



January 5th, 2022



Remembering DLS Attorney Don Gorton

In this edition:

- **Remembering DLS Attorney Don Gorton**
- **FY2023 Tax Levies, Assessed Values and Tax Rates**
- **Ask DLS: Municipal Charges 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:
66

Final Certification: 66 (of 70 total)

LA4 (Assessed Values) Approved:
346 (346 submitted)

LA13 (New Growth) Approved:
346 (346 submitted)

Tax Rates Approved: 338

Balance Sheets Approved: 214

Total Aggregate Free Cash
Approved: \$1,538,049,480

Important Dates & Information

DLS Introduces *Foundations in Municipal Finance for the New Official Online Training*

The Division of Local Services (DLS) is saddened to announce the passing of Municipal Finance Law Bureau attorney Don Gorton. Don was a dedicated legal professional with a passion for public service. The loss of our friend and colleague has affected us all and we want to extend our sincere condolences and sympathies to his family and friends.

Don was a valued and accomplished member of the DLS team as evidenced by his 2022 Commonwealth Citation for Outstanding Performance. Before joining DLS, Don served for 11 years as a property tax judge with the Massachusetts Appellate Tax Board. During his DLS tenure, he was instrumental in providing legal research and analysis for complex municipal tax and finance laws, assisting other state agencies in their respective litigation, and understanding the implications of recent legislation. In promulgating opinions and guidelines and interpreting Massachusetts General Law diligently and appropriately, he played an integral role in supporting cities, towns and districts across the Commonwealth.

Outside of his role at DLS, Don was a longtime civil rights activist, advocate and leader. He was born in Belzoni, Mississippi and attended Humphreys Academy, Boston University and Harvard Law School. He led the Greater Boston Lesbian/Gay Political Alliance (later the Lesbian, Gay, Bisexual, and Transgender Political Alliance of Massachusetts) from 1988 to 1994 and played a pivotal role in the drafting and implementation of anti-bullying guidelines and

DLS recently published a new online training entitled, [Foundations in Municipal Finance for the New Official](#). The new series of virtual training modules 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.

We recommend starting with the Introduction and continuing with the Summer, Fall, Winter and Spring modules following the fiscal year calendar. We hope you enjoy [Foundations in Municipal Finance for the New Official](#).

Website Launched to Expedite Access to Earmarks in the Economic Development Bill (Chapter 268 of the Acts of 2022)

The Executive Office for Administration and Finance has launched a [website](#) to help facilitate the process for accessing earmarks in the recently signed Economic Development bill (*Chapter 268 of the Acts of 2022*).

Earmark recipients may now take steps to access funds and should work with their legislative delegation to do so.

Please note that the earmark distribution process may take weeks or months to complete before money is distributed. In most cases, funding will be dispersed to recipients within 16 weeks of receiving complete financial information from the vendor.

Community One Stop for Growth FY24 Expression of Interest Now Open Executive Office of Housing and Economic Development

The Executive Office of Housing and Economic Development is pleased to announce the opening of the FY24 Round of the Community One Stop for Growth with the launch of the Expression of Interest period.

The Expression of Interest (EOI) is an optional, but highly recommended, form that allows applicants to briefly describe their prospective project ideas to receive written feedback from EOHED and partner agencies prior to completing a Full Application(s).

legislation. In a [December 2008 profile in this publication](#), Don elaborated on this work stating, "The idea was to give local school districts research-based, field-tested guidance on preventing bullying and intervening in bullying episodes when they occur, without their having to incur the expense of a commercial anti-bullying program." His fearless and diligent activism was honored in 2010 when he served as Grand Marshal of the Boston LGBT Pride Parade on its 40th anniversary. Throughout his life, Don sought to serve as a catalyst for positive change and a force for good. We will miss him deeply and sincerely.

