



November 3rd, 2022



**In this edition:**

- **Introducing *Foundations in Municipal Finance for the New Official***
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- **Ask DLS: Local Tax Collection**

## 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](#).

Preliminary Certifications Approved: 38

Final Certification: 22 (of 70 total)

LA4 (Assessed Values) Approved: 163 (181 submitted)

LA13 (New Growth) Approved: 161 (181 submitted)

Tax Rates Approved: 33

Balance Sheets Approved: 151

Total Aggregate Free Cash  
Approved: \$994,488,147

## Important Dates & Information

**City/Town Clerks Webinar:  
Submitting Proposition 2 ½**

## Introducing *Foundations in Municipal Finance for the New Official*

### DLS Municipal Finance Training and Resource Center

In 2020, DLS suspended our New Officials Finance Forum seminar, the annual gathering for newly elected or appointed officials historically held each spring. For many years, the forum provided an opportunity for local officials to learn the basics of municipal finance and develop a broad understanding of local government. During the hiatus, DLS reexamined the training and made the conscious decision to completely overhaul our approach. The result is a new online training entitled, [Foundations in Municipal Finance for the New Official](#).

Our new series of virtual training modules guides participants through a full year in municipal finance, interspersing functions and tasks that occur and impact past, present and future fiscal years as represented by three distinct narrative voices. The training covers key concepts important to new local officials or those who seek a better understanding of municipal finance, outlines the budget process in both practical and policy terms, highlights best practices for sound financial management, and explains how each municipal official's role contributes to the overall financial health of a community. Interactive slides display helpful information and resources while four distinct narrative voices representing multiple fiscal years provide important context and seasonality to the subject matter. We recommend starting with the Introduction and continuing with the Summer, Fall, Winter and Spring modules following the

## Votes Using DLS Gateway

As announced earlier this month, city and town clerks now have a new, faster way to notify DLS of any Proposition 2 ½ votes for the current fiscal year by entering them directly into DLS Gateway.

Join us on November 16th at 10am to review this new process with staff from DLS' Data Analytics & Resources Bureau. DLS staff will walk through each step and answer questions directly at the end of the presentation. Prior to the webinar, you can also review the [self-help guide](#) available on our website.

To register, click [here](#). Please feel free to contact [dlsregistration@dor.state.ma.us](mailto:dlsregistration@dor.state.ma.us) with any questions. We look forward to seeing you then!

## Qualifications of Assessors IGR

The Division of Local Services (DLS) Municipal Finance Law Bureau (MFLB) has issued a new Informational Guidelines Release (IGR). IGR 2022-15 establishes the minimum qualification standards assessors must meet to qualify to perform the duties of their office.

### [IGR-2022-15 – QUALIFICATIONS OF ASSESSORS](#)

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

## Balance Sheet and Tax Rate Recap Gateway Processes Instructional Videos Now Available

As the end of the calendar year approaches, please watch our new step-by-step videos that walk through the processes for submitting your community's balance sheet and tax rate recapitulation for DLS review.

**Balance Sheet Checklist** - As of July 1st, 2022, the revised balance sheet checklist is now a DLS Gateway form that must be completed as part of the Bureau of Accounts free cash certification review process.

This instructional [video](#) walks through how to complete the twenty questions that appear on the newly formatted balance sheet checklist.

**Tax Rate Recap, Page 3 Support Form** - As of July 1st, 2022, the new Gateway tax rate recap page 3 support form must be completed and submitted as part of the Bureau of

fiscal year calendar. We hope you enjoy [Foundations in Municipal Finance for the New Official](#).

DLS remains committed to supporting our colleagues in local government and offering relevant, accessible trainings, guidance and resources to anyone interested in municipal finance. We want to thank all those who attended our recent *Meet DLS: Who we are and how we can help* webinar. During this webinar, DLS bureau chiefs shared our mission and what information and resources we offer to cities and towns across the Commonwealth. The second half offered breakout sessions hosted by the Bureau of Accounts, Bureau of Local Assessment, and Financial Management Resource Bureau to provide a high-level overview of key concepts and functions that are important to your role. The [recorded version](#) of the webinar is now available on our YouTube channel, along with the [presentation slides](#). Additionally, the following resources were shared during the meeting: [DLS Staff Directory](#), [Municipal Glossary](#), [Municipal Calendar](#), [Legal Index](#) and [City & Town Sign-up](#).

