



August 3rd, 2023



Register Today for the 2023 "What's New in Municipal Law" Seminars

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Important Dates & Information

FY2024 Preliminary Cherry Sheet Estimates

The Division of Local Services has posted on its website preliminary cherry sheet estimates based on the Conference Committee budget recommendations approved by the legislature on Monday July 31st.

Click [here](#) for Preliminary Municipal Cherry Sheet Estimates or [here](#) for Preliminary Regional Cherry Sheet Estimates.

Please note that these estimates are subject to final approval by the Governor. If you have questions about these estimates, please contact the DLS Municipal Databank at databank@dor.state.ma.us.

DLS Seeks Data Analytics and Resources Bureau Director

The Division of Local Services (DLS) seeks a dynamic individual with experience in technical management and data analytics to lead its Data Analytics and Resources Bureau

The Division of Local Services [Municipal Finance Law Bureau](#) will offer its annual ["What's New in Municipal Law" seminars](#) for local officials on Thursday, September 21, 2023 at the Bentley University Conference Center in Waltham and Thursday, September 28, 2023 at the Log Cabin Banquet & Meeting House in Holyoke. The seminars will be held in-person and run from 9am to 3pm.

The registration fee is \$100. Payment must be received by Friday, September 15th. Event check-in opens at 8:15am. Lunch will be provided.

To view the registration form, please [click here](#). Any questions regarding the seminars should be directed to dlsregistration@dor.state.ma.us.

Ask DLS: Gifts

This month's *Ask DLS* features frequently asked questions concerning gifts. 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.

As a follow up from July's edition of *Ask DLS*, concerning moving municipal officials from elected to appointed and combining roles, please note that local officials should be cognizant of charter

and serve as the primary strategist and business owner for the DLS website, data and applications. The position is focused on technical governance and charged with ensuring the effective use of technology to enable DLS and municipalities across the Commonwealth to achieve their goals.

The successful candidate will promote the division's expanding use of data analytics and oversee important elements of IT governance including content/value delivery, strategic alignments, performance management, resource management and risk management.

As part of the Future of Work initiative, the agency has adopted a hybrid work model. Hybrid work is a mix of in-office work and telework. This is a hybrid work position that requires some travel, but primarily works remotely. To view the job posting, please [click here](#).

Recent Flooding Events – Emergency Expenditure Process for Municipalities

In light of the recent flooding events in the Commonwealth, the Division of Local Services (DLS) would like to direct municipal managers to the DLS resources regarding emergency declarations and emergency spending procedures under MGL 44 § 31.

[Emergency Expenditures, Chapter 44, Section 31](#)

DLS is ready to assist you in any way we can. If you have further questions please contact your [Bureau of Accounts Field Representative](#).

Annual End-of-Year Letters

The Division of Local Services has posted on its website the FY2023 Bureau of Accounts Annual End-of-Year Letters for:

- [Accountant/Auditor](#)
- [Treasurer](#)
- [Collector](#)
- [Clerk](#)
- [Regional School Business Official](#)

FY2024 Telephone Company Central Valuations

Local boards of assessors will find the fiscal year 2024 telephone company central valuations pursuant to M.G.L. Chapter 59, Section 39 on the our [website](#) effective Thursday,

provisions or special acts that may affect your local government structure and the applicable roles and responsibilities of local finance officials. DLS advises that officials should contact local counsel when considering moving or combining roles in order to properly consider any election, charter or special act implications.

What is a gift and how is it different from other payments made by private parties?

A payment made by a private party to a municipality in connection with a regulated activity, contract or other municipal action is not a gift, donation or grant within the meaning of and for the purposes of [G.L. c. 44, § 53A](#). As such, these payments may not be accounted for in a separate account and spent without appropriation. These payments lack the donative intent that is an essential characteristic of the genuine gift required by that statute. A gift is ordinarily defined as a voluntary payment of money or transfer of property made without consideration. Although a private party's decision to engage in a regulated activity or contract with a municipality may be one of choice, it is doing so with the expectation of receiving valuable consideration in return, i.e., a privilege or benefit, or some municipal action or authorization.