FY2023 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 FY2012 to FY2022. For 335 communities with FY2023 tax rates approved or received by the Division of Local Services (DLS) [Bureau of Accounts](#) as of December 22, 2022, the article compares FY2022 and FY2023 tax levies and assessed values and then provides some quick FY2023 stats. It then updates the status of several communities that hit their levy ceilings in FY2016 and of several that are close to their levy ceilings in FY2023. Finally, it reports on tax rates and shifts between property classes. For a variety of trainings and informational resources about property taxes and related content, please visit the [Property Taxes and Proposition 2 ½ Training and Resources page](#).

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 the largest revenue source. Along with other revenue sources such as estimated 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 Proposition 2½.

The graph below shows property tax levies for residential and open

The EOI period is open through March 17, 2023. Each organization may submit one (1) EOI form for the FY24 Round. Prospective applicants will be able to seek feedback on up to two project ideas (or up to five project ideas, if submitted by February 3, 2023).

For more information on the Expression of Interest and the FY24 Round of the One Stop, please visit www.mass.gov/onestop.

MBI Municipal Digital Equity Planning Program is Now Live!

The Massachusetts Broadband Institute (MBI) is pleased to announce that it is now accepting applications for the [Municipal Digital Equity Planning Program](#)!

The ability to engage in digital equity planning activities will be a critical step for municipal leaders and staff to build a broad understanding of how internet access, or lack thereof, affects residents of their community, and to develop actionable solutions to bridge the digital divide.

Specifically, the Municipal Digital Equity Planning activities will support municipalities in:

- Decision-making and investments related to services and infrastructure that will increase access, adoption, and usage of the internet for the populations most impacted by the COVID-19 pandemic.
- Preparing to submit grant proposals to existing or forthcoming state or federal opportunities related to solving the digital divide.

Municipalities participating in this program will receive expert advisement from a network of prequalified consultants identified by the MBI.

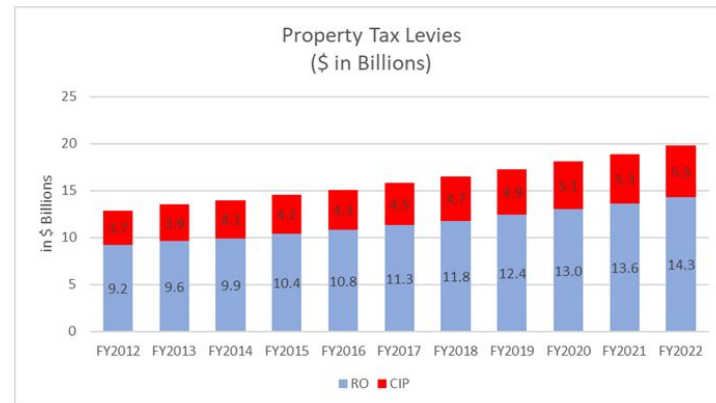
[Click here to find full program details, eligibility requirements, and apply!](#) For questions or additional information, please reach out via email at eichen@masstech.org.

DLS Posts Three Webinars

Recorded versions of recently held DLS webinars are now available on our YouTube channel. These include:

Submitting Proposition 2 ½ Votes Using DLS Gateway webinar held in November. During this webinar, DLS

space (RO) classes as well as commercial, industrial and personal property (CIP) classes for FY2012 to FY2022. Tax levies grew by 52.3% (\$6.8 billion), up from \$13.0 billion to \$19.8 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.

	Percentages of the Tax Levy											
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
RO	71.2	71.0	70.9	71.2	71.4	71.4	71.5	71.6	71.9	72.0	72.2	
CIP	28.8	29.0	29.1	28.8	28.6	28.6	28.5	28.4	28.1	28.0	27.8	

The graph below shows that in total for the 335 communities with certified FY2023 tax rates, tax levies increased from FY2022 to FY2023 by about 4.6%, or by about \$900.8 million, from \$19.6 billion to \$20.5 billion. The tax levy increased in 322 communities and decreased in 13 communities. The median percentage for increases was 3.9%. The largest increase was the Town of Petersham (30%) and largest decrease was the town of Mount Washington (7.6%).

staff reviewed each step of the process, provided a brief demonstration and answered questions. The [recorded version](#) of the webinar is now available on our YouTube channel, along with the [presentation slides](#). Refer to the division's [How to Enter Proposition 2 ½ Votes in DLS Gateway](#) for more information.

