

Introducing the DLS Municipal Finance Training & Resource Center

Sean Cronin - Senior Deputy Commissioner of Local Services

February 6th, 2020

In this issue:

- **Introducing the DLS Municipal Finance Training & Resource Center**
- **Reviewing FY2020 Average Single-Family Residential Tax Bills**
- **Data Highlight of the Month: Average Single-Family Tax Bill**
- **Ask DLS: Community Preservation Act - Part 2**
- **RMV Excise Update 2020**

Happy 2020! As we enter the FY21 budget and Town Meeting seasons, I know it's a busy time for all involved in municipal finance in city and town halls across the state. As always, I want to wish you all the best and encourage you to continue to reach out to DLS for support and guidance. I also want to highlight a new online resource we've developed and provide a review of the most recent tax rate setting season.

In January at the MMA's 2020 Annual Meeting, I was thrilled to unveil our new online [Municipal Finance Training & Resource Center](#). This is a direct outcome of Lt. Governor Polito's *Local Government Workforce Skills Gap Working Group*, which was convened to respond to the challenge posed by the large number of retirements facing local government in core areas such as finance. The working group was composed of local and state officials, representatives of various professional associations, the CPA Society and representatives of colleges and universities across the state.

The working group's report include a recommendation for DLS to enhance its existing training programs and design content with an eye toward supporting newer finance officials or those taking on expanded roles within their city or town. Available 24/7, the Training & Resource Center offers DLS materials such as tools and calculators and training videos on topics including free cash, capital planning and long-range financial forecasts. We are committed to growing the menu of offerings each quarter so that local officials – and anyone else interested in municipal finance – can access a vast library of subjects that are related to your day-to-day responsibilities in one easy-to-find location. I am very excited about this one-stop shopping portal for those interested in municipal finance! If you haven't done so already, please [click here](#) and check out it out. Once you've familiarized yourself with the content, please let us know what you think!

Important Dates & Information

FY2021 Preliminary Cherry Sheet Estimates

The Division of Local Services has posted on its website preliminary cherry sheet estimates based on Governor Baker's FY2021 budget recommendation (House 2).

[Municipal estimates receipts and charges](#)
[Regional school estimated receipts and charges](#)

House 2 recommends funding FY2021 Chapter 70 at \$5.480 billion, or \$303.5 million higher than the FY2020 GAA; increases Unrestricted General Government Aid (UGGA) by \$31.6 million to \$1.160 billion and increases Charter Tuition Assessment Reimbursements to \$138.2 million, a \$18.2 million increase over the FY2020 GAA; and level funding most other cherry sheet accounts at the FY2020 amounts.

More detailed information regarding Chapter 70 and other school finance related initiatives contained in H.2 and the accompanying legislation can be found on the Department of Elementary and Secondary Education

While we've been focused on our trainings, we've also been busy with one of our core missions of reviewing and setting tax rates. I want to thank all our partners in local government for once again working with DLS on a very successful FY20 tax rate setting season. As you know, we've implemented changes, removed unnecessary paperwork and streamlined operations at DLS over the past few years in order to make the tax rate setting process a smoother one. As I've done in the past, and as I did at the MMA Annual Meeting on January 24th, I'd like to share with you some of the metrics that we use to track our overall performance year-to-year.

As the table below shows, FY20 was the third consecutive year that we saw a decline in the number of tax rates approved by the end of November. As a result, the number of tax rates approved in December was the highest since FY15. This is on the heels of the all-time high of 173 tax rates approved before December 1 reached three years ago. As we always say, don't be afraid to submit your tax rate recaps earlier!

	TAX RATES		
	Approved by end of Nov.	Approved in Dec.	Approvals Remaining
FY20	145	200	6
FY19	151	191	9
FY18	161	177	13
FY17	173	172	6
FY16	163	179	11
FY15	134	202	16
FY14	119	219	14
FY13	141	194	18
FY12	114	216	23
FY11	108	219	26
FY10	93	194	66
FY09	117	209	27
FY08	133	177	43
FY07	105	194	54

For Balance Sheets/Free Cash, the table below shows that FY20 represented the largest submitted figure (288) and approved figure (260) in the data set. 90% of submitted balance sheets were approved by the end of the month.

(DESE) website at <http://www.doe.mass.edu/finance/chapter70>. Information includes the Chapter 70 aid calculations, minimum contributions and net school spending requirements.

Cherry sheet estimates for charter school tuition and reimbursements are based on estimated tuition rates and projected enrollments under charters previously issued by the Board of Elementary and Secondary Education. Please be advised that charter school assessments and reimbursements will change as updated tuition rates and enrollments become available. Estimates for the school choice assessments may also change significantly when updated to reflect final tuition rates and enrollments.

