

City & Town

Christopher C. Harding, Commissioner • Sean R. Cronin, Senior Deputy Commissioner of Local Services



Introducing the DLS Data Analytics and Resources Bureau

Sean Cronin - Senior Deputy Commissioner of Local Services

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Important Dates & Information

Save the Date: "What's New in Municipal Law"

I hope you're enjoying your summer and the FY19 close / FY20 open period of the budget cycle! In the [February 1, 2018 edition of City & Town](#), I wrote about our [Municipal Finance Trend Dashboard](#), an online tool comprised of key municipal fiscal health indicators based upon data that comes from required municipal submissions to the Division of Local Services (DLS), annual financial statements, state agency databases, and the US Census. Our Dashboard graphically displays trends in revenues and expenditures, municipal operating positions, demographic information, unfunded liabilities, property taxes, Proposition 2 ½ data, and debt information. These municipal fiscal health indicators are presented over multiple fiscal years in order to provide a broader perspective of trends.

As a local official, the Dashboard was designed to make it easier to get the information you need. It's no longer necessary to download multiple spreadsheets, combine different datasets, and create charts and graphs. For these key metrics, we've provided a resource that does it for you (please note that data for all 351 municipalities over multiple years is available as well – so no fears for those who like the raw data!). We believe the Dashboard is a great transparency tool and can help simplify the analysis that goes into determining the fiscal health of a community. Version 1.0 of the Dashboard has been a success, but we're committed to building upon and improving this tool.

The Dashboard resides on our website, and we're fully aware that the existing layout can sometimes lead to confusion and frustration for those seeking certain information, guidance or forms. To that end, we're taking direct steps to not only make the DLS website more intuitive and navigable, but develop and present training materials better suited for the needs of today's municipal finance professionals. As we face a generational workforce transition in municipal government, it's imperative that DLS provide online modules and instructions in an easily accessible format that support existing and future local leaders.

For these reasons, we have reorganized and combined two previously separate groups at DLS (IT and Municipal Databank/Local Aid) into a single

Seminar

The Division of Local Services legal staff will offer its annual "What's New in Municipal Law" seminar for local officials on Thursday, October 3, 2019 at the Log Cabin Banquet & Meeting House in Holyoke and Thursday, October 10, 2019 at The Lantana in Randolph.

The general session in the morning will review new legislation and recent court decisions pertaining to local government. The afternoon session will consist of three concurrent workshops that will discuss current and recurring issues of interest related to municipal finance law.

Please stay tuned for more information in future editions of *City & Town* and through DLS Alerts.

July Local Aid Distributions

Since a final FY2020 state budget has yet to be approved, local officials need to be aware that the July local aid distributions will be based on the amounts appearing on the cherry sheet proposals under the Governor's budget proposal. Therefore, the Chapter 70, Charter Tuition Reimbursements and State-owned Land receipt programs will be impacted. On the assessment side, the charter tuition assessment will be impacted.

To determine an estimate

Data Analytics & Resources Bureau (DARB). Data, and the services surrounding that data, are the foundation of everything DLS does. Many of our collective needs can be met, and better served, by changing how we manage and present our data. In addition, like many municipalities, DLS will have retirements over the coming few years. Therefore, we need to simultaneously do more with our data and plan for the future – especially in critical areas such as managing the DLS Gateway application and calculating/distributing local aid. In the weeks and months ahead, we'll be focused on "future proofing" our IT operations. Merging our existing bureaus reduces the risks involved with two separate, very small work units, allows for cross-training to protect critical responsibilities, and improves our ability to rethink and retool our website to create an improved user experience.

I'm a huge advocate for using data to inform our decisions, and, fortunately, DLS has lots of it! To better harness this data, we're in the process of hiring a Data Visualizing Specialist. Working within DARB, this individual will be tasked with enhancing Databank offerings and developing our Dashboard 2.0. As a result, I'm very excited about the future of DLS, DARB, and the possibilities that exist to elevate our data services to the next level, develop a comprehensive modern training center for local officials, and revamp our website so everyone has a better user experience. If you have any ideas related to these functions or resources, please let me know by emailing me at croninse@dor.state.ma.us. I want to hear from you!

Ask DLS: Lease Purchase Financing Agreements (TELPs)

This month's *Ask DLS* features frequently asked questions concerning municipal finance requirements, procedures and treatment of lease purchase financing agreements authorized under [G.L. c. 44, § 21C](#). Please let us know if you have other areas of interest or send a question to cityandtown@dor.state.ma.us. We would like to hear from you.