Later this month, we'll be hosting a webinar about the new, faster way city and town clerks can notify DLS of any Proposition 2 ½ votes for the current fiscal year by entering them directly into DLS Gateway. Join us on November 16th at 10am to review this new process with staff from DLS' Data Analytics & Resources Bureau who will walk through each step and answer questions at the end of the presentation. Prior to the webinar, you can also review the [self-help guide](#) available on our website. To register, click [here](#). Please feel free to contact [dlsregistration@dor.state.ma.us](mailto:dlsregistration@dor.state.ma.us) with any questions.

As always, be sure to bookmark the [Municipal Finance Training and Resource Center](#) page and subscribe to our [YouTube channel](#) to stay updated on new items added. If you have any feedback or suggestions, please take a moment to fill out our brief DLS [Training and Resource Center survey](#).

## Area of Fiscal Stress: Revenue Uncertainties

Accounts tax rate recap approval process.

This [video](#) provides detailed instruction on how to complete the four tabs associated with the new page 3 support form. Prior to starting the page 3 support form, please input the actual and estimated local receipt figures on page 3 of the tax rate recap. Once these figures have been entered and saved, the page 3 support form will automatically populate based on the numbers entered in the tax rate.

If you have questions or need additional information, please contact your [Bureau of Accounts field representative](#).

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

Don't miss Issue #17 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.

### IGR Regarding the Borrowing Amount of an Approved Prop 2½ Debt Service Exclusion

The Division of Local Services (DLS) Municipal Finance Law Bureau (MFLB) has issued a new Informational Guidelines Release (IGR). IGR 2022-14 explains the policies of the Commissioner of Revenue regarding the borrowing amount covered by an approved Proposition 2½ debt service exclusion. It also includes new procedures and forms to be used by cities and towns with approved debt exclusions for obtaining a determination about the inclusion of cost increases. [IGR-2022-14 – PROPOSITION 2½ DEBT EXCLUSIONS](#)

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

### Overview of Municipal Debt Training Video

DLS has added a new informational [video](#) on municipal debt to the [Municipal Finance Training and Resource Center](#) and our [YouTube page](#). The video provides a brief overview of municipal debt, how it's authorized, and the roles local officials and others play in the issuance process. The training video also highlights a number of DLS resources available to help municipal staff better understand municipal

## Tony Rassias - Bureau of Accounts Deputy Director

This article will review another area of fiscal stress that may be seen numerically and graphically for your community using [Category Four](#) of the DLS Municipal Finance Trend Dashboard. It will focus on budgeted and actual local government general fund revenue components, determine whether and how these components were affected during the pandemic from FY2020 to FY2021, provide some relevant FY2022 statistics and help local officials with recommendations and links for managing these components even during uncertain economic times.

### The Revenue Components

The local government revenue components that will be discussed in this article are mostly found recorded into the general fund: property tax levy, state aid and local receipts. Reserves that help support general fund appropriations are included as All Other. Enterprise fund revenues are not included in this article.

Local government revenues have been highlighted in previous *City & Town* articles regarding “*Financing Massachusetts Town Government*” [Part 1](#), [Part 2](#) and [Part 3](#), involve a combination of components that must be sufficient in each community to balance local budgets annually. The following table shows these components statewide by percent of total.

Budgeted Revenue Components (by percent of total)					
	Tax Levy	State Aid	Local Receipts	All Other	Total
FY2020	63.7%	20.8%	10.5%	5.0%	100%
FY2021	65.3%	20.6%	9.2%	5.0%	100%
FY2022	64.5%	20.4%	9.3%	5.8%	100%

#### 1.) The Tax Levy (FY2022 - \$19.8 billion, 64.5% of total)

The property tax levy is the net amount remaining to fund the community's budget after all other revenue components have been applied to support that budget. The levy's annual increase is controlled by Prop 2½ and due to that control, the levy can present a fiscal stress as reported in the previous article in this series, [Area of Fiscal Stress: Statutory Property Tax Limits](#). This component in the

debt.

These include our existing municipal debt videos like the [Deeper Dive into Municipal Debt playlist](#). You can also review [informational guideline releases](#) and access our [debt service calculator](#) as a guide to project debt service payments. These and other municipal debt-related resources are all available on the [debt and borrowing section](#) of our training page.

### **Pandemic Flexibility Provisions Extended**

On July 16th, 2022, Ch. 107 of the Acts of 2022 was signed into law, extending certain pandemic-related policy measures. This bill authorized the continuation of remote meetings and public access under the Open Meeting Law and other remote meeting provisions (including for Massachusetts nonprofit corporations and Massachusetts public companies) until March 31, 2023. [Click here to view the law.](#)

For additional related information and resources, please see the [DLS COVID-19 Resources and Guidance for Municipal Officials page](#).