It is important for local officials to remember that these estimates are preliminary and are subject to change as the legislative process unfolds.

Please contact the DLS Data Analytics and Resources Bureau at databank@doe.mass.gov or (617) 626-2384 with any questions.

BALANCE SHEETS

	Received by end of Dec.	Approved by end of Dec.	% Approved
FY20	288	260	90.3%
FY19	277	248	89.5%
FY18	279	253	90.7%
FY17	286	253	88.5%
FY16	274	260	94.9%
FY15	281	253	90.0%

Tracking turnaround time, the number of tax rates approved within five working days decreased one percentage point to 82%. The average approval time was 3.9 days, very similar to last year's number and down from FY16's 4.1 days. For Free Cash, the number of balance sheets approved within one week of original submission date increased two percentage points to 33%; the number approved within two weeks increased from 64% to 77%. This represents is the second year in a row where we saw huge improvement. The average approval time, from original submission to final approval, was 9.3 days, a decline from last year's 10.2 days.

If you recall, in FY19 we developed a standardized balance sheet to help with the Free Cash certification process. As a result, we're now able to analyze the time it takes between Bureau of Accounts verification of sufficient data ready for review and final certification of Free Cash. That figure was just under four days, virtually the same as last year. Going forward, this is something we'll monitor annually to gauge our performance.

The tables below provide some historical turnaround time data for both tax rates and Free Cash:

School Water Improvement Grants Available

The Massachusetts Clean Water Trust (Trust) and the Massachusetts Department of Environmental Protection (MassDEP) are pleased to announce the School Water Improvement Grant (SWIG) program. The SWIG program will provide grant funds to purchase and install filtered water bottle filling stations for schools to replace drinking water fountains that have exceeded the Commonwealth's lead guidance level of 1 part per billion. Eligible School Districts will receive a grant, up front, of \$3,000 per fixture. The pilot application round will be open from February 3, 2020 to March 6, 2020. For more information about SWIG please visit www.mass.gov/SWIG.

Updating Your Community's Contact Info

As newly elected and appointed officials begin to settle into their positions across the Commonwealth, the DLS would like to kindly remind all municipal clerks and others with administrative privileges to update

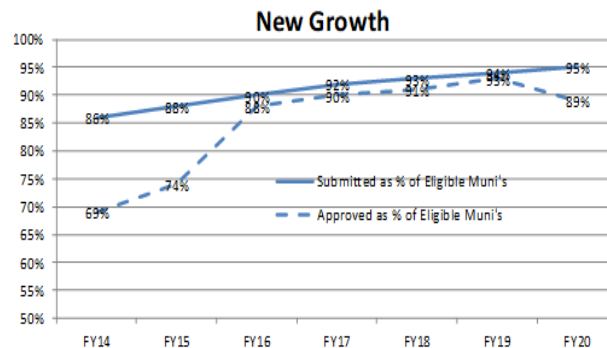
Free Cash Certification - Turnaround Time*						
	<u>1-5 Days</u>	<u>6-10</u>	<u>11-20</u>	<u>21-30</u>	<u>31-50</u>	<u>>50</u>
FY16	39%	36%	15%	5%	3%	2%
FY17	37%	33%	21%	5%	3%	0%
FY18	25%	35%	31%	8%	1%	0%
FY19	31%	33%	27%	6%	2%	1%
FY20	33%	44%	17%	4%	0%	2%

* For those submitted by 12/31

Tax Rate Recap - Turnaround Time*						
	<u>1-5 Days</u>	<u>6-10</u>	<u>11-20</u>	<u>21-30</u>	<u>31-50</u>	<u>>50</u>
FY16	82%	15%	3%	0%	1%	0%
FY17	87%	12%	1%	0%	0%	0%
FY18	86%	12%	2%	1%	0%	0%
FY19	83%	15%	3%	0%	0%	0%
FY20	82%	14%	4%	0%	0%	0%

* For those submitted by 12/31

As you know, an important part of getting your tax rate set is having New Growth certified. As shown in the graph below, 89% of municipalities had their New Growth approved by the end of November. Just a few years ago, this figure was 69% (FY14). By eliminating the backlog that existed and expediting the review process, the entire tax rate setting process improved. This is a great example of DLS, in particular our Bureau of Local Assessment, examining its processes and making improvements that benefit everyone.



The turnaround time for New Growth submissions remained virtually unchanged at 74% within one week and 91% within two weeks.