Further, DLS has consistently taken the position that even if the municipality has a legal obligation to spend the amount paid for the designated purpose, in the absence of a statute permitting the payment to be treated otherwise, it must still be accounted for as general fund revenue and an appropriation is needed to authorize the expenditure.

If a community is offered a gift, what is the process for acceptance?

[G.L. c. 44, § 53A](#), which controls the treatment of gifts and grants, says that a city, town or district officer or department head may accept a gift or grant of money for the purposes or functions the office or department carries out. Many times, a gift will name the specific officer or department or otherwise state a purpose that clearly indicates the same, i.e., a gift of money for the purchase of

June 15, 2023. Also included is a memorandum to assessors about the FY2024 valuation, the new growth figures, a list of company billing addresses, and the *Additional Landline Telephone Personality by FCC Code* for each of the centrally valued telephone companies by community.

FY2024 Pipeline Company Central Valuations

Local boards of assessors will find the fiscal year 2024 pipeline company central valuations pursuant to M.G.L. Chapter 59, Section 38A on our [website](#) effective June 15, 2023. Also included is a memorandum to assessors about the FY2024 valuation as well as the new growth figures and a list of company billing addresses.

New Informational Guidelines Releases (IGRs)

The Division of Local Services Municipal Finance Law Bureau and Bureau of Local Assessment have issued nine new Informational Guidelines Releases (IGRs).

IGRs 2023-1 through 2023-4, respectively, explain the procedures and tax billing requirements for quarterly tax billing and payment systems, regular semi-annual payment systems, semi-annual tax billing and payment systems with optional preliminary bills and semi-annual tax billing and payment systems with annual preliminary bills.

[IGR 2023-1: FISCAL YEAR 2024 TAX BILLS QUARTERLY PAYMENT SYSTEM](#)

[IGR 2023-2 "FISCAL YEAR 2024 TAX BILLS SEMI-ANNUAL PAYMENT SYSTEM – ANNUAL PRELIMINARY BILLS](#)

[IGR 2023-3: FISCAL YEAR 2024 TAX BILLS SEMI-ANNUAL PAYMENT SYSTEM](#)

[IGR 2023-4: FISCAL YEAR 2024 TAX BILLS SEMI-ANNUAL PAYMENT SYSTEM – OPTIONAL PRELIMINARY BILLS](#)

IGR 2023-5 informs local officials that FY2024 deductions from gross receipts for Clause 41s senior personal exemption increased by 8.7% over FY2023.

[IGR 2023-5: SOCIAL SECURITY DEDUCTION FOR FISCAL YEAR 2024](#)

IGR 2023-6 informs local officials

firefighter helmets is clearly intended to go to the fire department.

Although the officer or department head controls the acceptance of a gift, the expenditure of the gift for the intended purpose(s) may not be made until after receipt of the approvals noted below.

However, where a gift is made for the general, unrestricted use of the municipality, the selectboard, mayor or CEO equivalent would traditionally accept the gift. When that occurs, the legislative body should determine through appropriation the purposes for which the funds may be spent. This is because when a gift is not given to a particular department for particular spending purposes, there is no basis under [G.L. c. 44, § 53A](#) for any officer or department to spend the funds.

How are gifts accounted for and expended?

Gift funds are credited to a separate gift account that the officer or department may then spend without appropriation for the gift's intended purposes, but must have the following approval in order to do so: by the school committee for gifts for educational purposes, otherwise, the selectboard, mayor or manager and city council or prudential committee. Additionally, interest belongs to the general fund unless the donor or grantor has expressly specified in writing that it remains with the gift or grant. A separate bank account is not needed for each gift. Cash may be pooled by the treasurer for investment purposes.

Concerning expenditure of the funds, the community must expend the funds in accordance with the intent of the donor. Once the funds are accepted, the community assumes a fiduciary responsibility for the funds and may not incur expenses from the fund outside of the scope of the donor's intent or make investments of the funds outside the law.

Are there any gift-related public purpose or anti-aid considerations?