### **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](#)



statewide total continues to be by far the one most relied upon.

### *Fiscal Stress from a Greater Reliance on the Tax Levy*

As shown in the table above, the percentage reliance on the tax levy increased between FY2020 and FY2021 while the other percentage components either decreased or stayed the same. Details during this time revealed a greater percentage reliance in 274 of 351 communities. Of these 274, 92 experienced a double fiscal stress: (a) a greater reliance on the tax levy and (b) a reduction in authority to tax within Prop 2½'s levy limit or in "override capacity." However, in FY2022 the percentage reliance on the tax levy decreased, the result of a rebound in local receipts and use of other available funds ("All Other").

### *Fiscal Stress from Non-Payment of Property Taxes*

On March 10, 2020, the Governor declared a state of emergency in response to COVID-19. In the ensuing couple of years, the virus caused a worldwide public health and economic crisis. Not long after the Governor's emergency declaration, the Legislature enacted property tax payment relief by extending property tax payment deadlines to June 1, 2020 and waiving interest on late payments under certain conditions, provided prior local government approval.

After June 30, unpaid property taxes are "outstanding receivables" until full payment is made. Outstanding receivables are a revenue shortfall and are a negative factor in calculating spendable surplus, or "free cash." Collecting them is a positive factor in the calculation and abating them has no effect. These receivables place a fiscal stress on a community's cash flow and add a further stress on other revenue components to compensate for the shortfall they create.

Details revealed for unaudited total outstanding receivables as of June 30, 2019 and 2020 reported to the Bureau of Accounts increased by over \$153 million or by 49%. Further details during this time revealed increased receivables in 305 of 349 reporting communities. By the end of FY2021, total outstanding receivables decreased by over \$50 million or by 11%.



## *Recommendations*

The greater a community relies on the property tax to balance its municipal budget, the greater the emphasis on (a) maximizing the levy's potential and (b) collecting property tax outstanding receivables.

DLS offers videos and tips on how the [Proposition 2½ levy limit](#) is calculated, how to maximize the tax levy's potential by properly calculating and reporting new and revised growth and, if sought, how to present an override or exclusion vote to taxpayers. DLS also offers collectors and treasurers written guidance on [enforcing collections](#) and video guidance on [the tax taking process](#) and the effects of non-payment of property taxes on free cash.

### **2.) State Aid (FY2022 - \$6.2 billion, 20.4% of total)**

State aid is received mostly from the “cherry sheet,” named after the cherry-colored paper it was once printed on. It is the Commissioner of Revenue’s notification of estimated state aid and assessments that are used in calculating the annual tax levy later in the fiscal year.

Most budget officials rely on estimates included in the Governor’s budget recommendation to the Legislature when preparing their local budgets, but the cherry sheet is not official until the final state budget is approved. Cherry sheet revenues include formula driven distributions, incurred cost reimbursements and specific expenditure offsets. For FY2022, 12 aid items were funded, with approximately 89% of the total coming from Chapter 70 public school funding aid and Unrestricted General Government Aid (UGGA).

Cherry sheet revenues are distributed net of cherry sheet assessments that totaled \$1.2 billion in FY2022 and included the county tax, charter school assessments, state assessments for services such as the MBTA, and certain other charges. Follow this [link](#) to review trends in Cherry Sheet aid and assessments by program.

Other state aid includes Massachusetts School Building Authority (MSBA) [Prior Grant and Waitlist Payments](#) that were approved by the Department of Education (now the Department of Elementary and Secondary Education) prior to MSBA's creation. For FY2022, these payments totaled \$34.3 million to 34 cities, towns and regional school districts.

#### *Fiscal Stress from Level Funded or Lower State Aid*

Cherry sheet aid is dependent on many factors including economic indicators, the state's economic health, the Governor's annual budget recommendation and the Legislature's approval. Details for FY2022 revealed that cherry sheet aid in 13 communities exceeded their tax levy. This heavy reliance adds budgeting stress as level or increased funding is not guaranteed and a reallocation of revenue components may be necessary.

Today, MSBA payments are mostly from their "ProPay," or "pay as you build" progress payment system. Per MSBA's website, Prior Grant and Waitlist Payments will decrease to \$18.1 million in FY2023 to about \$5 million to only four communities and one regional school district in FY2024. If this state aid source is budgeted based on an amount received in the previous fiscal year, the amount may be incorrect.