What is a lease purchase financing agreement?

A lease purchase financing agreement is an agreement used to finance the acquisition of equipment or some other item where a city, town or district makes payments to the owner of the equipment (usually a financing company) for its use of the equipment during the term of the agreement and, at the end of the agreement, title or ownership of the equipment is transferred to the city, town or district for no or nominal consideration. These agreements are sometimes referred to as tax-exempt lease purchase agreements or TELPs.

When did the TELP statute go into effect?

[G.L. c. 44, § 21C](#) was added to the general laws by section 69 of the Municipal Modernization Act (Act) [St. 2016, c. 218](#) and applies to agreements authorized by the legislative body on or after November 7, 2016.

of the amount to be paid in July, you can review the cherry sheet proposals by clicking [here](#). Use the estimate appearing under the heading "FY2020 Governor's Proposal."

Staff from the Data Analytics and Resources Bureau are available to answer any questions you may have regarding the upcoming July distribution. Please contact them at (617) 626-2384 or databank@dor.state.ma.us.

IG: Boards and Commissions - Know Your Responsibilities Training

The Office of the Inspector General will be presenting its Boards and Commissions: Know Your Responsibilities training in Springfield on July 16, 2019 and Littleton on August 7, 2019.

This three-hour training is essential for every member of a public governing board, as well as for public officials who regularly interact with public boards. Topics covered include:

- Fiduciary duties and responsibilities
- Preventing and detecting fraud, waste and abuse
- Ethics requirements for members of boards and commissions

For what purposes can TELPs be used?

- Acquiring equipment, the acquisition of which could be financed by the issuance of debt under [G.L. c. 44](#) or other general or special law; or
- Improving a capital asset, the improvement of which could be financed by the issuance of debt under [G.L. c. 44](#) or other general or special law.

Who can authorize the use of a TELP?

A recommendation of the chief executive officer of the city, town or district is required for the authorization of a lease purchase financing agreement under [G.L. c. 44, § 21C](#). In a city, the chief executive officer is the mayor, in a town, the board of selectmen and in a district, the prudential committee, if any, otherwise, the commissioners. Upon the recommendation of the chief executive officer described above, a two-thirds vote of the legislative body is required to authorize a city, town or district to enter into a lease purchase financing agreement under [G.L. c. 44, § 21C](#). The legislative body vote should, at a minimum, identify: (1) the equipment to be acquired/capital asset to be improved; (2) the maximum term of the agreement and (3) the department authorized to enter into the agreement. The legislative body vote could authorize one or more agreements provided they are each similarly identified.

What is the maximum term of a TELP agreement?

The term of a lease purchase financing agreement under [G.L. c. 44, § 21C](#) cannot exceed the useful life of the equipment to be acquired or the capital asset improvement. The chief executive officer of the city, town or district determines the useful life.

Can TELPs be used by Regional School Districts?

Although [G.L. c. 44, § 28A](#) makes the provisions of §§ 16 through 28 of c. 44 generally applicable to regional school districts, a separate, more specific statute applies to lease/purchases of equipment for educational purposes by regional school districts. [G.L. c. 71, § 16\(p\)](#). Because a general statute, [G.L. c. 44, § 21C](#) yields to a statute specifically tailored for the purpose, a regional school district should follow the provisions of [G.L. c. 71, § 16\(p\)](#) and not [G.L. c. 44, § 21C](#).

Is the funding of a TELP a binding obligation?

An agreement that meets the requirements of [G.L. c. 44, § 21C](#) is a binding obligation of the city, town or district as if it were debt authorized under [G.L. c. 44](#), provided the legislative body approves an appropriation, by majority vote, for the purpose of funding the payments due in the first fiscal year of the agreement. An appropriation for the funding for the first fiscal year payments may be included in the annual operating budget for the department or a capital budget or an appropriation may be separately approved by the legislative body.

- Fraud Awareness Public Records Law
- Tools for effective oversight
- Open Meeting Law

If you are interested in attending, please download, complete and email the registration form to the MCPPO training email at MA-IGO-Training@state.ma.us. The registration form link can be found at <https://www.mass.gov/how-to/register-for-an-mcp-po-class>.

If you have any questions, please contact MA-IGO-Training@state.ma.us. We hope to see you in class.



