



October 7th, 2021

TAB is Now FMRB

Zack Blake - Financial Management Resources Bureau Chief



The DLS Technical Assistance Bureau has been renamed the Financial Management Resource Bureau. We made this change to clarify the nature of our services and better reflect our mission to provide an array of projects, tools, and instruction to communities across the Commonwealth seeking to improve their financial management practices.

In this edition:

- **TAB is Now FMRB**
- **Helpful Classification Hearing Reminders**
- ***Ask DLS: Community Preservation Act - Rail Trails***

For more than 30 years, the bureau has worked closely with cities and towns to increase operational effectiveness by promoting best practices related to long-term fiscal planning, budgeting, policies, internal controls, and technology. Our comprehensive Financial Management Reviews analyze local finance office functions, as well as overall administrative, budgetary and governance concerns to provide communities with practical guidance and specific recommendations for improvements. We also offer trainings, hands-on tools, and other resources to assist municipal personnel in executing their day-to-day procedures. In addition, our strategic planning, benchmarking, and financial analyses direct attention to opportunities for strengthening municipal financial operations.

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

All our project reports, publications, analyses, tools, and trainings are informed by widely recognized professional standards along with the collective wisdom gained from engaging with nearly every community across

Databank staff, this public information is available 24/7 by [clicking here](#).

Preliminary Certifications
Approved: 30

Final Certification: 17 (of
74 total)

LA4 (Assessed Values)
Approved: 73 (84 submitted)

LA13 (New Growth) Approved:
72 (83 submitted)

Tax Rates Approved: 17

Balance Sheets Approved: 88

Total Aggregate Free Cash
Approved: \$676,824,933

Important Dates & Information

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](#)

Massachusetts. For more information, please [visit our website](#) or contact me at blakez@dor.state.ma.us.

Helpful Classification Hearing Reminders Chris Wilcock - Bureau of Local Assessment Chief Tony Rassias - Deputy Director of Accounts

As we move into the fall, more and more cities, towns and tax rate setting districts will hold their annual classification hearing. This hearing determines the percentages of total taxable full and fair cash real and personal property value each property class will bear in the FY2022 tax levy. Here are a few reminders for local officials to help guide them through this process. For more information on this process, please see our recently posted [“Mining DLS Tax Data for Classification Hearings” webinar](#).

1.) Assessors: A majority of the board of assessors must be qualified to classify property per [G.L. c. 59, § 2A\(c\)](#). Otherwise, tax rate-related forms cannot be approved. The current Board will be deemed qualified if a majority:

- has attended a classification training session conducted by the Bureau of Local Assessment, or
- has completed [Module 4](#), Property Tax Classification, of the online assessors training [Course 101](#), [Introduction to Assessment Administration](#) and passed the Module 4 Learning Assessment.

2.) Assessors: A majority of the board of assessors must be qualified to assess property per [830 Code of Massachusetts Regulations \(CMR\) 58.3.1](#). Individual board members must successfully complete [Assessors Course 101](#) within two years of their election or appointment. Otherwise, that member or those members will not be permitted to sign, save, or submit any Gateway form.

3.) Assessors: Confirm that the Department of Revenue has certified LA-4 values before the scheduled public hearing.

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

Sewer Rate Relief Fund - FY2022

The Division of Local Services has issued [Bulletin 2021-10](#) containing application instructions for Sewer Rate Relief in FY2022.

For FY2022, \$1.5 million has been appropriated. Applications must be returned by Friday, October 29, 2021 as noted in the Bulletin.

To review other recent DLS Bulletins and Informational Guideline Releases, please see this page (link) on the DLS website.

Once LA-4 values are approved, review the parameters calculated by Gateway (See Tax Rate Reports – Shifting the Tax Rate). Contact your [Bureau of Local Assessment field advisor](#) if any subsequent change is needed to LA-4 values.

A review of the Shifting the Tax Rate report is critical. Please use the “Options Table” in Gateway to assist with different scenarios and tax impacts for the classification hearing. FY2022 parameters may differ from those in FY2021 due to new January 1, 2021 values.

4.) Assessors: Before the public hearing, provide the selectboard or council/mayor with information regarding the policy decisions available under property tax classification and notice of any reassessment or valuation adjustment program. A website release of this information would also be helpful to the public who wish to attend the hearing.

5.) Selectboard/Town or City Council/Mayor: A public hearing conducted to allocate the local property tax among the four classes or real and of personal property must comply with Open Meeting Law requirements [G.L. c. 30A, ss 18-25](#) as well as any other applicable local provisions, by-laws, ordinances or rules. Although proper announcement of the hearing is required, a paid newspaper advertisement announcing the hearing is no longer required. Check with your city, town or district clerk in this regard.

