Cannabis Sales



Source: Massachusetts Cannabis Control Commission

For any city or town that has accepted the local option cannabis excise and notified DLS, all sales by recreational marijuana retailers that are subject to the state excise are also subject to the host community's local excise. In FY2019, almost \$2.9 million was distributed to 15 communities. This has grown to nearly \$44.8 million for 111 host communities in FY2023. For the first quarter of FY2024, 126 host communities with retail recreational shops were distributed nearly \$12.3 million.

Local Optional Cannabis Excise Distributed to Host Communities



Source: Massachusetts Cannabis Control Commission

Local option cannabis excise is general revenue and can only be spent after appropriation unless a general or special law provides for an exception and different treatment. About 71% of existing host communities estimate cannabis excise as a local receipt on the tax recap. For many, initial cannabis revenue years had growth, but have since declined due to a combination of factors impacting host communities.

- More Host Communities - As more communities participate in the cannabis industry and enter into agreements, increases in retail competition can draw customers away from cities and towns and shift the excise distribution. Adding to this, communities may face statewide sale impacts as bordering states—Rhode Island, Connecticut, New York, and Vermont—have opened their doors to the cannabis market, and New Hampshire will be deciding in the new year.
- Increased Volume of Marijuana Products - With an increased supply of products, prices have declined. The Commission tracks the monthly average cost/gram of adult-use cannabis ([available by clicking here](#)), showing the price being relatively stable in the initial couple years (except for the initial month of Covid-19) and decline beginning in the summer of 2021 as more shops opened and greater supply entered the market.
- Establishments Closing - With an oversupply in the market that led to declining prices, inflationary pressures that have increased costs for retailers and manufacturers, and declining profits, some cannabis businesses have closed or have announced plans to depart Massachusetts.

About 23% of host cities and towns have taken a more cautious approach to not include this excise in their local estimated receipts due to the newness and unpredictability of cannabis revenue. Initial sales volume and resulting excise may have been a result of limited retail locations or curiosity with the grand opening of a shop. As the market matures, it does not guarantee revenue will continue or increase, so they chose not to use it as a funding source for the operating budget. Instead, cannabis excise closes to the general fund and becomes part of free cash when certified, so it may be appropriated for any legal purpose.

The remaining 6% of the host communities either dedicate the recreational cannabis excise to a stabilization fund or do a combination of estimating as a local receipt and dedicating the revenue stream. As explained in [Informational Guideline Release](#)

[\(IGR\) 17-20](#), cities and towns that accept the fourth paragraph of may dedicate, without further appropriation, all or a percentage of not less than 25% of a particular fee, charge or other receipt to any stabilization fund established under the same and report the [legislative action](#) to the Municipal Databank. Communities that dedicate this revenue towards specific purposes have stated that it provides or supplements funding to address needs without having to fund through the levy or borrow funds.

Despite challenges, the recreational cannabis industry has developed into a large sector in Massachusetts. The Commission is confident that Massachusetts licensees will maintain the competitive edge by demonstrating to peers what it takes to operate a safe, effective, and equitable cannabis industry. It contributes excise revenues for the state and to cities and towns that have welcomed the industry.

Editor: Dan Bertrand

Editorial Board: Kasey Bik, Sean Cronin, Emily Izzo, Paula King, Lisa Krzywicki, Jennifer McAllister and Tony Rassias

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

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