Everything You Ever Wanted to Know About Cherry Sheets held in October. DLS staff provided detailed information about the annual cherry sheet process and answered questions. The [recorded webinar](#) is now available on our YouTube channel, along with the [presentation slides](#). For more information, refer to the division's [Cherry Sheet Estimates](#), [Preliminary Cherry Sheets](#), and [Final Cherry Sheets](#).

Role of the Treasurer webinar held in August, DLS staff highlighted the key duties of the treasurer, statutory requirements associated with the position, and how other members of the local financial management team must work together with the treasurer while carrying out their own functions and to ensure thorough management of municipal finances. The [recorded webinar](#) is now available on our YouTube channel, along with the [presentation](#) from the webinar. Refer to the division's [Transitioning Government: Elected to Appointed presentation](#), and [Tax Taking Webinar](#) to learn more. Additional resources highlighted include the [Cash Flow Forecast](#) and [Municipal Finance Tools & Templates](#).

Latest Issue of *Buy the Way* Now Available

Don't miss Issue #18 of [Buy the Way](#), the official magazine of the Operational Services Division (OSD).

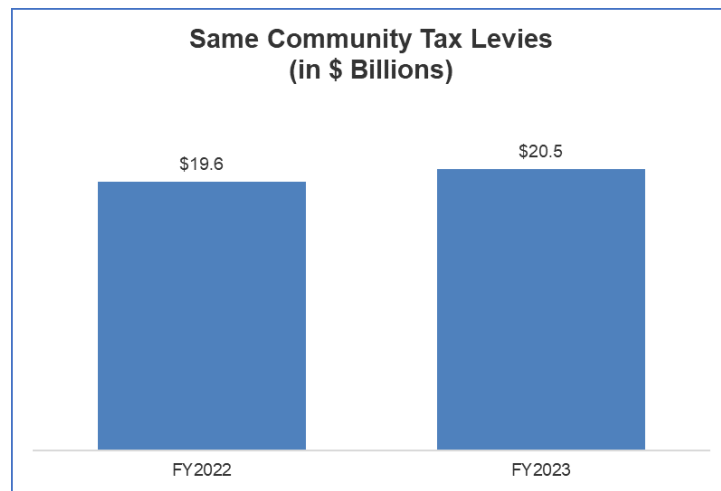
Qualifications of Assessors IGR

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](#).

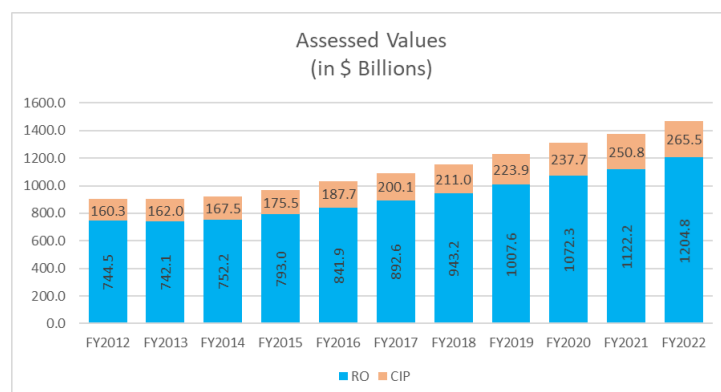
Balance Sheet and Tax Rate



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 and certifies the assessors' estimates every five years to ensure that they comply with legal standards. Interim year adjustments to reflect changes in market conditions must also meet legal standards, although they are not certified.

The next graph shows total assessed values from FY2012 to FY2022. Values rose from FY2012 to FY2022 by 62.5% or by about \$565.5 billion from \$904.8 billion to \$1,470.3 trillion. In FY2016, assessed values first grew to over \$1 trillion.



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. Assessed values increased in 333 communities and decreased in two

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 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](#).