6.) Assessors: At the public hearing, provide all current and historical information and data relevant to adopting a residential factor and any of the options, determining the percentages of local tax levy to be borne by each property class, the impact of local decisions, and the amount of excess levy capacity.

Click [here](#) for historical tax rates, tax levy, assessed values, and more for all municipalities on our website.

7.) Selectboard/Town or City Council/Mayor: If the assessors have not received the required certifications from the Commissioner by the time of the public hearing, although a hearing may be held, any vote to allocate the tax

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](#).

Attend OSD's Upcoming Buyer Kickoff Events in October

We hope you will join us! OSD's Buyer Kickoff events, held virtually, provide the opportunity to learn more about the contracts and how to use them. Plus, you'll also hear from the awarded vendors.

GRO39 Buyer Kickoff Event (Drinking Water-General and Emergency Services)
Thursday, October 14, 1:00 – 2:30

[Click here for the event link.](#)

levy or to adopt any other options must be deferred to a later meeting until after the certification(s) has/have been granted.

If the meeting cannot be held for other reasons, contact town or district counsel or the city solicitor for guidance.

8.) Selectboard/Town or City Council/Mayor: If the assessors have received the required certifications from the Commissioner by the time of the public hearing, and all applicable Open Meeting Law and local requirements have been met, a vote may take place at the hearing on allocating the tax levy or adopting any other options under property tax classification.

If a vote will take place at a future meeting, it is recommended that at the close of the hearing, the chair of the board or council so advise all attendees and in addition inform them where notices of the date, time, place and agenda for later meetings may be found. Such later meeting on the subject must still comply with the Open Meeting Law, and any other applicable local provisions, by-laws, ordinances, or rules.

9.) Selectboard/Town or City Council/Mayor: After the public hearing has been held, the selectboard or council must decide on a residential factor. They may also decide whether to adopt certain other classification options.

A.) Residential Factor (required): The selectboard or council, with approval of the mayor must adopt the percentage of the tax levy to be paid by residential property owners and cannot be voted less than the minimum calculated by the Commissioner. Although the factor may lead to an intended tax rate or property tax burden percentage shift, a factor must be voted. Note that in a city, if the mayor vetoes the city council's factor, the city council may override the veto with a vote equal to two-thirds of the members elected.

- A factor less than "1" to as low as the minimum lowers the proportional share of the total tax levy

ITS77 Buyer Kickoff Event (IT Staff Augmentation)
Friday, October 22, 10:00 – Noon

[Click here for the event link.](#)

Contact Susan Aalpoel with questions at
susan.aalpoel@mass.gov.

**Recent Weather Events:
Procedures to Request
Permission to Make
Payments for Liabilities
Incurred in Excess of
Appropriation in the Event of
Certain Emergencies Under
G.L. c. 44 § 31**

Due to recent weather events, the Division of Local Services (DLS) Bureau of Accounts (BOA) is reminding communities that there is a new Gateway form for requesting emergency spending permission. Bulletin (BUL) 2021-8 outlines the new procedure to request emergency spending permission under G.L. c. 44 § 31 in the DLS Gateway system.

[BUL-2021-8](#): Procedures to Request Permission to Make Payments for Liabilities Incurred in Excess of Appropriation in the Event of Certain Emergencies Under G.L. c. 44 § 31

residential property owners will pay.

- A factor of "1" results in the taxation of all property at the same rate.
- A factor greater than "1" increases the tax rates for residential and open space property and decreases the tax rates for commercial, industrial, and personal property.

B.) *Residential Exemption (option)*: The selectboard or mayor, with the approval of the city council, may adopt an exemption of not more than 35% of the average assessed value of all class one, residential parcels and apply the exemption to all eligible individual residential parcels which primarily includes the principal residence of the property taxpayer used as of January 1, 2021. The application of the residential exemption, in addition to any other exemptions allowable under [G.L. c. 59, § 5](#), may not reduce the taxable value of the property to less than 10% of its full and fair cash value, except through the application of the hardship exemption found in G.L. c. 59, § 5, Cl. 18. Approving this option alone will result in an increase to the tax rate for the residential class. For more about this exemption, see [this video from our YouTube page](#) and also August 1st, 2019's edition of *City & Town*, "[Living with the Residential Exemption.](#)"

C.) *Small Commercial Exemption (option)*: The selectboard or mayor, with the approval of the city council, may adopt an exemption of up to 10% applied to eligible individual class three, commercial, parcels. Eligibility includes parcels (1) occupied as of January 1, 2021 by a business with an average annual employment of no more than ten during calendar year 2020, and (2) have a valuation of less than one million dollars. [G.L. c. 59, § 5I](#). See [IGR No. 16-405, Small Commercial Exemption](#). Approving this option alone will result in an increase to the tax rates for the commercial and industrial classes.

