

January 6th, 2022

## Lieutenant Governor Karyn Polito Announces Opening of FY2022 Community Compact Cabinet Efficiency & Regionalization Grant Program



### In this edition:

- **Lieutenant Governor Karyn Polito Announces Opening of FY2022 Community Compact Cabinet Efficiency & Regionalization Grant Program**
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- **A Look at FY2022 Tax Levies, Assessed Values and Tax Rates**



Dear Municipal Official:

First, I'd like to wish you a very Happy New Year! As we begin 2022, I look forward to continuing to work together to support all 351 cities and towns across our Commonwealth.

Our Administration has been proud to partner with communities through the Community Compact Cabinet (CCC). Through the CCC's Best Practice program, which launched in 2016 with assistance from the Legislature, more than 740 grants totaling \$14.7 million in funds to support 1,180 Best Practices has been awarded. Last month, I joined Secretary Wood, members of the Legislature, Mayor Tyer and local officials to announce \$3.5 million in grants to 70 communities in the latest round of the CCC IT Grant Program. A highly competitive program, the CCC IT Grant Program has now awarded 364 grants totaling \$19.2 million to help cities and towns become more efficient and innovative while improving their technology infrastructure. Another tool in the toolkit, **I am pleased to remind you of the launch of this year's CCC Efficiency & Regionalization (E&R) Grant Program, which opens on January 10th and closes at noon on February 10th.**

The CCC E&R grant provides funds for one-time or transition

- **Data Highlight: Tax Rates, Levies, Assessed Values and More**
- **Ask DLS: Land Disposal Methods and Accounting**

### 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: 71

Final Certification: 71 (of  
74 total)

LA4 (Assessed Values)  
Approved:  
348 (348 submitted)

LA13 (New Growth) Approved:  
348 (348 submitted)

Tax Rates Approved: 345

Balance Sheets Approved: 231

costs for municipalities, regional school districts, school districts considering forming a regional school district or regionalizing services, regional planning agencies, and councils of governments interested in regionalization and efficiency-focused projects. Previous grant recipients have leveraged the program to support and execute a variety of impactful regionalization efforts, from implementing shared police services or shared animal control services in rural and small communities to creating a regional human resources operation or regional planning services amongst neighboring communities. Since its inception, the CCC E&R Grant Program has awarded 73 grants totaling \$5.5 million to governmental entities. For more information, visit [mass.gov/CCC](http://mass.gov/CCC).

We are proud to offer this forward-thinking program for municipal governmental entities and look forward to celebrating the results of the CCC E&R grants in the coming months.

Best,

Karyn Polito  
*Lieutenant Governor*

### How Municipal Clerks Play a Key Role in the DLS Gateway's Local Officials Directory

**Linda Bradley – Bureau of Local Assessment Program Coordinator**

This is the first in a series focusing on the responsibilities of municipal clerks related to the Division of Local Services (DLS) and the [Gateway application](#). The focus of the series is your role in working with the Bureau of Local Assessment (BLA) and your community's assessor's office.

Over the course of the fiscal year, you may not have as frequent contact with DLS as other members of your community's financial team. You also may not access the

Total Aggregate Free Cash  
Approved: \$1,470,408,743

### **Important Dates & Information**

#### **Register Now for the DLS Best Practices Webinar: Tuning Your Motor Vehicle Excise Skills**

DLS is pleased to open registration for our free online training highlighting motor vehicle excise tax billing. The interactive presentation will cover an important municipal finance process and provide the opportunity to ask our staff questions.

#### **Wednesday, January 12 at 10:00am – Tuning Your Motor Vehicle Excise Skills:**

Introducing a new DLS webinar on motor vehicle excise best practices, excise regulations, and content tips for excise webpages. We will also explore helpful data reports and [informational resources](#) available on the DLS website. Please join us and sharpen your excise skills before the first commitment in 2022. To register, click [here!](#)

DLS Gateway application daily. The data contained in it, however, is used extensively by other members of your financial team and DLS on a regular basis. As a member of your community's financial team, you're responsible for maintaining the Local Officials Directory (LOD) and completing certain processes within the DLS Gateway application. These processes are integral to your municipality's assessment certification and impact its tax rate setting processes.

