



Fall Conferences, Seminars and a New Website

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By the Numbers

City & Town provides updates on the progress of the tax rate and certification season while also allowing you to follow the tax rate setting process in real time. Thanks to our Municipal Databank staff, this public information is available 24/7 by [clicking here](#).

Prelim. Certifications Approved: 25

Final Certification: 6 (of 70 total)

LA4 Approved: 88 (105 submitted)

LA13/ New Growth Approved:
85 (98 submitted)

Tax Rates Approved: 26

Balance Sheets Approved: 85

Last month, state and local officials joined together at "Implementing Best Practices: A Statewide Conference for Municipal Officials and Staff" to share ideas and attend workshops focusing on the implementation of best practices in the areas of financial management, housing production, cybersecurity, regionalization, transportation, energy, and environment. The conference, hosted in collaboration with the Massachusetts Association of Regional Planning Agencies (MARPA), featured remarks from Lieutenant Governor Polito focusing on the Baker-Polito Administration's efforts to foster a stronger state-local partnership, a fantastic keynote speaker in David Eaves of the Harvard Kennedy School, multiple workshops highlighting how to implement best practices, and a discussion led by Secretary Nunnally of the newly-formed Executive Office of Technology Services & Security (EOTSS). This forum, titled "Interactive Discussion: Data, the Commonwealth, and Unlocking Value for Municipalities," generated discussion regarding data collection and retention and the effective use of that data in both state and local policies and practices. I want to thank all the state and local officials who took time out their busy schedules to attend and make the day such a success.

Last week, the Division of Local Services legal staff hosted the first of two sessions of its annual seminar "What's New in Municipal Law" for local officials at The Lantana in Randolph. The second session is being held today at The Log Cabin Banquet & Meeting House in Holyoke. For those of you unable to attend, the general session in the morning reviews new legislation and recent court decisions pertaining to local government. The afternoon sessions consist of three concurrent workshops that explore implementation of Municipal Modernization Act municipal tax and finance law changes related to: (1) tax administration; (2) treasury management and debt issuance; and (3) special funds and financial procedures. The presentations and related handouts are [now available on our website](#). We also plan to provide additional information on topics including the use of the overlay for abatement interest as well as the Veterans Assistance Fund. Stay tuned to future editions of *City & Town* for updates.

If you log on to to the DLS website at www.Mass.gov/DLS, you will notice a significant change. The Commonwealth redesigned Mass.gov with one goal in mind:

Total Aggregate Free

Cash Approved: \$446,486,944

Important Dates & Information

OSD Second Annual State Fleet Event

November 7th, 2017

Sturbridge Host Hotel

Sturbridge, Massachusetts

[Sign Up to Attend!](#)

Send questions

to lisa.westgate@state.ma.us

OSD: Let Economies of Scale Work in Your Favor

Price your electricity and natural gas with the Statewide Contract Load. If you've considered joining the Operational Services Division's statewide contracts for electricity and/or natural gas but haven't yet taken action, this may be a good time to make that move. In 2018, new buyers may join the [ENE43](#) (Electricity) and [ENE44](#) (Natural Gas) contracts and take advantage of pricing afforded by the Statewide load. To inquire or express interest, contact [Lisa Westgate](#) at 617-720-3112.

MUNICIPAL Databank



Other DLS Links:

to make it easy for users to find what you need. [Click here to view a brief video introducing the new Mass.gov](#). As for the DLS portion, things will look new and materials may be in different places, but it's all there for you. Later in this *City & Town*, Lisa Krzywicki provides a brief overview of the DLS site. In future editions, each DLS Bureau Chief will provide you with a written tour of their sections. One thing I want to highlight is our new searchable [Legal Library](#). This is certain to make things easier for you when trying to find the most recent IGR's, Bulletins, and LFO's. Check it out!

