

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



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Healey-Driscoll Administration Files Municipal Empowerment Act

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Important Dates & Information

DLS Winter Update

Given the seasonal nature of certain reporting requirements, municipal responsibilities, billing processes and regulatory functions, we are utilizing seasonal pages on our website that provide helpful resources, tools and guidance you might find useful for the time of year. The Winter Update provides timely resources related to the annual operating and capital budget processes, property tax commitments, warrants, tax billing, abatements, issuing motor vehicle excise, and municipal debt. Bookmark our Winter resources [here](#).

FY2025 Preliminary Cherry Sheet Estimates

Cherry Sheet estimates for charter school tuition and reimbursements are based on estimated tuition rates and projected enrollments under charters previously issued by the Board of Elementary and Secondary Education. Please be advised that charter school assessments and

The Healey-Driscoll Administration has filed the [Municipal Empowerment Act](#), a comprehensive bill designed to arm local governments with greater tools and supports to chart their own course, making it easier for communities to generate resources for vital local services and access the products and people they need to best serve Massachusetts residents.

The Administration engaged in an extensive listening tour with municipal leaders this past Fall to unearth ideas on how the Commonwealth could better partner with our cities and towns. What emerged were concrete suggestions for improving the finances and operations of local government – from solutions to acute workforce challenges, to relief from specific administrative burdens, to new tools to make local management more efficient and effective. The Municipal Empowerment Act is a direct outgrowth of that feedback.

The bill contains local option revenue raisers, including a new Motor Vehicle Excise surcharge local option that can benefit every city and town in the Commonwealth; provides relief from numerous administrative burdens, including reforms to procurement rules that raise thresholds for competitive bids and remove onerous publishing requirements; improves the efficiency of local operations by, for example, updating borrowing rules for school projects and establishing enforcement mechanisms for double pole prohibitions; and provides new tools for addressing critical local workforce

reimbursements will change as updated tuition rates and enrollments become available. Estimates for the school choice assessments may also change significantly when updated to reflect final tuition rates and enrollments.

For a detailed view of the updated information the cherry sheet websites, please see:

[Municipal estimates receipts and charges](#)

[Regional school estimated receipts and charges](#)

It is important for local officials to remember that these estimates are preliminary and are subject to change as the legislative process unfolds.

Please contact the DLS Data Analytics and Resources Bureau at databank@dor.state.ma.us or (617) 626-2384 with any questions.

MassGIS' Statewide Geospatial Strategic Planning Initiative

MassGIS is undertaking an update of the state's geospatial strategy, last updated in 2007. MassGIS would like all geospatial data and technology users in municipal and regional government, state government, federal agencies, non-profit organizations, higher education, utilities, and the private sector to participate in the development of the strategy.

The strategy will lay out the strategic direction for all geospatial activities in the Commonwealth. MassGIS will lead the strategy development. Applied Geographics (AppGeo), a national company that has done such work for dozens of states, is under contract to assist with this update. The work will begin with distribution of a [survey](#) to capture initial input and feedback. The survey is intended for anyone who uses geospatial data or technology.

[Click here to take the survey.](#)

There will be six workshops between February 19 and March 7 around the state to engage participants in dialogue regarding the strategic direction of geospatial technology, data development and collaboration. [Check the MassGIS 2024 Strategic Plan web page](#) for more information about the locations and other details.

MassCyberCenter:

challenges, such as allowing the creation of Regional Boards of Assessors, centralizing valuation of telecom and utility property at the state level and creating additional flexibilities in post-retirement employment exemptions.

Visit www.mass.gov/municipal-empowerment-act for text of the bill, a section-by-section summary and various policy briefs that detail provisions of the bill.

Attention Assessors: Changes to the Gateway MDM-1 Form

Chris Wilcock - Local Assessment Bureau Chief

We want to inform you about an important update regarding Gateway Form MDM-1, used for reporting the information needed to get reimbursed for Property Tax Exemptions. In our continuous effort to enhance user experience and efficiency, we have taken down Form MDM-1 starting January 30th, 2024. This decision stems from our commitment to simplify and improve our forms, making them more user-friendly and less time-consuming. We understand that filling out detailed forms can be a cumbersome process, and we are dedicated to streamlining this for your convenience.