During the FY2003 and FY2009 economic recessions, governors authorized cuts to local aid under [G.L. c. 29, § 9C](#) during the fiscal year. In response, communities had to reduce operations, freeze spending or search for other revenue components to compensate for any cut and prevent a year-end revenue deficit.

#### *Recommendations*

Although much of the cherry sheet aid is provided by distribution formulas over which the local government has no direct control, emphasis must be placed on amounts over which the local government does have control by completing the appropriate form(s) for receipt of cherry sheet aid reimbursements.

Also, review your community's future MSBA projected Prior Grant and Waitlist Payments before budgeting this revenue source which may have already been paid in full.

### **3.) Local Estimated Receipts (FY2022 - \$2.8 billion, 9.3% of total)**

All funds received by a city or town per [G.L. 44, § 53](#) belong to the general fund unless re-directed by law to another fund. Redirected funds are usually dedicated for special purposes but may be appropriated for general operating expenditures if allowed by law, thereby reducing the general fund's financial burden.

Local estimated receipts include motor vehicle, meals and room excises, fines and forfeits, fees, licenses and permits, other departmental receipts, penalties and interest on taxes and excises and investment income. They are separate from real and personal property tax levy receipts and vary greatly in amount among communities.

#### *FY2020 Local Receipts Estimated and Received*

Despite the pandemic's upheavals, FY2020 statewide actual local receipts totaled \$3.3 billion, \$314 million or 10.5% greater than FY2020's \$3 billion estimate. This additional amount from FY2020 operations plus unspent appropriations returned to the General Fund became positive factors in the calculation of free cash as of July 1, 2020.

Details during this time revealed that this statewide increase of FY2020 actuals over estimates applied to 301 communities. The two greatest increases in individual categories were in Licenses and Permits (\$76.5 million) and Investment Income (\$61.9 million). The two greatest decreases were in Fines and Forfeits (\$8.8 million) and Medicaid Reimbursement (\$7.6 million).

#### *Fiscal Stress from FY2021 Local Estimated Receipts Budgeted*



Budget officials normally base the following fiscal year's revenue estimates on actual amounts received in the current fiscal year adjusted by reasonably expected increases or decreases. Pandemic uncertainties resulted in conservative FY2021 statewide estimates that totaled \$2.6 billion, \$652 million or 25% less than \$3.3 billion received in FY2020. Details during this time revealed the two greatest estimated decreases for individual categories were in Room Excise (\$126.1 million) and Motor Vehicle Excise (\$98 million).

#### *FY2021 Local Receipts Estimated and Received*

As a result of conservative FY2021 estimated receipts, statewide actual local receipts totaled \$3.1 billion, \$467 million or 17.7% greater than FY2021's \$2.6 billion estimate. This additional amount from FY2021 operations plus unspent appropriations returned to the General Fund became positive factors in the calculation of free cash as of July 1, 2021.

Details during this time revealed that this statewide increase of FY2021 actuals over estimates applied to 334 communities. The two greatest increases in individual categories were in Licenses and Permits (123.2 million) and Motor Vehicle Excise (114.5 million). The two greatest decreases were in Investment Income (\$18.2 million) and Fines and Forfeits (\$10.1 million).

#### *Recommendations*

Local receipts should be budgeted conservatively and not at historically high levels. They are so varied for each community that their estimation requires a strong financial team working together. Such a team may include the CEO, CFO, accountant, assessor, treasurer, collector, clerk and school business manager and serve as a forum to review the community's fiscal status. It can identify critical junctures and offer strategies to deal with anticipated fiscal events and areas of concern, as well as enhance lines of communication. In addition, local fee structures should be reviewed annually as part of the budget process to ensure that they are set at levels that most accurately cover costs associated with the service



for which the fee was assessed.

#### **4.) All Other (FY2022 - \$1.8 billion, 5.8% of total)**

All Other revenue components are not otherwise categorized and include free cash, general stabilization fund, municipal light surplus, specific reserve funds and budget transfers. Details for FY2022 revealed that free cash represents over \$983 million or 55% of All Other components. Free cash is a revenue source that first requires certification by the Bureau of Accounts. It results from the prior fiscal year's operations and requires appropriation by majority vote of the community's legislative body for any lawful purpose. Free cash may be appropriated toward a particular expenditure or to reduce the tax levy.