Finally, our own Bob Bliss will be leaving DLS at the end of the month. Bob has served the Commonwealth in a variety of roles for nearly 25 years, most recently as the Regional Manager for the DLS Worcester and Springfield offices. In our next edition of *City & Town*, we plan to highlight some of Bob's accomplishments, including his work on this publication's editorial board and the Taxpayer Assistance Program (TAP). Until then, I personally want to wish him all the best as he embarks on his future endeavors. Bob has been an invaluable source of wisdom and information and will be missed.

DLS Website Joins Mass.gov in Redesign

Lisa Krzywicki - Municipal Databank Director

As the saying goes, "the times they are a changin'" and now so is the look of the Division of Local Services (DLS) website. In early September, the Commonwealth rolled out a newly designed Mass.gov website with a focus on constituent needs and increased service delivery. In coordination with these efforts, DLS will align with the new Mass.gov format to share a modernized look and feel. This article will serve as a first introduction to these changes with more in-depth guidance to follow in upcoming editions of *City & Town*.

You'll notice the differences starting tomorrow. We hope you will also recognize the efforts we made to maintain a combination of new service and previous bureau organizational categories. Bookmarks to our most-visited DLS pages such as the IGRs, Municipal Databank and DLS Publications should continue to work, and while the new layout may take a few views to become familiar, we think you'll appreciate the improvements. As a preview, the image below shows the service delivery format, a change from the bureau-driven format.

Who we serve

Supporting a Commonwealth of Communities

DLS supports local officials in your community to achieve sound and effective fiscal management through guidance, training and oversight. Its bureaus are responsible for ensuring the fairness and equity of local property taxation, the accuracy and quality of local accounting and treasury management, interpreting state laws that affect local governance, distributing local aid, and maintaining a comprehensive databank on local finances.

[View our Bureaus](#)

[Local Officials Directory](#)

[Information Guideline](#)

[Releases \(IGRs\)](#)

[Bulletins](#)

[Publications & Training Center](#)

[Tools and Financial Calculators](#)

What do you need help with?

Featured services

- [Municipal Finance Legal Guidance](#)
- [Property Assessment and Valuation](#)
- [Accounting Guidance and Oversight](#)

More services

- [Municipal Financial Assistance](#)
- [DLS Publications](#)
- [DLS Training Programs](#)
- [DLS Gateway Application](#)
- [Municipal Databank \(Data Analytics\)](#)
- [DLS Public Records Request](#)

[NOTIFICATION OF UPCOMING PUBLIC MEETINGS](#)

Below the banner and contact information is the main navigation pane. From there, users will see relevant topics and links including Property Assessment and Valuation, DLS Gateway, the Municipal Databank, DLS Publications, and our Training Programs page. We encourage you to navigate these pages to acquaint yourself with what's available. In many ways, much of it should seem familiar.

What Would You Like to Do?

Featured:

- [City & Town](#)
- [Municipal Best Practices](#)

What you need to know

- [Municipal Finance Legal Guidance Publications](#)
- [Property Assessment and Valuation Publications](#)
- [Accounting Guidance, Oversight and Financial Management Publications](#)
- [Other DLS Publications](#)
- [Financial Tools, Calculators and Templates](#)

Over the next few editions of *City & Town*, we'll continue to highlight and explain the

new layout changes, features and improvements. We thank you in advance for your patience as we make this transition. Our staff is available to any local officials or interested parties who may require assistance by calling (617) 626-2384 during regular business hours. You can also email us any time to ask questions and provide feedback at databank@dor.state.ma.us. We hope you enjoy our new website!

Know Your Limits: Using the LA7, Chapter 200 and the Gateway Options Table

Steve McCarthy - Bureau of Local Assessment Community Advisor, Joanne Graziano - Local Assessment Bureau Chief and Kirsten Shirer - Director of Information Technology

Each year, every municipality must determine how much money it needs to operate and how much of that budget will come from real and personal property taxation. Before the tax rate can be set, the select board, town council or city council must also hold a public hearing known as a classification hearing to consider the percentage of the tax levy (which is the amount a community raises through the property tax) that will be paid by the owners of all classes of property: residential, open space, commercial and industrial real estate, and personal property. [M.G.L. c. 40, § 56](#). DLS Gateway contains several tools to ensure that municipal officials have the information they need to make these important decisions.

