



Commonwealth of Massachusetts

Division of Local Services

Supporting a Commonwealth of Communities

The Role of the Collector

Webinar presented by

David Guzman, BOA

Kasey Bik, FMRB

Q & A Moderator

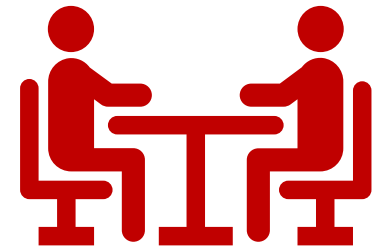
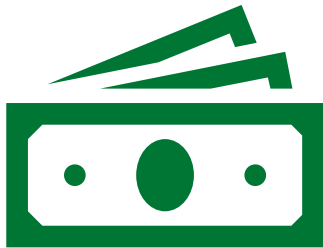
Deborah Wagner, BOA Bureau Chief



Collection of Taxes

- ❑ The **tax collector** possesses the authority to collect only real and personal property taxes, excises, betterments, and certain other charges added to and committed as taxes [\[MGL c.60, §1,2\]](#)

- ❑ A **city or town collector** has expanded authority to receive and collect all monies or accounts due a municipality. [\[MGL c.41, §38A\]](#)
 - Local acceptance statute that must be adopted by the municipality
 - Example: water & sewer user fees, trash collection fees, etc.





Responsibilities: Commitments & Tax Bills

- ☐ Responsible for sending a tax bill to each person assessed, resident or nonresident, upon receiving the tax commitment list and the warrant duly and properly signed by the assessors
 - ☐ Must furnish fidelity bonds for the collector and any appropriate staff with sureties payable to the city, town or district [\[MGL c.60, §13\]](#)
 - ☐ Establish procedures for daily collection, posting, and deposit of funds collected
 - ☐ Conducts a visual spot check of printed bills prior to mailing to ensure completeness and accuracy of information [\[MGL c.60, §3,3A\]](#)
 - ☐ Ensures compliance with bill form prescribed by the commissioner [\[MGL c.60, §105\]](#)
 - ☐ Submits an “Affidavit as to Time of Sending Tax Bills” as evidence of bill mail date and retains a copy with the commitment book [\[MGL c.60, § 3,3A\]](#)
-



Responsibilities: Collections & Reconciliations

- ❑ Maintains a manual or electronic tax commitment list showing the status of taxpayer accounts [\[MGL c.60, §6\]](#)
 - ❑ Pays over to the treasurer, at least once a week, all monies received along with a detailed report of all charges and fees collected [\[MGL c.60, §2\]](#)
 - ❑ Maintain a receivable control (cash book) that records outstanding taxes due at the start of each month, with downward adjustments for collections, abatements, and exemptions, and upward adjustments for refunds [\[MGL c.60, §7\]](#)
 - ❑ Reconciles each month the daily deposits and turnovers to the treasurer. Also, at least quarterly, outstanding balances with the accountant's/auditor's records.
 - ❑ Establish procedures for sending tax demands [\[MGL c.60, §16\]](#) , Initiating tax takings [\[MGL c.60, §53,54\]](#), reporting bounced checks to the Accountant/Auditor, generating Municipal Lien Certificates [\[MGL c.60, §23\]](#) , and processing refunds.
-



Responsibilities: Deputy Collector

- ❑ May appoint a deputy collector to act as an agent of the collector
[\[MGL c.60, §92\]](#)
 - Shall have the same power of collectors
 - Must obtain a performance bond no less than the minimum set by the commissioner
- ❑ Ensures the deputy turns over, at least once a week, all monies received along with an itemized report of all taxes and excises collected
- ❑ May issue demands and warrants to a deputy collector authorizing them to collect on delinquent taxes or excises [\[MGL c.60, §90\]](#)