#### **What is the Local Officials Directory (LOD)?**

The LOD is a listing of municipal official contact information and a foundational component of the DLS Gateway application. Each municipality and utility district are represented in the LOD. In fact, there are approximately 13,300 entries for just municipalities exclusively, some 662 entries for utility districts, and 400 entries for school districts comprising the LOD, all of which are maintained by our municipal clerks.

Municipal clerks are specifically responsible for accurately maintaining LOD contact information for their community. Its accuracy is dependent on regular updates as new officials are appointed, elected, or hired. Constantly maintaining the data to ensure its accuracy is crucial as other components of the Gateway application extract and utilize the data contained in the LOD.

#### **Who should you include in your community's listing?**

Each member of the municipality's financial team must appear in the Directory. Officials not involved in the financial management of your community may also be included as well. Each official appearing in the LOD has a record created in its database. Basic information appearing in this record are an official's municipal department, individual's position, functional role, contact information and municipal email address. Email addresses are a key element as the DLS Gateway application uses them to send notifications to local officials. It's important to note, all email addresses as well as

We look forward to seeing you then! Please email [dlsregistration@dor.state.ma.us](mailto:dlsregistration@dor.state.ma.us) with any questions or concerns.

**Register Now for the DLS Best Practices Webinar: The Next Step in Financial Forecasting**

DLS is pleased to open registration for our free online training regarding financial forecasting. The interactive presentation will provide the opportunity to ask our staff questions.

**Wednesday, January 26 at 10:00am – The Next Step in Financial Forecasting:** After a community builds its base forecast model, the community needs to model various scenarios such as collective bargaining negotiations, ongoing service contract renewals, capital acquisition and construction plans, and building reserves. Our staff from the Financial Management Resources Bureau will discuss how a forecast enables the user to play “What If”, examining and projecting revenue streams, using varying assumptions, analyzing the potential cost implications in the current and

telephone contact information contained in the LOD is available to the public and should be limited to municipal email address unless otherwise stipulated by the local official.

The assessor’s department personnel listing has specific requirements and additional required data. All personnel responsible for determining values for the community are required to appear in the LOD. This is inclusive of all members of the board of assessors, assistant assessors, directors of assessing, and principal assessors to name a few examples. This specific requirement allows BLA to monitor both a community’s ability to classify property and set a tax rate on an annual basis and ensures assessors have satisfied training requirements as established by 830 Code of Massachusetts Regulation (CMR) 58.3.1. Administrative support staff may be included as well at the discretion of the assessing department.

Information specific to assessor LOD listings are categorized under Assessor Information. The fields within this area of a person’s information record categorize the person as being On the Board, an Assistant Assessor or Other. It’s very important to properly define individuals within these categories. How they are listed will impact processes and certifications in the DLS Gateway application.

**Who should be described under what category?**

On Board is used to describe actual members of the board of assessors. These individuals are either elected/appoint and have specific election/appointment dates as well as term expirations dates.

Assistant Assessor is a category for individuals who oversee the assessing office and its functions, reporting to the board as they determine values for the community. All individuals with positions as assistant assessor, director of assessing, principal assessor, administrative assessor and assessor must be listed as Assistant Assessor. They typically have appointment dates and term expiration dates.

following years, and developing reasonable budget options in the best interest of the community. To register, click [here](#).

We look forward to seeing you then! Please email [dlsregistration@dor.state.ma.us](mailto:dlsregistration@dor.state.ma.us) with any questions or concerns.

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

Don't miss Issue #13 of [Buy the Way](#), the monthly magazine of the Operational Services Division (OSD).

Click [here](#) to get news and updates from OSD delivered to your inbox.

### **Office of the Inspector General ARPA Resources**

Under the American Rescue Plan Act (ARPA), Massachusetts state, county, tribal and local entities are receiving millions of dollars in federal aid to respond to the public health and economic impacts of the public health emergency created by the COVID-19 pandemic.