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

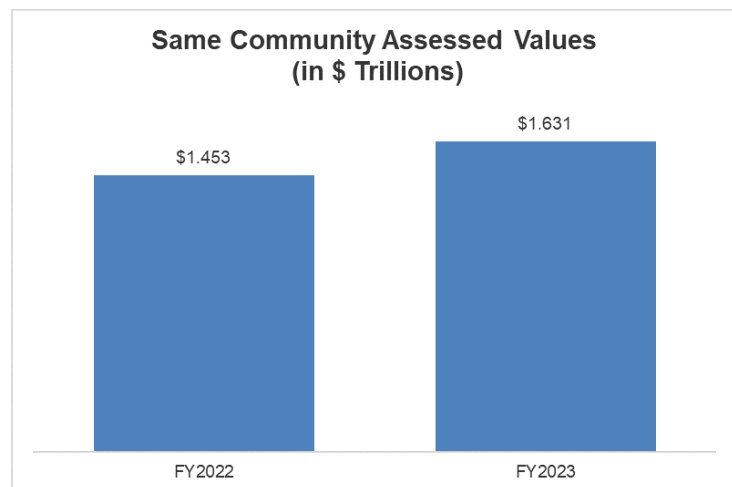
The Division of Local Services (DLS) Municipal Finance Law Bureau (MFLB) has issued a new Informational Guidelines Release (IGR). IGR 2022-14 explains the policies of the Commissioner of Revenue regarding the borrowing amount covered by an approved Proposition 2½ debt service exclusion. It also includes 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,

communities. The median percentage for increases was 12.8%. The largest increase was the Town of Oak Bluffs (31.8%) while the largest decrease was the Town of Rowe (6.4%).

Percentages of the Assessed Values											
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
RO	82.3	82.1	81.8	81.9	81.8	81.7	81.7	81.8	81.9	81.7	81.9
CIP	17.7	17.9	18.2	18.1	18.2	18.3	18.3	18.2	18.1	18.3	18.1

This next graph shows that in total for the 335 communities, assessed values increased from FY2022 to FY2023 by 12.2% (\$178 billion) from \$1.45 trillion to \$1.63 trillion.



The Levy Limit

[Proposition 2½](#) places limits on the amount of property taxes a community can levy. One limit is a tax levy ceiling, which limits the property tax levy to 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 FY2016

Community	FY2016 Limit %	FY2016 Levy %	FY2022 Limit %	FY2022 Levy %	FY2023 Limit %	FY2023 Levy %
Holyoke	100	100	99	97	98	95
Pittsfield	100	92	98	92	93	90
Somerset	100	74	92	61	85	58
Springfield	100	100	96	95	90	86
West Springfield	100	88	95	81	91	80
Worcester	100	98	82	77	76	71

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 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](#)

A [levy ceiling](#) is one of two types of levy (tax) restrictions imposed by MGL c. 59 § 21C (Proposition 2½). It states that, in any year, the real and personal property taxes imposed may not exceed 2½ percent of the total full and fair cash value of all taxable property. A [levy limit](#) is the other of the two types of levy (tax) restrictions imposed by MGL c. 59 § 21C (Proposition 2½). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus [new growth](#) and any [overrides](#) or [exclusions](#). The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion.

The above chart shows that by FY2023, Holyoke's levy limit is still at 98% of its levy ceiling and tax levy at 95% of its levy ceiling. 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, the following communities "approached the ceiling" in FY2023 (Levy Limit is within 90% to 99% of levy ceiling).

Communities Where the Levy Limit "Approached the Ceiling" in FY2023					
	Levy Limit %	Levy %		Levy Limit %	Levy %
Agawam	92	76	Pittsfield	93	90
Charlemont	98	83	Springfield	90	86
Heath	98	92	West Springfield	91	80
Holyoke	98	95			

The above chart shows that although the levy limits are near the ceilings, in only three cases (Heath, Holyoke and Pittsfield) 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 do so have done so for many years. The chart below shows that among the 335 communities, this multiple tax rate pattern has continued. For the 16 tax rates yet to be certified, two (Florida and Monroe) shifted the burden in FY2022.