LA-13 New Growth - Turnaround Time*						
	<u>1-5 Days</u>	<u>6-10</u>	<u>11-20</u>	<u>21-30</u>	<u>31-50</u>	<u>>50</u>
FY18	77%	15%	6%	1%	1%	0%
FY19	75%	16%	7%	1%	1%	0%
FY20	74%	17%	6%	3%	1%	0%

* For those submitted by 12/31

[DLS Gateway's Local Officials Directory](#) (LOD).

Please take a moment now to verify the accuracy of contact information as listed in the Local Officials Directory.

Ensuring the local officials in your community are accurately listed allows them to receive timely notifications regarding many important DLS processes, certifications and communications

If you need assistance updating your LOD entry, please contact the Gateway Support staff at (617) 626-2350 or by email at dlsgateway@dor.state.ma.us. Thank you!

Proposed FY2021 State-Owned Land Valuation under MGL C. 58 § 13-17

The Division of Local Services has posted on its website proposed FY2021 state-owned land values based on the fair cash value of certain state owned lands (SOL) pursuant to [MGL Ch. 58, §§ 13-17](#). These lands are reimbursed for loss of local tax revenue on the Cherry Sheet's State-Owned Land line.

[Click here](#) to display the proposed

For the LA-3 (Sales) and LA-15 (Interim Year Adjustment), there has clearly been an improvement. LA-3 approvals within one week increased six percentage points and LA-15 approvals increased eight percentage points.

LA-3 Sales - Turnaround Time*						
	<u>1-5 Days</u>	<u>6-10</u>	<u>11-20</u>	<u>21-30</u>	<u>31-50</u>	<u>>50</u>
FY18	74%	16%	6%	3%	1%	1%
FY19	75%	17%	5%	1%	1%	0%
FY20	81%	13%	4%	1%	1%	0%

* For those submitted by 12/31

LA-15 Interim Yr Adj - Turnaround Time*						
	<u>1-5 Days</u>	<u>6-10</u>	<u>11-20</u>	<u>21-30</u>	<u>31-50</u>	<u>>50</u>
FY18	83%	13%	2%	2%	0%	0%
FY19	79%	16%	4%	1%	0%	0%
FY20	87%	10%	1%	1%	1%	0%

* For those submitted by 12/31

Overall, the numbers point to a successful and improved FY20 tax rate/Free Cash season. This is the result of a joint effort and a partnership between DLS and each of the 351 cities and towns across the Commonwealth. We can't do our job without quality recap and balance sheet submittals from municipal finance officials, so I thank each and every one of you for the job you do and for working with us. If you're interested in more in-depth look at how we track our tax rates as well as some helpful guidance on assessing operations and the tax rate setting process, we've posted [the presentation from our recent MMA workshop](#). As always, if you have any thoughts about how we can improve these processes, please let me know.

Best of luck in the year ahead! As always, I welcome and appreciate your feedback so please continue to call or email me at croninse@dor.state.ma.us.

Reviewing FY2020 Average Single-Family Residential Tax Bills

Andrew Nelson - Bureau of Accounts Worcester Office Supervisor

The state total single-family residential tax bill for FY2020 as of January 8, 2020 is \$6,186, an increase of \$193 or 3.2% from FY2019. In addition, the average value of a single-family residential home is \$454,025, an increase of \$19,366 or 4.5%

municipal state-owned land values and their share of the total state-owned land. In addition, please see the [DLS Frequently Asked Questions](#) about this program.

The Bureau of Local Assessment (BLA) is notified of acquisitions, deletions and agency transfers by the Department of Capital Asset Management & Maintenance (DCAMM). In preparation for the FY2021 final numbers, if your community has newly reported and outstanding acquisitions from calendar year 2018 and 2019, you will be notified by mid-February by BLA for processing in the Gateway system by March 1, 2020. It is imperative you respond to any request for information within fifteen (15) days to have the additional acreage included in your FY 2021 valuation issued on June 1, 2020.

Any community questioning their proposed state-owned land valuation should contact the Bureau of Local Assessment at bladata@dor.state.ma.us.



from FY2019. These figures are based on data submitted by 324 of the Commonwealth's 351 cities and towns to the Division of Local Services (DLS).

So far in FY2020, for the 324 communities reporting valuation data to DLS, single-family residential values statewide represent:

- 76% of all residential class property assessed values; and
- 65% of all property assessed values;

Analysis of data for this article is limited to single-family parcels. It does not include condominiums, multi-family homes or apartment buildings. It also excludes 15 communities for which a residential exemption was adopted, data for six communities for which no FY2020 tax rate has been certified as of the drafting of this article, and six communities where a special act authorized a mean-tested senior citizen property tax exemption.