D.) *Open Space Discount (option)*: The selectboard or mayor,

For additional information and guidance regarding emergency procedures, please visit our webpage [here](#). To access additional IGRs and Bulletins, please click [here](#).

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 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

with the approval of the city council, may adopt a discount of up to 25% applied to the class two, open space class. [G.L. c. 40, § 56](#). The residential class alone absorbs any discount applied to the open space class. Approving this option alone will result in a decrease to the tax rate for the Open Space class and an increase to the tax rate for the Residential class.

10.) Submission of Final Reports: Once the public hearing has been held and votes are deemed final, the assessors must submit in Gateway:

A.) Form LA-5, "Classification Tax Allocation," and supporting required documentation including the clerk's certification of vote, Gateway signature check-offs, Commissioner certified LA-4 values as well as percentages and options voted locally at the classification hearing. "Signing on behalf" is no longer accepted and ink signatures are no longer required.

B.) The Tax Rate Recap and supporting documentation including the LA-5 form. The Bureau of Accounts will approve the setting of a FY2022 tax rate when all applicable requirements have been met.

In order to establish realistic timetables for meeting all requirements and ensuring the timely setting of the tax rate, please refer to [Bulletin 2019-02, Recertification and Tax Rate Target Dates](#).

To learn more about the classification hearing and eligibility requirements for the property tax options for FY2022, see [IGR 2021-9](#). For more information on this process, please see our recently posted ["Mining DLS Tax Data for Classification Hearings" webinar](#).

Ask DLS: Community Preservation Act - Rail Trails

This month's *Ask DLS* features frequently asked questions concerning a recent amendment to [G.L. c. 44B, § 5](#) allowing communities to use Community Preservation Act (CPA) moneys for "rail trails." Please let us know if you have other

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 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

areas of interest or send a question to cityandtown@dor.state.ma.us. We would like to hear from you.

What is the amendment and how does it impact CPA allowable uses?

Found in Section 22 of [Chapter 24 of the Acts of 2021](#), this amendment, in essence, allows a community to use CPA money to build a rail trail over old, abandoned railroad tracks. It does this by permitting the acquisition of land held for railroad purposes for recreational use. Such an acquisition requires the recommendation of the community preservation committee, approval of the legislative body and a conservation restriction. Additionally, said land remains subject to any property interests, including restrictions or reversionary interests. The exact language of the amendment is:

“Subsection (b) of section 5 of chapter 44B of the General Laws, as so appearing, is hereby amended by adding the following paragraph:-

(4) The community preservation committee may recommend and the legislative body of a city or town may approve appropriations from the fund to acquire land, or real property interests therein, held for railroad purposes to be used by the city or town for recreational use as a rail trail as defined in section 35A of chapter 82. Notwithstanding subsection (a) of section 12, land, or real property interests therein, acquired pursuant to this paragraph shall remain subject to any property interest, including restrictions or reversionary interests, required to be held by the grantor or the United States pursuant to the federal National Trails System Act of 1968, as amended. Notwithstanding the definition of real property interest in section 2, land, or real property interests therein, acquired pursuant to this paragraph shall be considered a real property interest for purposes of this chapter, and a conservation restriction that meets the requirements of sections 31 to 33, inclusive, of chapter 184 shall be required.”

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 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](#).

Tax Agreements for Affordable Housing Developers & "Brownfields"

What is a "rail trail?"

The definition of rail trail can be found in [G.L. c. 82, § 35A](#). A rail trail "shall mean property converted from the former use as a railroad right-of-way to a use as a publicly-owned, improved and maintained corridor for bicycle, pedestrian and other non-motorized public transportation, recreation and associated purposes." Many times, such trails are used for walking or bike lanes that connect to other towns and transportation hubs. They are multipurpose public paths created from former railroad corridors.

Why was an amendment necessary to permit this spending purpose?

Prior to the amendment, such spending was not allowable because of two statutory impediments, described below. In sum, the CPA does not provide for acquisition of land the recreational use of which cannot be ensured because of the seller's reservation of a right to return the land to commercial use.