Shifting the Tax Rate: Local Options

All classes of property can be taxed using a single tax rate, which applies the tax burden uniformly to all classes. Massachusetts law allows communities to shift a portion of the tax burden from the residential and open space (RO) classes to the commercial, industrial and personal property (CIP) classes. This results in two different tax rates for the property in those classes (known as a “split tax rate”). Shifting the burden from RO to CIP does not change the total levy to be raised, but rather it changes the share of the total levy to be borne by each class.

The maximum shift to the CIP class implemented in any given year is based on a number of conditions. [M.G.L. c. 58, § 1A](#). In general:

- RO taxpayers must pay at least 65% of their full and fair cash value (FFCV) share of the levy.
- CIP taxpayers cannot pay more than 150% of their FFCV share of the levy.

The minimum residential factor (MRF) is the result of calculating the classes in an equation and is used to make sure the shift of the tax burden complies with the law. If the MRF calculates less than 65%, the community cannot make the maximum shift and must use a CIP factor less than 150%.

If adopting the MRF would result in residential taxpayers paying a higher share of the tax levy than last year, then the MRF is calculated using these parameters:

- CIP taxpayers cannot pay more than 175% of their FFCV share of the tax levy.
- RO taxpayers must pay the greater of (1) 50% of their FFCV share of the levy or (2) the lowest percentage share of the levy they have paid since classification began.

Local officials in communities that usually adopt a shift or decide to shift for the first time need to be aware that certain statutory restrictions and rules can limit the ability to shift above 150%, even if the community may have shifted above 150% in the past. Conversely, local officials should also know that, based on current conditions, they may now be eligible to shift above 150% if necessary.

How DLS Gateway Can Help

Viewing the **LA7** and **Chapter 200** reports found in Gateway under the Tax Rate tab can help make sense of MRF calculations. The LA7 computes the MRF and describes the potential to shift above 150% using current and historical data. Chapter 200 expands the LA7 calculations by showing whether or not a CIP shift up to 175% would be allowed in the current year.

The Options Table

The screenshot displays the 'Options Table' interface. At the top, it shows 'Fiscal Year: 2017'. Below this are several input fields for classification options and exemptions, including 'Residential Exemption', 'Small Commercial Exemption', and 'Total Net Value Minus Exemption'. A table below these fields shows 'CIP Shifts' and 'Res Factor' for various scenarios, with columns for 'Res', 'CIP', 'Com', and 'Ind' percentages. At the bottom, a large table titled 'Estimated Tax Rates' provides a detailed breakdown of tax rates for different property classes (Residential, Commercial, Industrial, Personal Property) across various valuation ranges, including columns for 'CIP Shifts', 'Res Factor', 'Share Percentage', 'Levy Amounts', and 'Estimated Tax Rates'.

Gateway's **Options Table**, found in the Reports section of the Tax Rate and District Tax Rate modules, is a useful tool for reviewing shift options prior to the classification hearing. It can be used to investigate the impact of various CIP shifts, residential exemptions and small commercial exemptions. Note, the resulting data is not saved in Gateway but can be exported to Excel for distribution. The table is meant to be independent of most tax rate forms, making it useful year-round. Valuation data loads from the LA-4 form if available, or it can be data entered or changed as necessary while values are still being finalized. The **Max Shift Allowed** field uses the same logic found on the LA7 and Chapter 200 reports, but it uses the valuation totals on the Options Table instead of the actual LA4.