The State Total

Calculation of the State total presumes that Massachusetts is one local governmental entity for which a tax bill would be determined, not the median of all single-family tax bills.

Chart 1 presents the calculation of the State Total from FY2010 to FY2020. Note that the state total has annually increased over this period of time. In addition, the chart presents the average value for all single-family residential properties. The average value decreased from FY2010 to FY2014 by 4.3%, but from FY2014 to FY2020 increased by 27.3%. Overall for the time period shown, the average value increased by 21.8%.

Chart 1

Fiscal Year	\$ Assessed Value (in \$ Billions)	Parcels (in Millions)	\$ Average Value	\$ State Total	# of Cities & Towns Included	\$ Inc from Prior FY	% Inc from Prior FY
2010	481.7	1.3	373,702	4,390	337		
2011	469.7	1.3	361,629	4,537	338	147	3.3
2012	466.9	1.3	358,687	4,711	338	174	3.8
2013	462.2	1.3	354,292	4,846	338	135	2.9
2014	461.2	1.3	354,133	4,993	337	147	3.0
2015	480.7	1.3	367,968	5,187	337	194	3.9
2016	499.5	1.3	381,611	5,391	336	204	3.9
2017	521.4	1.3	397,434	5,587	336	196	3.6
2018	541.8	1.3	414,419	5,792	334	205	3.7
2019	566.6	1.3	434,659	5,993	332	201	3.5
2020	586.9	1.3	454,025	6,186	324	193	3.2

The Median of Community Averages

Graph 1 shows the median or midpoint of the average single-family tax bill for all communities from FY2010 to present. For FY2020, this median tax bill of \$5,382 represents an increase



Other DLS Links:

[Local Officials Directory](#)

[Municipal Databank](#)

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

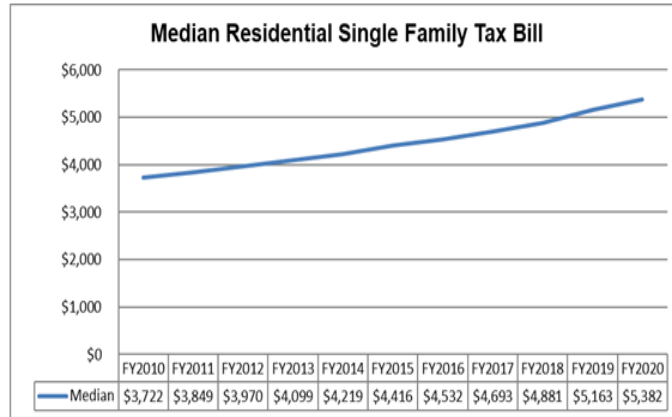
[Bulletins](#)

[Publications & Training Center](#)

[Tools and Financial Calculators](#)

over FY2019 by \$219 or 4.2%.

Graph 1



For the six communities without an FY2020 tax rate and not represented in Graph 1, none have historically averaged above the \$5,382 median tax bill shown above. If FY2019's median for these communities proves true once again in FY2020, the FY2020 median amount would drop by about \$20.

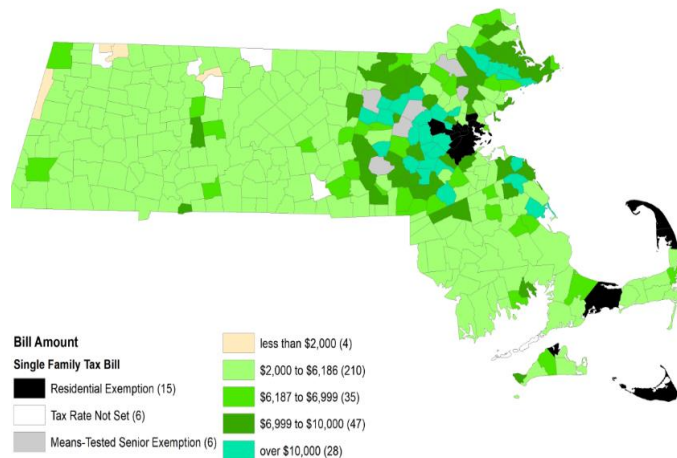
The Average by Community

DLS calculates a community's average single-family residential property tax bill by:

- dividing the total class code 101 assessed property values by the number of single-family parcels to establish an average property value for the class;
- multiplying that average property value by the community's residential class tax rate as certified by the Bureau of Accounts for that fiscal year.