The Office of the Inspector

Individuals categorized as Other are those who hold various positions in the assessing department such as administrative assistants and data collectors. These personnel have no appointment/ election dates or term expiration dates.

The major differences in these categories is that both board of assessor members as well as assistant assessors must comply with specific training requirements to be deemed a qualified assessor within the Commonwealth of Massachusetts and are individuals who are directly responsible for the determination of assessments.

### **Are you new to the position of municipal clerk or recently changed communities?**

If you're not sure of your DLS Gateway login credentials, please [contact DLS Gateway support](#) for assistance.

### **A Look at FY2022 Tax Levies, Assessed Values and Tax Rates Tom Guilfoyle - Bureau of Accounts Supervisor**

This article reviews property tax levies and assessed values for all 351 communities from FY2011 to FY2021. For 345 communities with FY2022 tax rates approved or received by the Bureau of Accounts (BOA) as of December 28, 2021, the article compares FY2021 and FY2022 tax levies and assessed values and then provides some quick FY2022 stats. It then updates the status of several communities that hit their levy ceilings in FY2016 and several that are close to their levy ceilings in FY2022. Finally, it reports on tax rates and shifts between property classes.

### **Tax Levies**

The property tax levy is the annual amount of taxes assessed upon real and personal property in the community. For most communities, the property tax levy is its largest revenue source. Along with other revenue sources such as estimated

General has compiled the following rules and resources related to the ARPA from our Office, the federal government, other state agencies and private organizations. Our Office also has compiled [Bulletin articles](#) related to: using ARPA funds, including articles about:

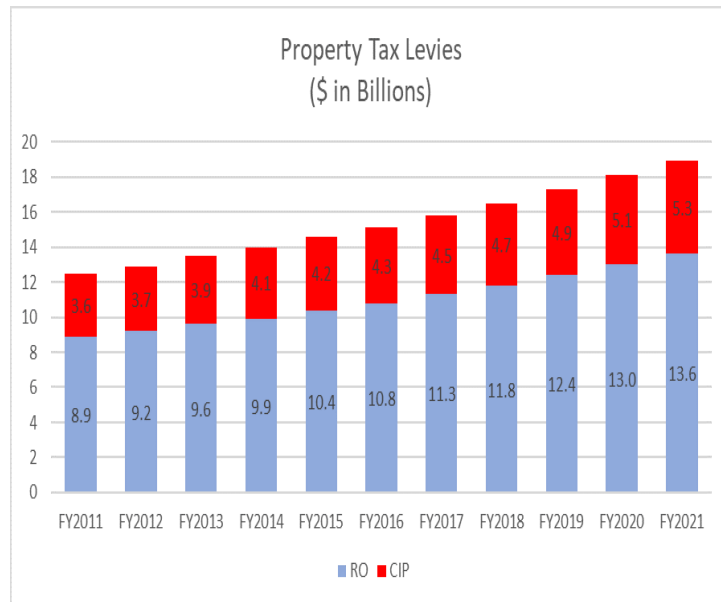
- paying for supplies and services with federal funds
- reviewing invoices
- analyzing data
- auditing vendors
- applying Chapter 30B
- preventing bid manipulation

**IGR Related to Property Tax Exemptions for Solar/Wind/Fuel Cell and Energy Storage Systems**

The Division of Local Services (DLS) has issued and posted Informational Guideline Release (IGR) 2021-24 informing local officials about property tax exemptions for solar powered systems, wind powered systems, fuel cell powered systems and energy storage systems, including under a negotiated tax agreement.

receipts and available reserves, these revenues balance the spending needs voted in the omnibus budget. Since FY1982, the property tax levy has been subject to the limits of Prop 2½.

The graph below shows property tax levies for residential and open space (RO) classes as well as commercial, industrial and personal property (CIP) classes for FY2011 to FY2021. Tax levies grew by 51.2% or by \$6.4 billion, from \$12.5 billion to \$18.9 billion, over this time.