These fields are required for the Options Table to calculate potential tax rates:

- Values for each class of property
- Total Estimated Levy
- CIP Shift Range (minimum and maximum)
- The shift increments to display using the format 99.99 (for example enter 5 for increments of 5% or 1.25 for increments of 1.25%)

Optional data that can be used, if applicable:

- Communities that have adopted a **Residential Exemption** should enter the number of eligible parcels, residential parcel count, and exemption percentage.
- Communities that have adopted a **Small Commercial Exemption** should enter the number of eligible parcels, total value of eligible parcels, and exemption percentage.

When all data has been entered, click the Calculate button and wait for the results to appear. Gateway will display the Residential Factor, share percentages, levy amounts and proposed tax rates for each property class. "What if..." scenarios can be run by editing the options and clicking the Calculate button again. The calculations can be exported to Excel using "Export to Excel" button. To erase all options and start over, use the Reset button.

DLS issues an Informational Guideline Release (IGR) each year providing assessors and other local officials with information regarding the annual determination of property assessments, classification of property according to usage class, calculation of the MRF and allocation of the tax levy among the property classes. [IGR 17-24](#) offers guidance for Fiscal 2018. Questions concerning property classification can be directed to the Bureau of Local Assessment by emailing bladata@dor.state.ma.us.

Ask DLS: Personal Property Taxes

This month's *Ask DLS* features frequently asked questions regarding the local taxation of personal property. Additional questions about personal property taxes will be featured in future editions of City & Town. 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.

Do cities and towns in Massachusetts assess a personal property tax?

Yes. The assessors in each city and town assess personal property taxes on all

taxable personal property situated within their communities. Although personal property is generally taxable, there are a number of exemptions that apply based on specific factors, including the entity status of the owner, type of property and use of the property.

The tax is calculated by multiplying the assessed value of the property by the personal property tax rate of the city or town. Personal property is assessed separately from the real estate where it is located. A single personal property assessment is made for all the taxable personal property of the owner located in the city or town.

What is considered personal property for local property tax purposes ?

Personal property generally includes tangible items that are not firmly attached to land or buildings and are not specially designed for or of such a size and bulk to be considered part of the real estate. This includes, for example, merchandise, furniture, machinery, tools, animals and equipment. Personal property is taxable unless a specific exemption provision applies. [M.G.L. c. 59, § 2](#).

What personal property is subject to local taxation ?

All personal property situated in Massachusetts is subject to tax, unless specifically exempt by law. [M.G.L. c. 59, § 2](#). Property is situated in a particular city or town in Massachusetts if it is present on January 1 with the owner's intention that it remain with some degree of permanence. Property that is frequently moved from place to place or intended for use temporarily at different places is considered situated where the owner resides or has a principal place of business (if the property is business personal property).

An example of exempt property involves household furnishings and effects. Household personal property at a person's domicile (primary residence) is exempt from personal property tax. [M.G.L. c. 59, § 5, Clause 20](#). However, household personal property located at other residences is taxable.

Which municipality assesses the tax ?

The city or town in which the property is situated on January 1 assesses the personal property tax. If the property has established no particular situs, the tax is assessed by the city or town in which the owner resides (or has a principal place of

business for business personal property). [M.G.L. c. 59, § 18](#).

To whom is the tax assessed?

The owner of the property on the January 1 before the fiscal year begins is generally the person or entity assessed the tax. [M.G.L. c. 59, § 18](#). An exception exists for machinery or tangible personal property leased for profit. In that case, the tax may be assessed to the person in possession instead. Personal property of a deceased owner is assessed to the decedent's estate and, after appointment, to the personal representative of the estate. Jointly owned property may be assessed to one or more of the owners. Partnership property is assessed to the partnership, not to any of the partners. Personal property of a limited liability company (LLC) is assessed to the LLC.