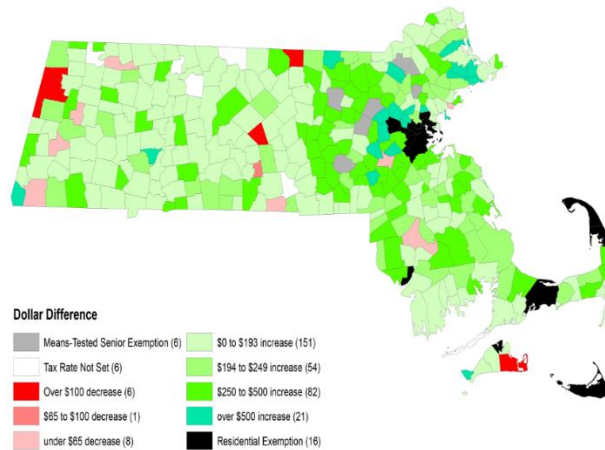
The following color-coded maps provide a visual representation of the FY2020 community averages around the state as well as their dollar changes from FY2019.

FY2020 Average Single Family Tax Bill



The map above shows how most of the communities in the western and central parts of Massachusetts have average tax bills at or less than the State Total of \$6,186. The map also shows a cluster of communities with average tax bills over \$10,000 just to the west of Boston.

FY2020 Change In Average Single Family Tax Bill

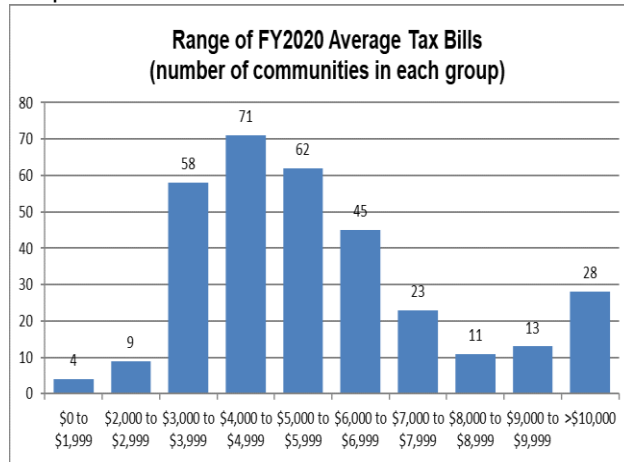


The map above, in conjunction with the previous map, shows that although many communities in the western and central parts of Massachusetts had lesser average tax bills than the state total, a number of them had greater increases from FY2019 than the \$193 increase in the state total.

Statewide, 308 communities increased their average tax bill from FY2019 ranging from \$5 in Northfield and Warren to \$1,979 in Lincoln. Fifteen communities actually decreased their average tax bill from FY2019 ranging from \$14 in Dover to \$517 in Edgartown. The median for all communities that decreased their average tax bill was \$62. (Somerset was not a part of this calculation as the town had a residential exemption in FY2019).

Graph 2 shows that 71 communities have FY2020 community average single-family property tax bills in the \$4,000 to \$4,999 range followed by 62 in the \$5,000 to \$5,999 range category.

Graph 2



Graph 3 shows the number of communities increasing and decreasing their average tax bills from FY2019 to FY2020 by percentage increase and decrease. For example, one community decreased its average bill from greater than 8% to 9%, and 75 communities increased their average bill from greater than 3% to 4%. For the 15 communities that decreased their bill, their median percentage decrease was 1.7%. For the 308 communities that increased their average bill, their median percentage increase was 3.6%.

Graph 3

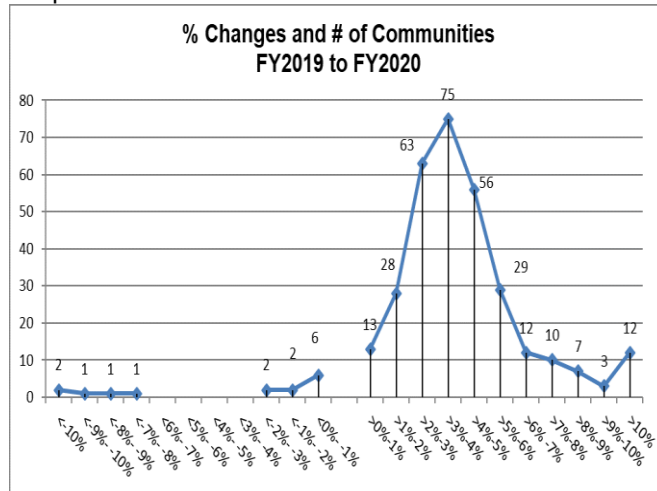


Chart 2 shows the communities having the 10 highest and lowest FY2020 average single-family residential property tax bills, both in descending order.