In proportion, despite a decrease followed by an increase by the RO classes during the time period shown below, overall property taxes owed by the respective class groupings have remained about the same as seen in the following chart.

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
<b>RO</b>	71.3	71.2	71.0	70.9	71.2	71.4	71.4	71.5	71.6	71.9	72.0
<b>CIP</b>	28.7	28.8	29.0	29.1	28.8	28.6	28.6	28.5	28.4	28.1	28.0

The graph below shows that in total for the 345 communities with certified FY2022 tax rates, tax levies increased from FY2021 to FY2022 by about 4.2%, or by about \$800 million, from \$18.9 billion to \$19.7 billion.



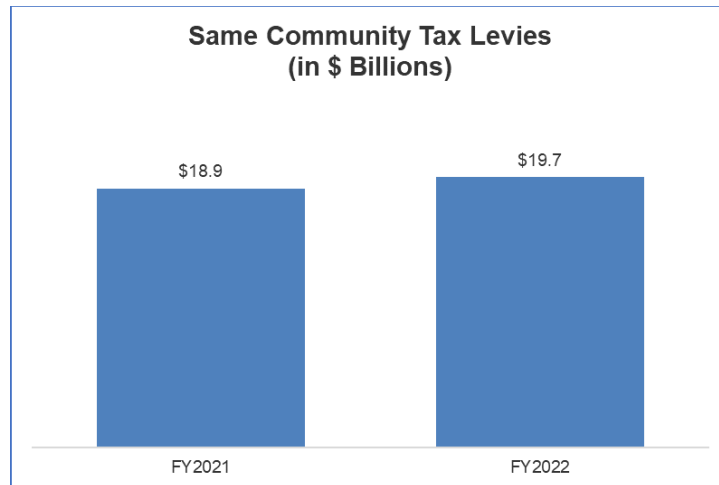
[IGR-2021-24 – Property Tax Exemptions for Solar Powered, Wind Powered, Fuel Cell Powered, and Energy Storage Systems](#)

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

**8 of 58 Abatement Applications Now Submitted Via DLS Gateway**

Starting Wednesday October 6, 2021, applications to abate a locally assessed tax or charge pursuant to G.L. c. 58, § 8 should be submitted through DLS Gateway. Upload of a completed [Schedule 58.8](#) is required for submission. Visit [the Municipal Finance Law Bureau’s 8 of 58 webpage](#) for more information on the application process. Step-by-step instructions for submitting 8 of 58 applications using Gateway can be found on the Gateway landing page.

For general guidance on the standards and policies governing applications for authority to abate local taxes and charges under G.L. c. 58, § 8, please refer to Informational Guideline



**FY2022 Tax Levy Stats**

- The tax levy increased in 335 communities
- The tax levy decreased in 10 communities
- The median percentage for increases was 3.6%
- The largest increase was the town of Warwick (17.7%)
- The largest decrease was the town of Petersham (6.8%)

**Assessed Values**

The tax levy is distributed among taxpayers based on the assessed value of their properties as determined by the local assessors. DLS Bureau of Local Assessment staff reviews the assessors’ estimates to ensure that they comply with these proper standards. This review is conducted every fifth fiscal year.

The next graph shows total assessed values from FY2011 to FY2021. Values from FY2011 to FY2013 fell by .4% or by about \$3.6 billion from \$907.7 billion to \$904.1 billion. Values then rose from FY2013 to FY2021 by 51.9% or by about \$469.0 billion from \$904.1 billion to \$1,373.0 trillion. In FY2016, assessed values first grew to over \$1 trillion.

Release [\(IGR\) 2020-10](#).