As noted above, in the case of gifts and grants, the community is acting in the capacity of a custodian of the money, ensuring that it be

that 6.5% is the (1) maximum local option cost-of-living-adjustment (COLA) increase in Cl. 17 (surviving spouse/minor & elderly) exemption amount; (2) optional COLA applied to increased asset limit of Cl. 17s exemptions; (3) optional COLA applied to increase income & asset limits of Cl. 41s senior exemptions.

[IGR 2023-6: OPTIONAL COST OF LIVING ADJUSTMENT FOR FISCAL YEAR 2024 EXEMPTIONS](#)

IGR 2023-7 informs local officials of a calendar 2023 6.5% increase in the maximum valuation for parcels qualifying for land of low value foreclosure procedure to a new maximum of \$26,417.

[IGR 2023-7: CALENDAR YEAR 2023 ADJUSTMENT IN LAND OF LOW VALUE FORECLOSURE VALUATION LIMIT](#)

IGR 2023-8 provides combined guidelines for annual determination of property assessments for certification and interim years, classification of property according to usage class, calculation of the minimum residential factor and allocation of the tax levy among the property classes for Fiscal Year 2024.

[IGR-2023-8 – FISCAL YEAR 2024 GUIDELINES FOR ANNUAL ASSESSMENT AND ALLOCATION OF TAX LEVY](#)

IGR 2023-9 describes procedures and forms for reporting tax base growth and adjusting levy limits for FY2024.

[IGR-2023-9 – FISCAL YEAR 2024 GUIDELINES FOR DETERMINING ANNUAL LEVY LIMIT INCREASE FOR TAX BASE GROWTH](#)

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

Latest Issue of *Buy the Way* Now Available

Don't miss [Issue #21 of *Buy the Way*](#), the official magazine of the Operational Services Division (OSD).

Farm Value Advisory Commission FY2024 Recommended Chapter Land Values

The Division of Local Services has posted the Farmland Valuation Advisory Commission adopted range of recommended agricultural, horticultural, and forest land use values for the various categories of

spent as intended by the donor or grantor of those funds. This is distinct from the constitutional and statutory obligations imposed under public purpose, anti-aid or pre-emption doctrines when the proposed expenditures are from funds raised by the municipality. As such, money may be spent from a gift or grant account for a purpose which would not otherwise be permissible to spend on if utilizing moneys raised by the municipality. Said another way, when the expenditure is derived from a gift fund comprised of no publicly raised money, it does not seem that public purpose, anti-aid or pre-emption issues would necessarily be a barrier to these expenditures. However, DLS cautions that municipalities should be wary of accepting gifts or grants that are not for public purposes and have advised that a local non-profit may be better situated to receive and expend funds for purposes that may otherwise be questionable if made by the municipality with public funds. A municipality is under no obligation to accept gifts or grants of this nature. A gift or grant to a town department should be designed to enable that department to carry out some aspect of the public mission it was established to pursue. The terms of the gift or grant control the use of the funds in accordance with donor instruction and intent.

Is there a way to 'pool' donations?

Donations are treated as gifts under [G.L.c. 44, §53A](#), which means they are segregated from the general fund for accounting purposes and can be spent as noted above for the purpose of the donations. In situations where a community may be accepting a significant amount of small donations for a particular project or purpose, the accounting officer could establish a single, consolidated gift account to hold all of the donations. In such cases, we recommend that the town designate a name for the account and have each donor specify the same terms and conditions under which the gifts will be accepted, the specific purposes for which the monies may be spent, whether interest earned stays with the gift and state whether the donations will be returned or allowed for another purpose if the project is not undertaken in a certain number of years. The local accounting team should keep track of the donor's information as well.

land classified under *Chapter 61 and 61A* for Fiscal Year 2024.

Please see below for the land rates and related information:

[Click here for more information on the FY 2024 Chapter Land 61 and 61A Valuations](#)

Communities questioning the FY 2024 chapter land rates should contact the Bureau of Local Assessment at bladata@dor.state.ma.us.