During this period, our team will be working diligently to retool Form MDM-1. The new version, set to launch in March, will be more straightforward and require less detailed information, significantly reducing the effort on your part. We appreciate your understanding and patience during this transition. We will also be issuing an updated Informational Guideline Release (IGR) for property tax exemption reimbursements that will reflect the changes in Gateway. The IGR will also provide an update to the date by which information must be submitted in Gateway in order to qualify for reimbursement.

We are confident that these changes will result in a more efficient and pleasant experience for all users. Should you have any queries or require assistance during this period, please do not hesitate to reach out. Thank you for your continued support and cooperation.

Passwords - How to protect your data

In anticipation of their upcoming summit, the [MassCyberCenter](#) is getting out the word about how to make your password more secure. Passwords are often the first layer of defense for protecting your data.

Create **strong** passwords or "pass-phrases" for your accounts

- Make them 12 characters or more – the longer the password, the *stronger* it is
- Use a combination of numbers, upper- and lower-case letters, and symbols
- Use unique passwords for each account
- According to [CISA](#), a very strong passphrase would like this:
19MyHappy86Place@Home

Use a password manager

- Password managers are easy-to-use programs that
- Store all your passwords so you don't need to always recall them from memory
- Prompt you if your password is weak or already used
- Identify if your password is found in a breach

Join them at the fourth annual Massachusetts Municipal Cybersecurity Summit in Worcester on May 8, 2024. More details coming shortly at [MassCyberCenter.org](#).

New Bulletins: New Cannabis Control Commission Regulations, Recent Legislation Amortization of FY2024 Major Disaster Related Deficit

The Division of Local Services recently published two new bulletins. Bulletin 2023-9 discusses recent regulatory changes affecting municipal finance promulgated by the Cannabis Control Commission pursuant to Chapter 180 of the Acts of 2022, An Act Relative to Equity in the Cannabis Industry. Bulletin 2023-10 summarizes Section 205 of Chapter 77 of the Acts of 2023 which authorizes cities and towns to amortize their FY2024 major disaster related deficit over fiscal years 2025 to 2027, inclusive, in equal installments or more rapidly.

[BUL-2023-9: New Cannabis Control Commission Regulations](#)

[BUL-2023-10: Recent Legislation](#)

Please contact us with any additional questions at

dlsgateway@dor.state.ma.us.

Ask DLS: Chapter 77 of the Acts of 2023

This month's *Ask DLS* features frequently asked questions concerning the recent legislative changes contained in [Chapter 77 of the Acts of 2023](#). For more information, see [BUL-2023-7](#), [BUL-2023-8](#) and [BUL-2023-10](#). 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.

How are opioid settlement funds impacted?

On December 4, 2023, Governor Healey signed [Chapter 77 of the Acts of 2023](#), Section 9 of which provides, in part, for the following exception to the general rule that all receipts are to be recorded as general fund revenue per [G.L. c. 44, § 53](#):

"(4) non-recurring, unanticipated sums received by multiple cities, towns or districts and not otherwise provided for by general or special law, may, upon the approval of the director of accounts, be expended at the direction of the chief executive officer without further appropriation only for the singular purpose for which the monies were received"

Pursuant to this new exception, the director of accounts has determined that cities and towns that have received or will receive funds in Fiscal Year 2024, or thereafter, pursuant to settlement agreements entered into by the Commonwealth with opioid distributors and opioid-makers for prevention, harm reduction, treatment, and recovery, may place said funds into a special revenue fund. The proceeds can then be expended, without further appropriation, at the direction of the chief executive officer only for the purpose identified in said settlement agreements.

Section 197 of the Act further allows a community to consolidate all monies previously received for this purpose into the special revenue

[Amortization of FY2024 Major Disaster Related Deficit](#)

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

Bulletin 2023-8: Recent Legislation - Chapter 77 of the Acts of 2023

The Division of Local Services (DLS) Municipal Finance Law Bureau (MFLB) has a new bulletin. Bulletin 2023-8 focuses on recent legislative changes affecting municipal finance found in Chapter 77 of the Acts of 2023. The changes effect stabilization funds, the use of insurance proceeds, the general rules concerning municipal receipts, mitigation or exaction funds and major disaster amortization.

[BUL-2023-8 – RECENT LEGISLATION Chapter 77 of the Acts of 2023](#)

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

Bulletin 2023-7: G.L. c. 44, § 53 Clause 4 - Opioid Settlement Receipts

The Division of Local Services Director of Accounts has issued [Bulletin 2023-7](#).