### Departmental Revolving Funds IGR

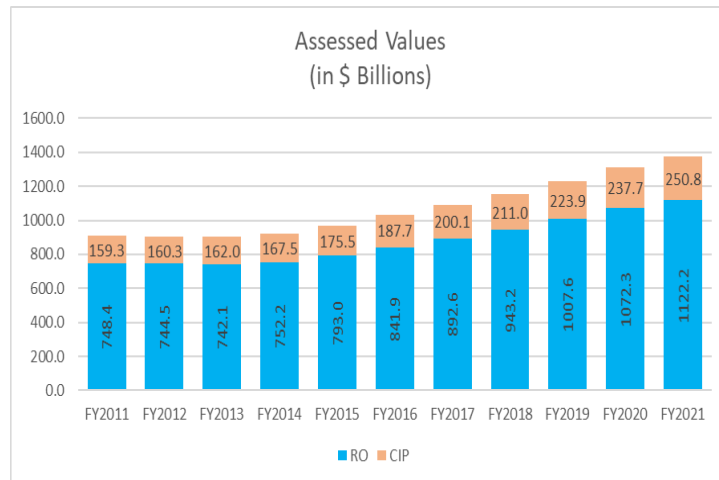
The Division of Local Services (DLS) has issued and posted Informational Guideline Release (IGR) 2021-23 informing local officials about the procedures and requirements of departmental revolving funds.

### [IGR-2021-23](#) – [DEPARTMENTAL REVOLVING FUNDS](#)

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

### Webinar on Yarmouth’s Streamlined Tax Rate Recap Process

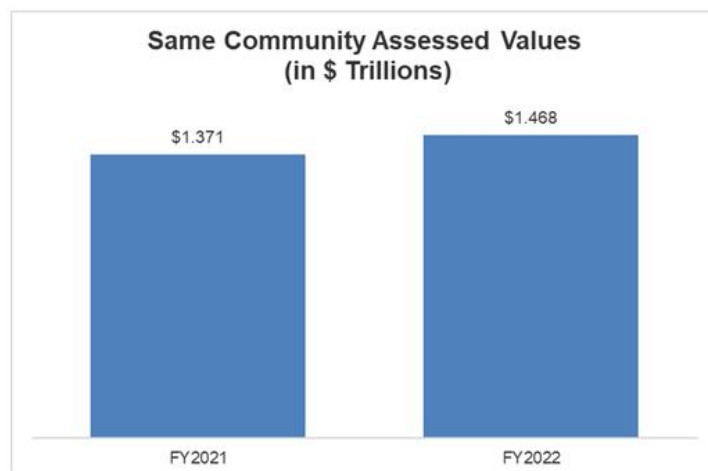
On August 4th, local officials from Yarmouth joined DLS in hosting a webinar to walk through how their financial management team completes prepares the tax rate recap. In their presentation, the team in Yarmouth highlighted not only the technical aspects that streamlines this process, but also how collaboration amongst the financial management team leads to



In proportion, total assessed value of the CIP classes gained more share of the total over the time period shown but has remained about stable since FY2014 as seen in the chart below.

Percentages of the Assessed Values											
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
RO	82.4	82.3	82.1	81.8	81.9	81.8	81.7	81.7	81.8	81.9	81.7
CIP	17.6	17.7	17.9	18.2	18.1	18.2	18.3	18.3	18.2	18.1	18.3

The next graph shows that in total for the 345 communities, assessed values increased from FY2021 to FY2022 by 7.1% (\$97 billion) from \$1.371 trillion to \$1.468 trillion.



### FY2022 Assessed Value Stats

- Assessed values increased in 344 communities



success.

The town is routinely amongst the first communities to submit its tax rate recap to DLS for review each year. The [recorded version](#) of the webinar is now available online. In addition, the slides from their presentation are available for reference [here](#). You can also find [DLS' Budget and Tax Rate Planning Tool](#), which the team Yarmouth uses as part of their automated process, on our website, along with other helpful [tools and templates](#).