1. The CPA precludes acquisition of an interest in land consisting of "an estate at will or at sufferance and any estate for years having a term of less than 30 years. . . ." [G.L. c. 44B, § 2](#). Estates at will are characteristically "uncertain and defeasible." *Benedict v. Morse*, 51 Mass. 223, 229 (1845). "Estates at will may be determined by either party by three months' notice in writing for that purpose" [G.L. c. 186, § 12](#). (In this context, "determine" means "terminate." See *O'Reilly v. Frye*, 263 Mass. 318, 320 (1928).) Rail bed land owners would have the right to resume the commercial use of the property on the exact timetable specified at [G.L. c. 186, § 12](#) as such land, held for railroad purposes, is ordinarily subject to a reversionary interest in case the railroad is reactivated. Without specific statutory authority, as seen in the amendment, CPA funds cannot be used to purchase such an interest in land. See generally [G.L. c. 44B, § 12](#).

2. Real property interests purchased with CPA monies "shall be bound by a permanent deed restriction that meets the

IGR

The Division of Local Services (DLS) has issued and posted Informational Guideline Release (IGR) 2021-21 informing local officials about tax collection and tax abatement agreements with developers of affordable housing, including changes made by the Municipal Modernization Act in 2016. It also includes standards and procedures for tax agreements and accepting and implementing a local option law that permits tax agreements in connection with the cleanup of contaminated sites or "Brownfields."

IGR-2021-21 – [Tax Agreements for Affordable Housing Developers & "Brownfields"](#)

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

Senior Citizen and Veteran Property Tax Work-off Abatement Program IGR

The Division of Local Services has issued and posted Informational Guideline Release (IGR) 2021-20 informing local officials about

requirements of chapter 184, limiting the use of the interest to the purpose for which it was acquired." [G.L. c. 44B, § 12\(a\)](#). To comply with [G.L. c. 184, § 31](#), the mandated restriction would have to create "an [enforceable] right...in perpetuity...whether or not stated in the form of a restriction, easement, covenant, or condition, in any deed, will or other instrument executed by or on behalf of the owner of the land...appropriate to retaining land" in recreational use as defined by the CPA. Any resumption of a use of land for railroad purposes would seem to be incompatible with a deed restriction requiring perpetual recreational use as defined at [G.L. c. 44B, § 2](#). It did not appear possible to limit the land to recreational use within the meaning of the CPA and impose the mandated deed restriction. Without specific statutory authority, as seen in the amendment, property cannot be acquired under the CPA without the deed restriction called for at [G.L. c. 44B, §12\(a\)](#).

The amended statute addresses these impediments by adding the "notwithstanding" language seen above.

two local acceptance statutes that allow cities and towns to establish property tax work-off programs for senior citizens and veterans.

IGR-2021-20 – [SENIOR CITIZEN AND VETERAN PROPERTY TAX WORK-OFF ABATEMENT PROGRAMS](#)

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

Accelerating Clean Transportation for All

Please view the following announcement from the Massachusetts Clean Energy Center regarding funding opportunities for Accelerating Clean Transportation for All. Please [click here](#).

Procedures to Request Permission to Make Payments for Liabilities Incurred in Excess of Appropriation in the Event of Certain Emergencies Under G.L. c. 44 § 31

The Division of Local Services (DLS) Bureau of Accounts (BOA) has issued and posted Bulletin (BUL) 2021-8. This Bulletin outlines a new procedure to request

emergency spending
permission under G.L. c. 44 §
31 in the DLS Gateway system.

[BUL-2021-8](#): Procedures to
Request Permission to Make
Payments for Liabilities
Incurred in Excess of
Appropriation in the Event of
Certain Emergencies Under
G.L. c. 44 § 31

Assessment IGRs

The Division of Local Services (DLS) has issued and posted Informational Guideline Releases (IGR) 2021-18 and 2021-19 informing local officials that assessors no longer are required to obtain prior written approval from the Commissioner of Revenue to assess taxes on commonland in cluster developments or planned unit developments to owners of individual lots in the development and about the requirements for local assessors to assess partially completed construction improvements in common areas of phased unit condominium developments.”

IGR-2021-18: [ASSESSMENT OF CLUSTER DEVELOPMENT COMMONLAND](#)

IGR-2021-19: [ASSESSMENT OF](#)

[PRESENT INTERESTS IN
PARTIALLY-COMPLETED
CONDOMINIUM
CONSTRUCTION](#)

**Special Injury Leave
Indemnity Fund IGR**

The Division of Local Services (DLS) has issued and posted Informational Guideline Release (IGR) 2021-16 informing local officials about a local option provision allowing the establishment of a Special Injury Leave Indemnity Fund for the payment of injury leave compensation and medical bills of police officers and firefighters injured on duty.”

[IGR-2021-16: Special Injury
Leave Indemnity Fund](#)

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

[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 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](#)



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