OSD Climate Action Survey: Meeting Your Electric Vehicle Needs

The Operational Services Division consistently reviews the marketplace, buyer purchasing trends, and our Statewide Contract portfolio to determine if there are gaps in our offerings. The Local Government Enablement team at OSD is reaching out to our municipal partners to understand your goals with respect to Climate Action Initiatives, with a focus on Vehicles, Vehicle Infrastructure, and Grants. Your feedback will inform our Statewide Contract procurement activities going forward and ultimately assist municipal organizations in meeting their short- and long-term purchasing goals.

[Take the survey](#)

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](#)

Can a gift be returned or the intent of a gift be changed?

Generally, monies given for a specific purpose must be spent for that purpose. If a donor requests that gift money be returned or otherwise dedicated to another purpose, the community should examine whether or not such actions are within the scope of the gift and consider contacting the Division of Public Charities at the Attorney General's Office for further guidance. In some circumstances, the purpose of the gift cannot be carried out and money cannot be returned or used for an alternative use. In such circumstances, the community should consult with local counsel to consider whether it is possible to initiate court action for direction from the court under the doctrine of *cy pres*, which is used when the purpose of a gift cannot be fulfilled to determine another appropriate use for the funds.

An 18-Month Fiscal Year?

Tony Rassias - Deputy Director of Accounts

Here's a bit of municipal finance history for all those who might like some light summer reading.

The [1908 Report](#) of the Massachusetts Bureau of Statistics of Labor showed that municipalities ended their fiscal year with a date of their own choosing ranging from November 30 to the following April 1. For many years after, they recommended legislation to establish a uniform fiscal year for all municipalities to properly compare and report municipal statistics. In later years, they would become known as the Bureau of Accounts.

[Chapter 692 of 1913](#) established the calendar year as the uniform fiscal year for towns but the same uniformity would not apply to cities until [Chapter 229 of 1934](#). For certain cities, with approval of the State Emergency Finance Board, State Financial Adjustment Loans were available to cover "the added expense occasioned by adjusting the financial year and to prevent an abnormal tax rate in 1935 on account of the thirteen month year."

Although the fiscal year began in January, annual town meetings



were convened by law in February, March or April. Yes, the fiscal year began before town meeting met to appropriate money for it! Budgets were prepared by town officials from the latter months of the previous calendar year into the new calendar year. Expenditures without appropriations could not exceed 1/12th of the prior fiscal year's expenditures until town meeting acted. New initiatives would have either fit within the one-twelfth limitation, been delayed until town meeting granted its approval some months later or been terminated due to town meeting disapproval.

In the spring, the Commissioner of Corporations and Taxation, who will in later years become known as the Commissioner of Revenue, issued an estimate of state revenue to be distributed to cities and towns. In addition to the state distribution there were also assessments of state, county and other district charges upon cities and towns once shown on cherry-colored paper and known as the annual cherry sheet estimates.

The tax rate was calculated by local assessors on total Real Estate and Personal Property assessed as of the past January 1. A "card," later known as a "recapitulation table" or "recapitulation sheet," was received from the Commissioner showing the charges and credits that must be assembled for the tax rate to be properly calculated. Regulatory oversight of this process did not begin until later years. It was customary for assessors to release all cash on hand back to the taxpayers as a reduction to the next tax rate, appropriated or not. However, the Commissioner made it clear to towns that G. L. c. 44, § 53 provided that all receipts must be credited to the town treasury and cash on hand could only be applied to reduce the tax rate by the assessors if received and appropriated. Does the term "available fund" sound familiar?

Tax bills were issued by the local collector and were due and payable on July 1 in total, with interest on unpaid amounts beginning the following November. As the bulk of municipal revenue for the fiscal year was received near the end of the fiscal year, cash flow problems resulted with a recurring need to borrow short-term in anticipation of revenue adding to the community's interest expense.

[Chapter 509 of 1941](#) amended Massachusetts' fiscal year to begin on July 1 and end the following June 30. Previously its fiscal year ran from December 1 to November 30 but was reportedly changed to run co-terminus with the Federal government's and with that of some other states. The municipal fiscal year on a calendar year basis will create some confusion since the state's fiscal year split the municipal fiscal year and state revenues would come from two different fiscal year state budgets.