### Municipal Audits Webinar and Training Materials

Thank you to all who joined our *Overview of Municipal Audits* webinar hosted by the Office of the Inspector General and the Division of Local Services. The [recorded webinar](#) is now available on [the DLS Municipal Finance Training & Resource Center](#). The training provides information on the different components of the audit, the benefits of having an audit completed, the best practices for procuring a local audit, and how often a community is required to have an external audit completed. DLS and OIG

- Assessed values decreased in one community
- The median percentage for increases was 7.9%
- The largest increase was the town of Blandford (27.8%)
- The largest decrease was the town of Erving (0.8%)

### The Levy Limit

Prop 2½ places limits on the amount of property taxes a community can levy. One limit is a tax levy ceiling where the incremental limit cannot exceed 2.5% of the full and fair cash value of all taxable real and personal property in the community without specific further community action. Once the 2.5% level has been reached, the levy limit is said to have “hit the ceiling.” In FY2016, six communities hit the ceiling and the following chart reports on their progress.

### Communities where the levy limit “Hit the Ceiling” in 2016

	FY2016		FY2021		FY2022	
	Levy Limit %	Levy %	Levy Limit %	Levy %	Levy Limit %	Levy %
Holyoke	100	100	100	99	99	97
Pittsfield	100	92	100	96	98	92
Somerset	100	74	97	68	92	61
Springfield	100	100	97	96	96	95
West Springfield	100	88	100	87	95	81
Worcester	100	98	89	84	82	77

The above chart shows that in FY2022, two of the six communities (Holyoke and Pittsfield) continue to find their levy limits very close to their levy ceilings (Levy Limit %). However, in only one of the six communities (Holyoke) is their tax levy very close to its levy ceiling (Levy %). For the others, there is more room for the tax levy to increase if needed before the ceiling could be met again.

As seen in the following chart, 8 additional communities (in bold) “approached the ceiling” in FY2022 from FY2021 (were within 90% to 99% of levy ceiling).

staff also answered other questions from attendees. The [slides](#) from the presentation are also available online.

In addition, you can review the [Municipal Audits: FAQs](#) document that provides answers to common questions regarding municipal audits, including procurement and preparing for audits.

We look forward to offering training opportunities on this and other municipal finance topics in the future! Be sure to bookmark the [Municipal Finance Training & Resource Center](#) and subscribe to our [YouTube channel](#) to stay updated on new items added.

**Land of Low Value Post Affidavit Process and Deeds in Lieu of Foreclosure IGR**

The Division of Local Services (DLS) has issued and posted Informational Guideline Release (IGR) 2021-22 informing local officials of the administrative foreclosure process following the receipt of a Commissioner of Revenue’s affidavit pursuant to a Land of Low Value tax title foreclosure application and how communities may accept title from the owners of

Communities Where the Levy Limit "Approached the Ceiling" in FY2022					
	Levy Limit %			Levy %	
Agawam	94	77	North Adams	94	93
<b>Charlemont</b>	<b>90</b>	<b>83</b>	<b>Pittsfield</b>	<b>98</b>	<b>92</b>
Chicopee	92	85	Shutesbury	96	87
Greenfield	91	89	<b>Somerset</b>	<b>92</b>	<b>61</b>
<b>Heath</b>	<b>96</b>	<b>86</b>	<b>Springfield</b>	<b>96</b>	<b>95</b>
<b>Holyoke</b>	<b>99</b>	<b>97</b>	<b>West Springfield</b>	<b>95</b>	<b>81</b>
<b>Monroe</b>	<b>90</b>	<b>77</b>	Westfield	95	86

The above chart shows that although the levy limits are near or at their ceiling for these communities, in only four cases (Holyoke, North Adams, Pittsfield, Springfield) are their tax levies at or about 90% of their levy ceiling (Levy %).

As the incremental lower limit of Prop 2½ continues to increase, the extent to which future changes to the real estate market, either locally or statewide, add to or subtract from the number of communities found in either of the above charts remains to be seen.

**Tax Shift**

At the annual classification hearing, mayors, city/town councils and boards of selectmen decide how to further distribute the tax levy. These boards may decide within certain legal limits upon a single tax rate structure which distributes the tax levy in proportion to the share that their property class bears to the total assessed valuation of the community, or a multiple tax rate structure which shifts some of the taxes that would be paid by RO taxpayers under a single tax rate structure onto CIP taxpayers. These boards and councils may also decide to grant a residential exemption, an open space class discount and/or a small commercial exemption.