The general stabilization fund, a second major All Other component, may also be appropriated for any lawful purpose and requires:

- a 2/3<sup>rd</sup> vote of the community's legislative body to create the Fund
- a majority vote of that body to deposit into the fund, and
- a 2/3<sup>rd</sup> vote of that body to expend from the fund

Special purpose stabilization funds may be appropriated for a particular purpose, although that purpose may be amended by the community's legislative body. Details for FY2022 revealed that Stabilization funds represent \$218.5 million or 12% of the All Other revenue component.

#### *Fiscal Stress from Diminishing Reserve Levels*

A diminishing level of one reserve need not create a panic provided other reserves remain healthy. When reserves are relied upon to any degree, however, they must be replenished back to sufficient levels or fiscal stress could easily result.

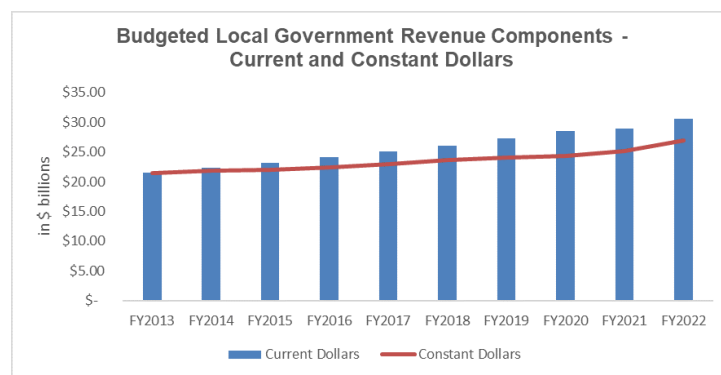
#### *Recommendations*

The first article in this Fiscal Stress series, [\*Identifying Fiscal Stress:\*](#)

[Diminishing Reserves](#), provided recommendations on how to rebuild and improve a community's free cash and stabilization fund balances, as well as recommendations on writing formal written guidelines for funding and maintaining reserves to decrease the potential of diminished reserve levels that could impact municipal operations or result in a bond rating downgrade.

### Comparing Revenue Components to Inflation

The final table looks at the growth of budgeted revenue components compared to inflation over the past ten fiscal years.



*(Constant dollars are calculated beginning FY2013 applying the average yearly increase from CPI for all Urban Consumers - Boston, Cambridge, Newton, MA - NH. FY2022 applies +7%)*

Details for the period shown in the above graph reveal that current dollars (actual) grew by 42%, from \$21.5 billion to \$30.6 billion, while in constant dollars (inflation adjusted) grew by 25%, from \$21.5 billion to \$27 billion. In effect, for the period shown, the cost of running local government operations in current dollars from available revenue components increased at a greater pace than the rate of inflation in constant dollars.

### *Fiscal Stress on Taxpayers*

Local officials should evaluate the public's financial capability to pay the additional tax as an increase to their [tax bill](#) could place a fiscal stress upon them which could then result in residents being "priced-out" or in their disapproval of an override or exclusion vote.

## In Summary

Uncertain economic times can certainly cause fiscal stress in estimating and receiving that proper combination of local government revenue components to balance annual budget appropriations and to maintain operations. The recommendations provided in this series are keys to forestalling, abating or preventing fiscal stress and preserving the community's fiscal health.

## ***Ask DLS: Local Tax Collection***

This month's *Ask DLS* features frequently asked questions concerning local tax collection. Please refer to our [Local Tax Collection FAQs](#) for more information on this topic. Please let us know if you have other areas of interest or send a question to [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). We would like to hear from you.

### **What are the collector's responsibilities in sending out property tax and excise bills?**

The assessors commit the tax list and issue a warrant to collect the tax to the collector. After that, the collector is responsible for sending proper notice of the local tax or excise due. The General Laws, however, do not specifically state who is responsible for producing the bills. Absent a charter provision, ordinance or bylaw setting forth the responsibility for preparing the tax bills, the responsibility belongs to the collector or other department with funds budgeted for that purpose. Regardless of the department that produces the bills, the collector is responsible for ensuring the bills are proper and sending them. The collector should prepare an affidavit of mailing for each property tax or excise mailing. The affidavit constitutes prima facie evidence that the bills were sent on that date. [G.L. c. 60, § 3](#) and [§ 3A](#).

### **Is the collector required to verify the address of each person to whom a property tax or excise bill is sent?**

Sending the bills to the proper addresses is legally the collector's responsibility. [G.L. c. 60, § 3](#). The mailing address is the (1)

residential address of the person assessed the tax if known, (2) address of the real or personal property that is the subject of the bill or (3) other address provided by the person assessed the tax to the collector by the time and in the manner the collector requires. If the person assessed the tax is not the owner when the bills are mailed, the bill may be mailed in care of the current owner(s). In that case, the bill must show the name of the person(s) assessed the tax and the name(s) and mailing address of the current owner(s).