	No Shift	Shifting the Burden						Communities Reporting
		>100% to 110%	>110% to 130%	>130% to 150%	>150% to 174%	>174% to <175%	175%	
FY2019	241	8	17	18	37	6	24	351
FY2020	243	7	18	17	35	9	22	351
FY2021	243	7	16	19	36	3	27	351
FY2022	243	7	16	21	29	8	27	351
FY2023	229	7	12	22	28	8	29	335

Tax Rates

The [calculation of the annual tax rate](#) involves the efforts of many local officials as well as the citizenry 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.

Across the Commonwealth, residential tax rates increased in 15 communities and decreased in 320 communities. The highest FY2023 residential tax rate is Longmeadow (\$22.92) while the

lowest FY2023 residential tax rate is Edgartown. The greatest dollar increase from FY2022 in a residential tax rate is Petersham (\$2.25), while the greatest dollar decrease from FY2022 in a residential tax rate is Shutesbury (3.39). Commercial tax rates increased in 20 communities and decreased in 315 communities. The highest FY2023 commercial tax rate is Holyoke (\$40.17) and the lowest FY2023 commercial tax rate is Edgartown (\$2.52). The greatest dollar increase from FY2022 in a commercial tax rate is Petersham (\$2.25) while the greatest dollar decrease from FY2022 in a commercial tax rate is Chicopee (\$4.57).

We hope that 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](#). Additional information, trainings and resources on this and a variety of other municipal finance subjects can be found [here](#).

Ask DLS: Municipal Charges Collection

This month's *Ask DLS* features frequently asked questions concerning municipal charges collection. 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.

Can a municipality add a delinquent trash charge to a property owner's tax bill?

[G.L. c. 44, § 28C\(f\)](#) authorizes cities and towns to establish and collect fees and charges for any solid waste disposal facilities or services. The statute provides that in collecting and enforcing those fees and charges, communities have all "the powers and privileges granted to them by law with respect to any similar fee or other charge including but not limited to ...[those] granted ... under the provisions of" [G.L. c. 40, §§ 42A-42F](#) and [G.L. c. 83, §§ 16A-16F](#). Those statutes establish a lien, which arises automatically by operation of law, for delinquent water and sewer charges and permit collection of those charges by adding them to the real estate tax on

the property. In order to use those collection procedures, a city or town must first accept the statutes and record a certificate of acceptance at the registry of deeds, among other requirements. [G.L. c. 40, § 42A](#); [G.L. c. 83, § 16A](#). The language in [G.L. c. 44, § 28C\(f\)](#) establishes an automatic lien for delinquent trash charges and fees which allows municipalities to collect those charges by adding them to the property tax bills in the same manner as unpaid water and sewer charges.

Are there any other alternatives to collecting delinquent trash charges?

As an alternative, the town could establish a lien for trash fees under [G.L. c. 40, § 58](#). That statute authorizes cities and towns to impose a lien for any municipal charge. A town meeting vote would also be required to do so. Under this statute, however, the lien does not arise automatically. Instead, the delinquent fees must be recorded by parcel and name at the registry of deeds to create the lien. The recording fees must be paid initially by the municipality. Once the recording is made, the unpaid fee can then be added to and collected as part of the tax on the property.

How long do liens for assessments or charges stay in effect?

Liens vary in duration. The governing statute must be followed to ensure that the delinquent assessments or charges are added to the real estate tax, and the collector perfects the lien for those assessments or charges by a tax taking or sale, before the lien expires. For collection purposes, perfected real estate tax liens secure not only real estate taxes but also unpaid betterments, special assessments and municipal charges that constitute liens and have been added to and committed with the tax by the assessors. Liens also secure the interest and collection charges that accrue by law. In municipalities that have tax-levying districts, such as water or fire districts, the collector's tax taking or sale should include unpaid district taxes and charges constituting liens as well and the taking will also perfect those liens.

Once added to the tax bill, can these charges be abated?

If taxpayers think there is an error or partial error for any of the charges discussed above which appear on the tax bill, they can file an application for an abatement with the board or department which imposed the charge just as is done for water bills and sewer bills as discussed in [G.L. c. 40, § 42E](#) and [c. 83, § 16E](#), respectively.

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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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