Chart 2

Highest and Lowest Single Family Residential Property Tax Bills							
Highest 10			Lowest 10				
Weston	\$20,922	Lexington	\$15,547	Windsor	\$2,800	Savoy	\$2,434
Lincoln	\$18,097	Carlisle	\$15,423	North Adams	\$2,780	Monroe	\$1,653
Sherborn	\$16,259	Winchester	\$14,298	Becket	\$2,759	Erving	\$1,434
Wellesley	\$15,760	Wayland	\$14,214	Otis	\$2,678	Rowe	\$1,162
Dover	\$15,679	Belmont	\$14,130	Tolland	\$2,640	Hancock	\$712

The Statewide Trend in Current and Constant Dollars

Chart 3 shows the state total and median of community averages in current dollars as presented earlier in this article in relation to a constant dollar which controls for inflation. The chart shows that both the state total and the median of community averages dollar amounts have outpaced the rate of inflation over the time-period shown. For example, the median of community averages FY2014 current dollar figure of \$4,219 adjusted for inflation represents a constant dollar figure of \$4,001 in that year. The FY2020 current dollars amount of \$5,382 has outpaced the constant dollar figure by \$864 or 16%. The state total current dollars amount has outpaced the constant dollars figure by \$857, or by 14%. Note that the state total for current dollars is always in excess of the median for current dollars. Both dollar amounts may be compared respectively to prior fiscal years, but are not comparable to each other.

Chart 3

	State Total				Median of Community Averages			
	Current Dollars	Constant Dollars	\$ Variance	% Variance	Current Dollars	Constant Dollars	\$ Variance	% Variance
FY2010	\$4,390	\$4,390			\$3,722	\$3,722		
FY2011	\$4,537	\$4,509	\$28	1%	\$3,849	\$3,822	\$27	1%
FY2012	\$4,711	\$4,581	\$130	3%	\$3,970	\$3,884	\$86	2%
FY2013	\$4,846	\$4,645	\$201	4%	\$4,099	\$3,938	\$161	4%
FY2014	\$4,993	\$4,719	\$274	5%	\$4,219	\$4,001	\$218	5%
FY2015	\$5,187	\$4,747	\$440	8%	\$4,416	\$4,025	\$391	9%
FY2016	\$5,391	\$4,819	\$572	11%	\$4,532	\$4,085	\$447	10%
FY2017	\$5,587	\$4,939	\$648	12%	\$4,693	\$4,188	\$505	11%
FY2018	\$5,792	\$5,102	\$690	12%	\$4,881	\$4,326	\$555	11%
FY2019	\$5,993	\$5,214	\$779	13%	\$5,163	\$4,421	\$742	14%
FY2020	\$6,186	\$5,329	\$857	14%	\$5,382	\$4,518	\$864	16%

Source: DLS Databank. Constant Dollar amounts apply the CPI for all Urban Consumers –Boston and includes a 2.2% estimated inflation factor for FY2019 and FY2020.

The Residential Exemption Communities

Communities that adopted a residential exemption or senior means-tested exemption for any particular fiscal year are not included in either the state total or median averages as DLS does not receive sufficient information as to how many class code 101 residential properties are eligible for the exemption in those communities.

For 15 communities that adopted the residential exemption only in FY2020, Chart 4 estimates the FY2020 dollar impact of the residential exemption on single-family residential properties valued at their break-even point. The break-even

point, or point of benefit neutral assessment, is that point of assessed valuation less the exemption at which the tax burden for residential class properties begins to shift, i.e. when the residential class property taxpayer begins to pay less or more property tax than if the exemption wasn't voted at all. The impact column shows how much more this property would pay if it was not eligible for the exemption.

Chart 4

Community	Residential Exemption Percentage Voted	\$ Impact of Exemption on FY2020 Assessed Value	Community	Residential Exemption Percentage Voted	\$ Impact of Exemption on FY2020 Assessed Value
Barnstable	20%	\$976	Provincetown	25%	\$1,141
Boston	35%	\$2,880	Somerville	35%	\$3,269
Brookline	21%	\$2,760	Tisbury	18%	\$1,552
Cambridge	30%	\$2,365	Truro	20%	\$960
Chelsea	31%	\$2,145	Waltham	35%	\$2,556
Everett	25%	\$1,417	Watertown	24%	\$2,108
Malden	30%	\$2,261	Wellfleet	20%	\$858
Nantucket	25%	\$1,824			

For more information on the state total, average bills for communities, and statewide rankings, please see our [Data Highlight of the Month](#).