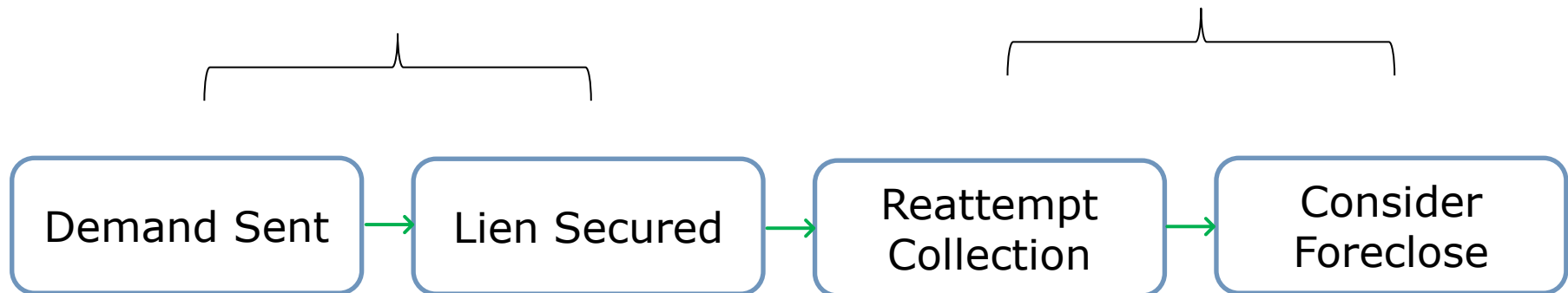


Responsibilities: Tax Title

- ❑ The process begins with the Collector sending demands requesting payment of unpaid taxes
- ❑ If taxes remain unpaid, the Collector secures municipal lien on a property for unpaid property taxes
- ❑ Responsibility then transfers to the Treasurer for maintenance and collection of tax title accounts
- ❑ Treasurer files foreclosure petition if payment is not made

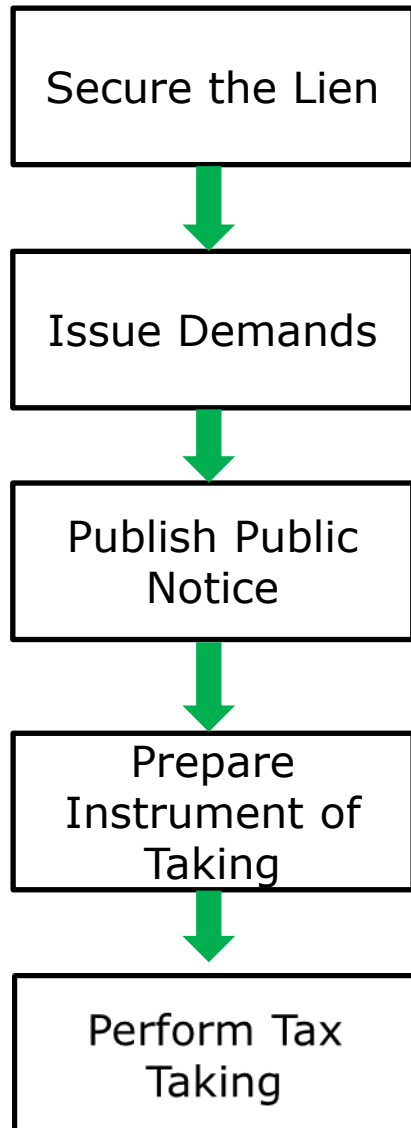
Collector

Treasurer

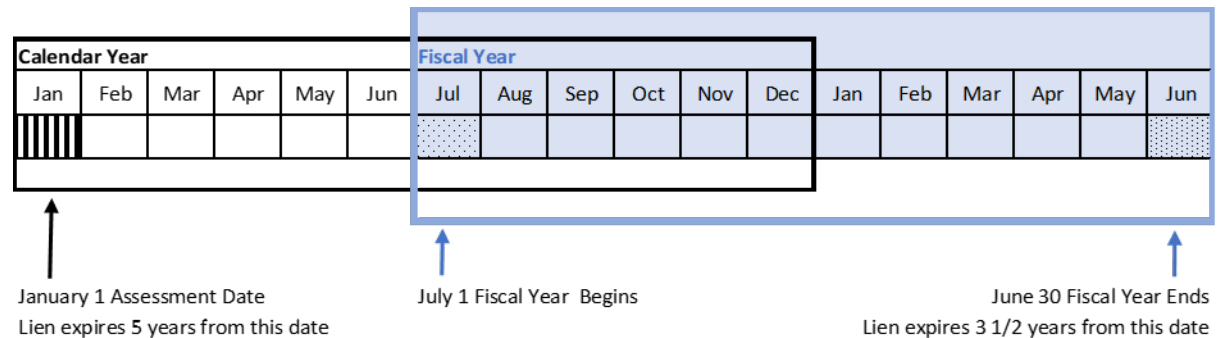




Responsibilities: Tax Title



- ❑ The automatic statutory lien continues for at least 3½ years from end of fiscal year of assessment (or five years after the lien date) but is unsecured until Instrument of Taking is recorded