**By the Percentages**

Most communities do not shift the tax burden from the residential and open space classes to the other classes of real and personal property. Generally, the communities that

properties on which there are municipal liens as an alternative to tax taking and foreclosure proceedings.

IGR-2021-22 – [LAND OF LOW VALUE POST AFFIDAVIT PROCESS AND DEEDS IN LIEU OF FORECLOSURE](#)

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

### Cybersecurity Health Check Program

The Office of Municipal and School Technology provides the following program available to Massachusetts municipalities and schools. If you have any questions, please contact [Catherine.Marques@mass.gov](mailto:Catherine.Marques@mass.gov)

### [Cybersecurity Health Check](#)

The Cybersecurity Health Check Program provides opportunities for local government to access basic cyber security services at no cost.

These services can be a good first step in discovering, assessing and identifying cybersecurity gaps that could impact IT systems that support

do so have done so for many years. The chart below shows that among the 345 communities, this multiple tax rate pattern has continued. For the six tax rates yet to be certified, one has traditionally shifted the burden.

	Shifting the Burden							Communities Reporting
	No Shift	>100% to 110%	>110% to 130%	>130% to 150%	>150% to 174%	>174% to <175%	175%	
FY2018	243	6	18	17	38	3	26	351
FY2019	241	8	17	18	37	6	24	351
FY2020	243	7	18	17	35	9	22	351
FY2021	243	7	16	18	37	3	27	351
FY2022	238	7	15	21	29	8	27	345

### Tax Rates

The calculation of the annual tax rate involves the efforts of many local officials and citizens who, in some cases, assemble data and in other cases vote financial policy. Timely tax rate setting is an important key to a successful financial operation and helps avert a cash shortfall, temporary borrowing costs and work-flow disruption in city and town hall financial offices.

### FY2022 Tax Rate Stats

- Residential tax rates increased in 47 communities
- Residential tax rates decreased in 295 communities
- Residential tax rates remained the same in three communities
- The highest FY22 residential tax rate is Longmeadow (\$24.64)
- The lowest FY22 residential tax rate is Chilmark (\$2.82)
- The greatest dollar increase from FY21 in a residential tax rate is Warwick (\$1.44)
- The greatest dollar decrease from FY21 in a residential tax rate is Blandford (\$2.97)
- Commercial tax rates increased in 57 communities

essential business functions.  
This is a rolling application.

**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](#)



- Commercial tax rates decreased in 288 communities
- The highest FY22 commercial tax rate is Holyoke (\$40.60)
- The lowest FY22 commercial tax rate is Chilmark (\$2.82)
- The greatest dollar increase from FY21 in a commercial tax rate is Chicopee (\$2.54)
- The greatest dollar decrease from FY21 in a commercial tax rate is Mansfield (\$3.70)

We hope you found this article informative. Data compiled for all the charts and graphs in this article can be found on the DLS website by clicking [here](#).

**Data Highlight: Tax Rates, Levies, Assessed Values and More**

This month's data highlight focuses on [data relating to property taxes](#). As the article in this issue on the FY2022 tax rates proves, there are many reports on the DLS website dedicated to the data collected during the annual tax rate setting process.

Under the Data Analytics & Visualizations pages you'll find reports showing multiple years of data by community for tax rates, levies, assessed values, analysis of new growth, excess and override capacity and more. Click [here](#) and take a look at them or visit our [Municipal Finance Trend Dashboard](#).

Our website also has valuable guidance in our [Municipal Finance Training and Resource Center](#). Here you can find guidance, webinars, training materials and more about Setting the Tax Rate, Property Classification and Valuation Growth (new growth) just to name a few. Please take a moment to explore this resource.

Please don't hesitate to send questions or comments about our reports to [databank@dor.state.ma.us](mailto:databank@dor.state.ma.us).

### ***Ask DLS: Land Disposal Methods and Accounting***

This month's *Ask DLS* features frequently asked questions concerning options available to municipalities to dispose of real property and the subsequent treatment of receipts. 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.