The Registry of Motor Vehicles provides address information for motor vehicle excise bills, based on the address given by owners when they register their vehicles. [G.L. c. 60A, § 6](#). Boat owners are required to file a form of list which provides their addresses. [G.L. c. 60B, § 2](#).

**What does the collector have to do if the following errors are discovered after the actual tax bills for the year are mailed?**

In all cases, the collector has the option to reissue the incorrect bills. Reissuing the bills may establish new payment and abatement application due dates for those taxpayers depending on the payment system the community uses. For example, if the community uses the quarterly payment system and the reissued bills are mailed after December 31, May 1 becomes the due date for the balance owed and abatement applications.

**A.) The tax rate was not printed on some or all bills.**

The bills are valid and do not have to be reissued if both the commitment and bills display the correct valuations and assessed taxes for the year for the properties so that the correct applicable tax rate can be derived. However, taxpayers should be informed of the omission and the year's rates through appropriate means. Those could include, for example, the municipality's website, the local newspaper, local cable access channel, social media or mail/email notices to taxpayers, particularly to out of town taxpayers who would not have access to public information provided locally.

**B.) Last year's tax rate (or other wrong rate) was printed on**

**some or all bills.**

The bills are also valid and do not have to be reissued if both the commitment and bills display the correct valuations and assessed taxes for the year for the properties, but the correct applicable rate derived from them differs from the displayed rate. The discrepancy could be resolved on inquiry by taxpayers; however, there is potential for confusion and taxpayers must be notified of the error through appropriate means, as explained in A above, as soon as possible.

**C.) The wrong valuations or assessed taxes were printed on some or all bills.**

The bills are not valid and must be reissued if they display wrong valuations or assessed taxes for the fiscal year for the properties. Taxpayers who received those bills were not provided with adequate notice of their tax liability under [G.L. c. 60, § 3A\(a\)](#). Without the correct valuation or assessed taxes, they cannot make informed decisions about applying for abatement and may make insufficient payments.

**D.) The wrong address was used on a bill.**

Taxpayers are presumed to have received a tax bill sent to their correct address. Even if a properly addressed bill is not actually received, the taxpayer is liable for the tax, plus interest and fees if not paid when due.

However, if the bill was misaddressed, e.g., the taxpayer provided a timely change of address, but the bill inadvertently showed the prior address, interest does not accrue (and abatement rights are not triggered) until a properly addressed bill is issued under [G.L. c. 60, § 3](#). The tax is valid and the taxpayer is responsible for its payment, but no interest accrues if payment is made within the due date established by the mailing of the properly addressed bill.

**Does a city or town that accepts a local option statute or obtains a special act, that permits using a voluntary tax bill**

**check-off for taxpayers to make contributions to certain public purposes, have to get specific approval from the Department of Revenue to add the check-off to its bills?**

The form and content of property tax bills are highly regulated by statute, [G.L. c. 60, § 3A\(a\)](#), so a tax bill check-off for local contributions must be authorized by a general law or special act. Cities and towns may designate a place on the property tax bill (or design a separate form to be mailed with the tax bills) for taxpayers to check off amounts to donate to the local acceptance (1) scholarship and education funds authorized by [G.L. c. 60, § 3C](#), (2) fund to assist low income elderly or disabled persons pay their property taxes authorized by [G.L. c. 60, § 3D](#), and (3) veteran assistance fund authorized by [G.L. c. 60, § 3F](#). They may also include check-offs for other donations when authorized by special act. The local funds check-off may also appear on or accompany the preliminary tax bill and demand notice.

However, the Department of Revenue does not approve the format on an individual community by community basis. The check-off is considered approved so long as it conforms to the requirements specified in the annual tax bill IGRs.

**Could a collector include their endorsement letter for a local political candidate as a tax bill insert?**

No. With the approval of the selectboard or the mayor, the collector may include non-political municipal informational material with the property tax bills so long as such inserts do not cause an increase in the postage required for mailing the tax bill. [G.L. c. 60, § 3A\(d\)](#). “Non-political” information means information that does not advocate for or seek to advance or influence a particular policy position or candidate. Municipal informational material means information that originates with the municipality and relates directly to its own operations, services or programs. For example, printed messages that disseminate facts about the municipality’s recycling program or schedule would be proper insert material.

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

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