Other DLS Links:

[Local Officials Directory](#)

[Municipal Databank](#)

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

Because the obligation is treated as if it is debt authorized under [G.L. c. 44](#), the amount required for payments due under the agreement after the first year may be encumbered by the accounting officer for the purpose within the appropriate departmental or capital budget. If the legislative body has not otherwise provided for such payments, they will be included by the assessors when setting the tax rate under [G.L. c. 59, § 23](#). This is the same procedure used for the payment of principal and interest on debt issued under [G.L. c. 44](#).

Can a TELP agreement be refinanced by the issuance of refunding bonds?

Yes. An agreement that meets the requirements of [G.L. c. 44, § 21C](#) may be refinanced by the issuance of refunding bonds in accordance with [G.L. c. 44, § 21A](#).

For more information, see [Informational Guideline Release \(IGR\) 19-9](#).

Data Highlight of the Month: Local Option Community Impact Fee (CIF) - Short-term Rentals

Donnette Benvenuto - Data Analytics and Resources Bureau

The Division of Local Services (DLS) has received a significant number of inquiries regarding the short-term rental law. For all rental contracts entered into on or after January 1, 2019 for rentals of property on or after July 1, 2019, this new law imposes state and local excises on short-term property rentals. This law applies to all property rented for more than 14 days in a calendar year. [Click here](#) to view a comprehensive list of Frequently Asked Questions (FAQs) and video tutorials.

If your community has adopted the local option, it must be reported to DLS. To view communities with this adopted local option, please click [here](#). Note that in order for a community to adopt the Community Impact Fee (CIF), it must have already adopted the Rooms Excise. Subsequently, there must be two separate votes taken to adopt the CIF. To notify DLS of either the Rooms Occupancy or CIF adoptions, please utilize the following forms found [here](#). In order for the excise to be effective on October 1st, DLS must be notified of a community's adoption by August 31st.

To request a list of establishments registered with the Department of Revenue, email us at databank@dor.state.ma.us. Finally, DLS has compiled [FAQs](#) to explain the changes related to implementation for municipal governments.

For more information, contact DLS directly at databank@dor.state.ma.us or (617) 626-2384.

[Bulletins](#)

[Publications & Training Center](#)

[Tools and Financial Calculators](#)

July Municipal Calendar

1 Collector	Mail Annual Preliminary Tax Bills This date applies for all quarterly communities and for semiannual ones that issue annual preliminary bills under M.G.L. c. 59, § 57C . The 1st and 2nd quarter bills may be included a single mailing.
15 Accountant and Treasurer	Deadline to Process all Prior-Year Unencumbered Expenditures Under M.G.L. c. 44, § 56 , all unencumbered expenses incurred as of June 30 must be recorded and paid as of this date.
15 Accountant	Report CPA Fund Balance (recommended date) After closing the fiscal year and before the October 31 deadline, the Accountant submits the CPA fund balance report (Form CP-2 in Gateway) to BOA and gives notice to the CPA Committee.
15 Pipeline Company	Deadline for Appealing Commissioner's Pipeline Company Valuations to the ATB
15 Telephone and Telegraph Company	Deadline for Appealing Commissioner's Telephone and Telegraph Company Valuations to the ATB
20 BLA	Notification of Changes in Proposed EQVs (even-numbered years only)

August Municipal Calendar

1 Taxpayer	Deadline for Paying 1st Quarterly Tax Bill Per M.G.L. c. 59, § 57C , this is the deadline to pay the 1st quarter preliminary tax payment without interest for bills that were mailed by July 1. If the bills were mailed between July 2 and August 1, this payment is due 30 days after the mailing date, and the 2nd quarterly payment is due November 1. If the bills were
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mailed after August 1, the preliminary tax is due as a single installment on November 1 or 30 days after the bills were mailed, whichever is later.

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| 1 | Taxpayer | Deadline for Submitting Annual Boat Excise Return |
| 10 | Assessors | Deadline for Appealing EQVs to the ATB (even-numbered years only) |
| 15 | Assessors | Deadline to Vote for Optional Preliminary Tax Bills
In a regular semiannual community, Assessors have until this date to vote on the option under M.G.L. c. 59, § 23D to request BOA's authorization to issue preliminary bills. After receiving approval, Assessors must submit a Pro Forma Tax Rate Recap to BOA and mail the bills by October 1. |
| 31 | Assessors and Accountant | Begin Working on the Tax Rate Recapitulation Sheet (the recap)
Semiannual communities that do not send annual or optional preliminary bills should begin the recap process by this date. |
| 31 | Accountant | Close Prior-Year Books by this Date |
| 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 . |

To view the municipal calendar in its entirety, please [click here](#).

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

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