On December 4th, 2023, Governor Healey signed [Chapter 77 of the Acts of 2023](#). Section 9 of the law provides, in part, for an exception to the legal requirement that all receipts are to be recorded as general fund revenue per [G.L. c. 44, § 53](#) for Opioid Settlement Receipts. Municipalities now have the option to account for these receipts in a special revenue fund.

[BUL-2023-7 – G.L. c. 44, § 53 Clause 4: Opioid Settlement Receipts](#)

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

Healey-Driscoll Administration Announces \$5 Million in IT Grants for Municipalities Through Community Compact

The Healey-Driscoll administration announced that \$5 million in grants have been awarded to municipalities to upgrade and improve their information and technology systems through the Community Compact program. This funding comes from one of four Community Compact grant programs being run this fiscal year and will benefit 68 municipalities and school districts,

fund, mentioned above, in the following ways:

- 1.) If prior year settlement funds have not otherwise been reserved (i.e., dedicated to a stabilization fund) or become part of certified free cash, then those funds may be placed directly into the special revenue fund.
- 2.) If already dedicated to a stabilization fund, said dedication can be revoked at any time by vote of the legislative body. Upon revocation, all statewide opioid settlement receipts previously received may be placed in the special revenue fund.
- 3.) If a community has settlement funds in a stabilization fund but did not dedicate future settlement receipts, the money currently in stabilization can be placed directly into the special revenue fund.
- 4.) Settlement funds that have become part of free cash may be appropriated into the special revenue fund by vote of the community's legislative body.

How are stabilization funds impacted?

§ 8 of the Act amends [G.L. c. 40, § 5B](#), which governs the establishment of stabilization funds and regulates their administration. As is the practice in many cities and towns, municipalities may create a general purpose stabilization fund or a special purpose stabilization fund. In practice, most general purpose stabilization funds are broadly created for any lawful purpose while a special purpose stabilization fund delineates the intent of future expenditures more distinctly. The Act changed the quantum of votes to appropriate funds from special purpose stabilization funds so that it is now a simple majority. The present two-thirds quantum of votes needed for appropriating funds from a general purpose stabilization remains the same. Likewise, a two-thirds vote is still needed to create either stabilization fund or to change its purpose.

How are municipal receipts impacted generally?

§ 9 of the Act amends [G.L. c. 44, § 53](#), which governs municipal

including 13 first-time recipients.

The 52 grants being awarded total more than \$4.95 million and will go toward improving cybersecurity and e-permitting, centralizing financial systems, implementing records management systems and infrastructure needed for hybrid meetings. The full list of IT grant awards can be found [here](#).

In addition to the information and technology grants, funding has been made available through both the Fiscal Year 2024 budget and the administration's capital investment plan to support each of the following Community Compact programs:

Best Practices - \$2 million
Efficiency & Regionalization - \$600,000
Municipal Fiber - \$5 million

The application periods for the Efficiency and Regionalization Grant Program and Municipal Fiber Grant Program open on Jan. 8, 2024 and March 11, 2024, respectively.

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.

Informational Resource Page for City/Town Clerks

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

receipts, in the following two ways:

First, Clause 2 has been amended. Presently, a municipal or district department in charge of property that was damaged and for which the municipality or district receives insurance proceeds or restitution payments of \$150,000 or less could spend the monies, without appropriation and with the approval of the chief executive officer, to replace or repair the property. In many cases, however, that replacement or repair must be made immediately. The change now allows spending for this purpose in advance of the monies being received, for amounts of \$150,000 or less. However, if the monies are not received by the close of the fiscal year after the fiscal year in which the damage occurred, the municipality must report the same in the determination of the applicable annual tax rate or otherwise make provision therefor. The amendment is patterned after the change made by the Municipal Modernization Act to [G.L. c. 44, § 53A](#), which allows spending in advance of certain grant funds.

Second, new Clauses 4 and 5 have been added. Generally, all money received or collected from any source by a city, town or district belongs to its general fund and can only be spent after appropriation unless a general or special law provides an exception, i.e., expressly restricts use for a particular purpose or allows expenditure by a department or officer without appropriation. This general rule of municipal finance occasionally presents communities with accounting and procedural difficulties in situations where an unexpected, conditional receipt is received. Such receipts, by law, would become part of the general fund, eventually close and become part of the next year's free cash certification. When it becomes part of free cash, the original restrictions on the funds become muddled, as under current law they must sit in an available fund that can be appropriated for any lawful purpose. Additionally, this process can take several months and many times these one-time monies are intended for immediate expenditure for their specific purpose. The new Clauses 4 and 5 create exceptions to this general rule. With the approval of the Director of Accounts, in certain circumstances, both clauses allow certain one-time monies to be reserved in a special revenue fund, thereby not closing to fund balance at the end of the fiscal year and not becoming part of the

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](#).