In 1969, the State Legislature passed [Chapter 849 of 1969](#) to improve "budget and appropriation procedures and to improve the collection of property taxes." This law authorized a municipal 12-month fiscal year to begin July 1 and end the following June 30 to run co-terminus with the state's fiscal year. To get there, an 18-month fiscal year transitional period was needed. Due to confusion, implementation of this new law did not begin immediately; the effective date was postponed allowing time for further study and possible correction.

In 1971, after extensive study on the matter, the Massachusetts Legislature passed [Chapter 766 of 1971](#) inserting new sections into the 1969 law. Opponents of the new law argued that town counsels and/or special task forces needed more time to search all the special laws passed through the years pertaining to individual cities and towns and proponents argued that the bugs will be ironed out by working with the law and making corrections as needed.

This new law authorized a second half property tax payment six-months after the traditional November payment. This new May 1 payment date reasonably anticipated a reduction to short-term borrowing in anticipation of revenue. During the transitional period, however, the first two-thirds of property taxes were due on November 1, 1973 and the remaining third by April 1, 1974.

The "old" fiscal year ended December 31, 1972; the 18-month transitional fiscal year began January 1, 1973 and ended June 30, 1974. The "new" fiscal year began July 1, 1974 and ended June 30, 1975. The rest is history.

MassCyberCenter Launches New 'Minimum Baseline of IT' Guide

Meg Speranza - MassCyberCenter Resiliency Program Manager

The Center will also be hosting its third statewide Municipal Cybersecurity Summit, in person, on October 5th in Worcester, MA.

Recent cyber-attacks on cities and towns across the country have shed light on the importance of strengthening cybersecurity resiliency at the municipal level. In 2020, the MassCyberCenter, in collaboration with the [Cyber Resilient Massachusetts Working Group](#), launched a new municipal cybersecurity-focused framework, called '[The Minimum Baseline of Cybersecurity](#)', to help communities across the Commonwealth get started on the path to cyber resiliency and to bolster their defenses against cyber threats.

The Cyber Resilient Massachusetts Working Group convenes monthly and brings together public and private sector leaders to identify ways the Commonwealth's innovative technology ecosystem can help Massachusetts municipalities and critical institutions protect sensitive data, increase cybersecurity awareness, and respond to emerging threats.

The Minimum Baseline of Cybersecurity is made of up four goals that address training, threat sharing, response planning, and working to secure the technology environment and implement best practices. These goals—aimed at reducing incidents and minimizing impacts—cover a range of topics, from implementing annual employee cybersecurity awareness training to installing password management controls, and provide resources to help municipalities achieve the goals.

A critical component of securing an organization's technology environment is bolstering the municipality's information technology policies and practices. To that end, the MassCyberCenter and the Working Group have updated the Baseline to include a new

resource guide for cities and towns as part of *Goal 4: Secure Technology Environment and Best Practices*, called [the Minimum Baseline of IT](#) (PDF). This guide covers the technologies, devices, and basic configurations needed to establish a technology environment that is safe and secure. Core parts of the guide include:

- Enforcing multi-factor authentication;
- Implementing a strategy for data back up;
- Installing a firewall; and
- Conducting vulnerability scanning regularly.

System and Data backups are especially important in the event of a ransomware attack, since data can be restored from backups despite the fact that attackers may have locked up the primary system.

The Minimum Baseline of IT also points to the importance of creating and maintaining an asset inventory by setting up remote monitoring and management, reassessing assets annually, and refreshing equipment every five years. It's critical that municipalities check in on digital assets regularly, and have a plan to update and upgrade the hardware that supports those assets, in order to better ensure the safety and security of Massachusetts municipalities.

For communities interested in engaging on cybersecurity, the MassCyberCenter will once again host the statewide Municipal Cybersecurity Summit, which will take place in-person on October 5, 2023, at Mechanics Hall in Worcester. Please save the date for this important event that will feature keynote addresses from federal, state, local and private-sector leaders; an engaging round of panels about threats and programs from all levels of government; and more! Details and a link to register will be forthcoming.

To learn more about the MassCyberCenter and its programs, visit <https://masscybercenter.org/>.

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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](#).

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