Data Highlight of the Month: Average Single-Family Tax Bill

DLS Data Analytics & Research Bureau

Today's *City & Town* featured a review of the FY2020 Single-family tax bills, but did you know on the DLS website we have historical data relating to single-family tax bills dating back to FY1988? Under the [Reports relating to Property Tax Data and Statistics](#), you can find this history as well as property tax data relating to assessed values, tax rates and much more.

The [Average Single Family Tax Bill report](#) not only contains a wealth of data, but also charts trends in tax bills and provides the state average single family tax bill to assist in benchmarking the community tax bill in relation to the state average. (Please note that any community that grants a residential exemption is not included in these reports because DLS does not collect enough data to determine the average value in these communities.)

We hope you become better acquainted with the data the Division of Local Services has to offer through the *Data Highlight of the Month*. For more information, contact us directly at databank@dor.state.ma.us or (617) 626-2384.

Ask DLS: Community Preservation Act - Part 2

This month's *Ask DLS* features the second part of frequently asked questions concerning the Community Preservation Act (CPA). Additional questions about the CPA will be featured in future editions of *City & Town*. For Part 1 of the series, see the [January 9, 2020 edition of *City & Town*](#). For additional information, see [Informational Guideline Release \(IGR\) 19-14, Community Preservation Fund](#). 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.

Are there any exemptions a city or town may adopt regarding the surcharge?

Yes. The legislative body may include any or all of the following surcharge exemptions in its adoption of the CPA. The exemptions must be approved by the legislative body or included in a petition to adopt the CPA and, in each case, the exemption must be approved by the voters. [G.L. c. 44B, § 3\(e\)](#). The CPA allows the following exemptions:

- A. An exemption for property owned and occupied as a domicile by a person who would qualify for low income housing or low or moderate income senior housing in the community. [G.L. c. 44B, § 3\(e\)\(1\)](#).
 1. Age - To qualify as a senior, the applicant must be 60 or older as of January 1.
 2. Income Limits - Each co-owner of the domicile must meet a household annual income standard to qualify for the low income or low or moderate income senior exemption. The income standard is based on the area wide median income determined annually by the United States Department of Housing and Urban Development. Therefore, assessors must establish new limits for each year. Annual household income is the income received from all sources regardless of income tax status under federal or state law during the calendar year preceding January 1 by all members of the household 18 or older who are not full-time students, less deductions for dependents other than a spouse and certain medical expenses. That amount must be at or below the allowable income limit for the household type (senior or non-senior) and size.
 3. Exemption Amount - A qualified taxpayer receives an exemption of the entire surcharge attributable to the real estate tax assessed on the Class One, Residential,

assessed valuation of the parcel, regardless of ownership share or number of residential dwelling units.

- B. An exemption for Class Three, Commercial, and Class Four, Industrial property if the community annually adopts a higher tax rate for those classes. [G.L. c. 44B, § 3\(e\)\(2\)](#). This is a total exemption from the surcharge and applies only in a fiscal year in which the tax rate is split. If a property is multiple-use, the exemption applies to the real estate tax assessed on the portion of the assessed valuation allocated to commercial and industrial.
- C. An exemption for \$100,000 of the assessed valuation of Class One, Residential parcels. [G.L. c. 44B, § 3\(e\)\(3\)](#). If the property is multiple-use, the exemption applies to the real estate tax assessed on the first \$100,000 of the portion of the assessed valuation allocated to Class One.
- D. An exemption for \$100,000 of the assessed valuation of Class Three, Commercial and Class Four, Industrial parcels. [G.L. c. 44B, § 3\(e\)\(4\)](#). If the property is multiple-use, the exemption applies to the real estate tax assessed on the first \$100,000 of the portion of the assessed valuation allocated to commercial and industrial.

For example, Anytown has accepted an exemption for the first \$100,000 of value of residential (Class One) properties and an exemption for the first \$100,000 of value of commercial/industrial (Class Three and Four) properties. A property has an assessed value of \$500,000 allocated as follows: \$200,000 Class One and \$300,000 Class Three. The CPA surcharge will be on the real estate tax assessed on \$100,000 Class One and \$200,000 Class Three.

How does a taxpayer apply for an exemption?

Taxpayers must apply annually for the low income or low or moderate income senior exemption. Application may be made on [Form CP-4](#), or other format developed by the assessors to obtain the same information. Assessors do not need prior approval of the Commissioner of Revenue to use forms they have designed so long as the content is essentially the same as [Form CP-4](#). Assessors may review applications submitted by seniors for a [G.L. c. 59, § 5, Clause 41, 41B or 41C personal exemption or Clause 41A tax deferral](#) to determine eligibility for the low or moderate income exemption as well. In those cases where no further information is needed to establish eligibility for the exemption, it may be granted without requiring completion of a separate application.