Latest Issue of *Buy the Way* Now Available

Don't miss [Issue #24 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

free cash certification. Clause 4 does so for monies received for one specific purpose and can be spent without further appropriation, while Clause 5 does so for monies received for multiple purposes and requires appropriation. In both scenarios, there must an authorization from the Director of Accounts and is limited to one-time, unanticipated receipts that affect multiple communities.

Are there any changes to mitigation funds?

§ 10 of the Act inserts new section 53K into [G.L. c. 44](#). Municipalities often enter into host or mitigation agreements with developers or other entities, including cannabis establishments and casinos, to address the impacts of new development or location of a facility within the city or town and receive cash payments to mitigate these impacts. In addition, a developer may make a cash payment in lieu of undertaking a particular condition or obligation required by a zoning or other permitting by-law or ordinance, or a party renting municipal property may make payments in addition to the lease. Examples include a developer of a commercial property making a payment required under the town's zoning bylaw in lieu of constructing sufficient parking spaces with the monies to be used by the town for the acquisition, improvement and maintenance of municipal parking; or a cell phone company that is leasing town-owned property for its equipment agreeing to give the municipality a "one-time payment" in addition to its lease. Under current municipal finance law, these mitigation payments or regulatory exactions are general fund monies that must be appropriated before they can be used for the dedicated purposes for which they are given and received. [G.L. c. 44, § 53](#). The parties often try to characterize the monies as gifts, so as to be able to spend them without appropriation, but they are not gifts within any ordinary meaning of the term. The new § 10 addition of Section 53K allows communities to separately account for such payments in a special revenue fund and spend them for the dedicated purposes without further appropriation.

Are there any updates to the ability to fund FY24 emergency deficit spending?

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 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>

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 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

§ 205 of the Act allows a city or town to amortize over fiscal years 2025 to 2027 the amount of its fiscal year 2024 major disaster related deficit. To do so, the select board or, in a city, the council, with the mayor's approval when required by law, must adopt a deficit amortization schedule before setting the municipality's fiscal year 2025 tax rate. The amortization process will be comparable to the process that was used to amortize snow-related deficits in 2015. Examples of a major disaster include flood, drought, fire, hurricane, earthquake, storm or other catastrophe, whether natural or otherwise, which poses an immediate threat to the health or safety of persons or property. To utilize this section, there must be a declaration of emergency, either locally or by the Governor, and an approval to expend for the liabilities incurred by the Director of Accounts.

In conjunction with the major disaster, if there is any expected reimbursement from either the federal or state government, or any other expected funding source, for qualifying expenditures incurred, the Bureau of Accounts (BOA) will allow local accounting officials to transfer that portion of the deficit into a separate account in anticipation of any reimbursement. Amortization, therefore, need only be for the net FY2024 deficit. Major disaster costs that will be covered by borrowing proceeds should also be deducted from the qualifying expenditures when calculating the net deficit. For cities and towns not authorizing this amortization, the June 30, 2024 major disaster related deficit, less any transfer to a separate account as indicated above, must be fully raised or otherwise funded on the FY2025 Tax Rate Recap as usual.

Further, the Bureau will allow city and town accounting officials to transfer a portion of their FY2024 major disaster related deficit into a separate special revenue account in anticipation of any expected reimbursement. Documentation for any amount noted as expected reimbursement may be requested by the Bureau of Accounts during the June 30, 2024 free cash or tax rate certification process. The deficit in this special revenue account is to be offset as reimbursements are received. After all final reimbursements to the city or town are received, any remaining deficit in this account must be raised or otherwise funded on the next tax rate recap, or any

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](#)



remaining surplus must be closed to the General Fund on the next June 30. If final reimbursements occur during the amortization time period described above, the city or town may add any remaining deficits to the amount being amortized. During the expected reimbursement period, the Bureau will not reduce free cash due to the deficit in this special account if properly recorded.

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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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