META Grants Heighten Local Energy Projects

Kevin O'Shea – Department of Energy Resources Communications Director

Municipal Energy Technical Assistance (META) grants are offered once a year by the [Green Communities Division of the Department of Energy Resources](#) (DOER). With this grant the DOER Green Communities Division aims to assist the Commonwealth's municipalities and other local governmental bodies to reduce energy consumption and costs, reduce pollution, facilitate the development of renewable energy resources, and create local jobs related to the building of renewable and resilient energy facilities and the installation of energy-efficient equipment.

All municipalities, regional school districts, water/wastewater districts, and regional planning agencies are invited to apply for META in a grant round that opens each spring. Notice of the grant is posted on CommBuys, the state procurement site. Each municipality may receive a grant of up to \$12,500. Regional planning agencies may receive funds for each community served. Grants fund technical assistance and expertise needed to complete energy projects in cities and towns with the aim of reducing energy costs and strengthening local economies.

Historically, META grants have funded solar site evaluations, pumping system assessments, and heating system engineering studies. For example, the Town of Huntington used their 2015 META grant to determine specifications for a new heating system for Town Hall. In the most recent round announced in September,

DOER awarded \$661,000 in grants to 56 cities and towns. Many cities and towns will utilize the funds to finalize their Green Communities application or to get the assistance they need to start new projects. For instance, the Town of Tewksbury is using their grant to design a zero net energy Regional Emergency Communication center that will also serve Dracut and Pepperell.

October Municipal Calendar

1	Collector	Mail Semiannual Tax Bills Communities using the regular semiannual billing system should mail actual tax bills or optional preliminary tax bills by this date.
1	Collector	Mail Preliminary Tax Bills for 2nd Quarter Collector mails these bills if the 2 nd quarter bills were not included in the July mailings.
1	Taxpayer	Deadline to Pay the Semiannual Preliminary Tax Bill Without Interest Per M.G.L. c. 59, § 57C , this deadline applies in semiannual communities using the annual preliminary tax billing system unless the bills were mailed after August 1. If mailed after August 1, the payment is due either November 1 or 30 days after the bills were mailed, whichever is later.
1	Taxpayer	Deadline for Applying to Have Land Classified as Agricultural/ Horticultural Land or Recreational Land Under M.G.L. c. 61A, §§ 6 and 8 and c. 61B, §§ 3 and 5 , this is the deadline to apply to the Assessors to have land valued, taxed, and classified as agricultural/horticultural or recreational land in the next fiscal year. Taxpayers who miss this deadline have until 30 days after the mailing of the actual tax bills to apply to the Assessors.
1	Taxpayer	Deadline for Submitting Forest Land Certification and Management Plan As set by M.G.L. c. 61, § 2 , this is the deadline to submit to the Assessors the State Forester's certification and approved management plan to have land classified as forest land for 10 years beginning in the next fiscal year.
15	Assessors and Accountant	Begin Working on the Tax Rate Recapitulation Sheet (the recap) Assessors in communities that issue quarterly or annual semiannual preliminary tax bills should begin gathering data for the following tax recap pages in order to have enough time for the tax rate to be set and actual tax bills mailed by December 31: <ul style="list-style-type: none">• Page 1 - Tax Rate Summary• Page 2 - Section II: Amounts to be Raised and Section III: Estimated Receipts and Other Revenue Sources• Page 3 - Local Receipts Not Allocated• Page 4 - Certification of Appropriations and Source of Funding
31	Accountant	Deadline to Submit the CPA Fund Balance Report (Form CP-2) [See July 15.]
31	State Treasurer	Notification of Monthly Local Aid Distributions , see IGR 17-17 for more cherry sheet payment information, monthly breakdown by program is available here .

Editor: Dan Bertrand

Editorial Board: Sean Cronin, Anthonia Bakare, Robert Bliss, Linda Bradley, Nate Cramer, Patricia Hunt and Tony Rassias

Contact *City & Town* with questions, comments and feedback by emailing us at cityandtown@dor.state.ma.us.

To unsubscribe to *City & Town* and all DLS alerts, email dls_alerts@dor.state.ma.us.