#### **How may a municipality dispose of real property?**

Cities and towns are authorized to hold and manage real property for public use or may sell real property pursuant to [G.L. c. 40, § 3](#). [G.L. c. 40, § 15A](#) allows municipalities to transfer land between different boards or officers, subject to certain restrictions including a two-thirds vote of the city council or by a two-thirds vote at a town meeting and with the approval of the mayor or town manager. However, per local option, when transferred for the purposes of low- and moderate-income housing, the vote required of the city council or town meeting is a majority vote.

To dispose of land or an easement taken for the municipality other than by purchase, the municipality must, by a two-thirds vote of the city council or by a two-thirds vote of a town's inhabitants, sell or abandon such use pursuant to [G.L. c. 40, § 15](#). The vote must state the minimum value for which ownership may be relinquished and the transfer must be recorded in the applicable registry of deeds. [Id.](#)

If the municipality acquired the property by foreclosure of tax title, the tax title custodian may publicly auction the property pursuant to the procedure in [G.L. c. 60, § 77B](#) and [G.L. c. 60, § 77A](#).

A municipality may additionally utilize the land of low value

procedure under [G.L. c. 60, § 79](#) to administratively foreclose on a tax title property by applying to the commissioner of the Department of Revenue for an affidavit. The value of the land must not exceed the land of low value threshold, currently \$23,182 for calendar year 2021 but adjusted annually. The municipality may subsequently auction the property per [G.L. c. 60, § 79](#). See [IGR 2021-22](#) for more information.

To dispose of real property, the municipality must declare the property available for disposition, determine the value of the property through customary appraisal procedures, and determine what restrictions, if any, to place on the property. [G.L. c. 30B, § 16](#). If the property is valued over \$35,000, municipalities must solicit proposals and advertise according to the requirements of [G.L. c. 30B, § 16](#). The municipality is not constrained to sell the property to the highest bidder and has broad discretion to set its own evaluation criteria which may include a preference for abutters or other valid public policy purpose. Municipalities are not required to solicit proposals or advertise property disposed of between a municipality and another municipality, state or federal agency.

You should consult with your Chief Procurement Officer, legal counsel, and/or the Inspector General (IG) for direction on [G.L. c. 30B](#). Additionally, the IG's [Chapter 30B Manual](#) provides guidance.

#### **How does a municipality account for proceeds of the sale?**

The general rule is that all money received by a municipality must be paid into the general fund unless otherwise permitted by a general or special law. [G.L. c. 44, § 53](#). However, proceeds of municipal real estate sales, other than that acquired through tax title foreclosure, if greater than \$500, must first be applied to the debt or sinking fund associated with the expense of acquiring the real estate, if any. [G.L. c. 44, § 63](#). The remaining balance may then be appropriated for any purpose for which the city or town could borrow for five years or more or for any land acquisition or public building improvement purpose. It is

important to note that the statute's reference to using the proceeds for land acquisition or building improvement purposes was incorrect. However, a conforming amendment maintaining the status quo was signed into law on December 13, 2021. [St. 2021, c. 102 § 26](#).

Any proceeds over \$500 from the sale of park land must only be used to acquire park land or for capital improvements to park land. [G.L. c. 44, § 63](#). Proceeds from the disposal of real property acquired with funds from the Community Preservation Fund must be deposited into the Community Preservation Fund. [G.L. c. 44B, § 7](#). Proceeds from the sale of tax possession property are added directly to free cash under [G.L. c. 59, § 23](#).

#### **How are outstanding real estate taxes accounted for?**

When selling real property, a municipality must receive a payment in lieu of taxes (PILOT) prorated from the date of the sale for the days remaining in the fiscal year. [G.L. c. 44, § 63A](#); [G.L. c. 59, § 2C](#). If the sale occurs between January 2 and June 30, the municipality must also receive a PILOT for the following fiscal year's taxes. Sums received from the PILOT shall be credited as general funds of the town.

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