Is there a deadline for applying for an exemption?

An application for exemption must be filed on or before the deadline for an application for exemption under [G.L. c. 59, § 59](#) - April 1 of the year to which the tax relates or 3 months after the bill is issued, whichever is later.

Is there an appeal process?

Any person aggrieved by a decision of the assessors, or by their failure to act, on an application for exemption may appeal as provided in in [G.L. c. 59, §§ 64 – 65B](#).

How do communities account for abatements/exemptions?

All committed surcharge amounts abated or exempted are charged to the community preservation surcharge receivable of the fiscal year. This includes reductions in committed surcharges resulting from an abatement or exemption of the real estate tax, or an abatement or exemption of the surcharge itself. The abatement or exemption certificate, as well as any abatement and exemption reports to other officers, should state separately the amount of any surcharge abatement or exemption granted.

What forms do assessors use to approve/deny an exemption?

Assessors may determine their own forms for approvals/denials of exemptions by adapting their ordinary real estate abatement/exemption notices.

Stay tuned for next month's *City & Town* for Part 3 in our FAQ series on the CPA.

RMV Excise Update 2020 Joan Valley - RMV ATLAS Business Lead

The first 2020 ATLAS-generated excise tax file link was included in an RMV email sent to assessors on January 17, 2020. You can access the "RUN 1" file by clicking on the link within the email or logging in directly to MOVEit here <https://transfer.massdot.state.ma.us> to download your file.

The January file "RUN 1" includes the remainder of 2019, all the 2020 bills, and, for the first time, Section Five bills. To help municipalities identify the bills by year, there are header rows separating the 2019 bills from the 2020 bills.

"RUN 2" will be sent to municipalities on March 13, 2020. The complete calendar, can be found on our Business Partners website here: [2020 Excise Tax Schedule](#).

Webinars

The RMV hosted their most recent [webinar](#) on January 23, 2020 about the new ATLAS system and the changes to the excise tax bill process. All webinars and associated questions and answers, documents, information, and training support can be found on our [Business Partner website](#).

Calculating the Excise Tax Bill

After consulting with the DOR, the RMV is calculating the excise tax to the nearest penny. The RMV has discontinued the practice of rounding up to the nearest dollar. This information was also presented in the [webinar](#) from August 29, 2019.

Helpful Links

Go to the [Excise Tax Commitments Program](#) page, click on [Technical Information](#) for several links about excise tax information including:

- [2019 Excise Totals by Municipality](#)
- [2020 Excise Totals by Municipality](#)
- [2020 Excise Plate Description](#)

Note: The [Technical Information](#) page is a secure site and requires login access. To request access, please email ATLAS.municipalities@DOT.state.ma.us

The RMV will keep you updated about any changes regarding the excise tax files and bills. If you have any questions for the RMV and the excise team, please email ATLAS.municipalities@DOT.state.ma.us.

February Municipal Calendar

Deadline to Pay 3rd Quarter Tax Bill

Taxpayer

Per [M.G.L. c. 59, § 57C](#), this is the deadline to pay the 3rd quarter actual tax bill without interest unless the bills were mailed after December 31. If mailed after December 31, the actual tax is due as a single installment on May 1 or 30 days after the bills were mailed, whichever is later.

Taxpayer

Quarterly Tax Bills – Deadline to Apply for Property Tax Abatement

According to [M.G.L. c. 59, § 59](#), abatement applications are due on February 1 unless actual tax bills were mailed after December 31. In that case, they are due May 1 or 30 days after mailing, whichever is later.

28 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](#).

Due Date Exceptions - According to [M.G.L. c. 4, § 9](#), if the date for any statutory action or payment falls on a Sunday or legal holiday, that action may be performed or payment made on the next business day. This rule also applies to any actions required by or payments due on a Saturday in communities that accepted [M.G.L. c. 41, § 110A](#) permitting public offices to remain closed on that day. The due dates for any local property tax payment, abatement application, or exemption application are also extended to the next business day by [M.G.L. c. 59, §§ 57, 57C](#), and [59](#) when municipal offices are closed due to a weather-related or other public safety emergency.

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

Editor: Dan Bertrand

Editorial Board: Sean Cronin, Donnette Benvenuto, Linda Bradley, Paul Corbett, Theo Kalivas, Ken Woodland and Tony Rassias

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

To unsubscribe to *City & Town* and all DLS alerts, email dls_alerts@dor.state.ma.us.