Responsibilities: Tax Title

Policy Choices

- ☐ Aggressive vs. non-aggressive tax title process
- ☐ Payment agreements
 - Responsibility of the treasurer
 - Adoption of [MGL c.60, §62A](#) allows waiving of up to 50% accrued interest on tax title account

Best Practices

- ☐ Consistency
 - ☐ Securing the liens before any payment agreements
 - ☐ Defining policies on payment agreements and waiving of interest
 - Responsibility of treasurer, but collectors should be knowledgeable of policies and able to communicate them to taxpayers
-



The Collector and The Treasurer

Collector and Treasurer Role: Separate vs. Combined

- ☐ [MGL c.41,§1B](#) permits consolidation of position
- ☐ Policy choice for each municipality's needs and characteristics; Separation or combination of roles can change as community changes
- ☐ Factors: population, staffing, municipal services, structure of town/city hall departments/operations, etc.

Separate Collector and Treasurer

- ☐ Delineates responsibilities between the two roles
- ☐ Procedures and policies must have clear separation to ensure checks and balances

Combined Collector and Treasurer

- ☐ Can streamline procedures and ensure coordinated financial operation
 - ☐ Combines responsibilities; Expanded role requires more expertise
-



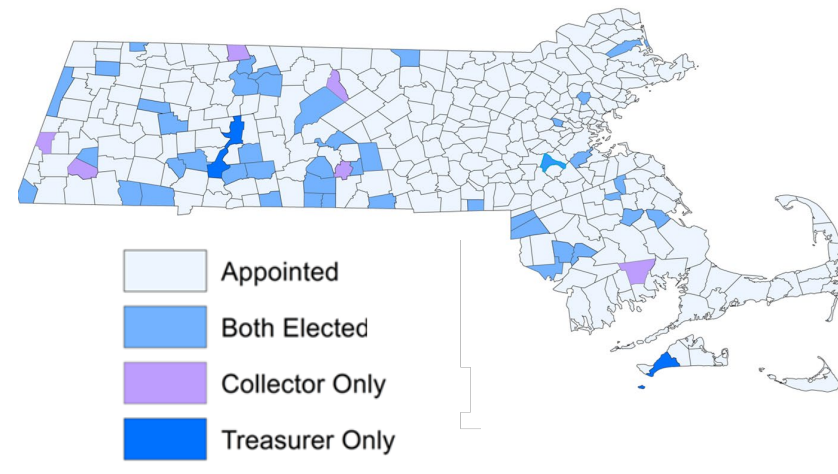
Trends

❑ **Converting to combined Collector/Treasurer**

❑ **Converting from elected to appointed**

❑ **Common factors**

- **Position vacancies or retirements**
- **Charter adoption or review**
- **Opportunities for dual conversion**





The Collector as Part of the Financial Management Team

❑ Supporting internal operations

- Regular reconciliations with treasury and accounting offices
- Coordinating tax and excise billing with assessing office
- Facilitating customer communication between offices
 - Ex: excise abatements

❑ Supporting team goals and objectives

- Revenue collection reports
- Outstanding receivables records
- Cash flow and bill collection timings





The Collector as Part of the Financial Management Team

☐ Collaboration

Be able to work closely with finance team members and other departmental staff and officials

☐ Coordination and Involvement

A financial management team coordinates the financial activities to meet community goals. The collector supports these efforts with regular reconciliations, pursuit of delinquent taxes, and reports about the municipality's outstanding receivables.

☐ Taxpayer Perspective

Collectors work with the public on a regular basis. Knowing your community and residents can support financial discussions.

Example: A resident comes worried that they will be late on their taxes and go into tax title. A collector can explain their timeline for moving delinquent real estate into tax title and help the resident know when the bill must be paid before their property is lien.



The Collector as Part of the Community

☐ **Consistency**

Be consistent with your policies and practices; Residents won't always be happy with your rules, but they should feel that the rules for them are the same for everyone else.

☐ **Trust**

Most often, you are the first line of customer service in city or town hall. Take ownership of your role and follow best financial practices, even if you are the unpopular opinion.

☐ **Financial Translator**

Municipal finances can be complicated. Strive to be a reliable and objective source of financial information. And not just you! Make sure your staff are knowledgeable and able to provide assistance to customers.

Example: A resident comes and wants to know why their November tax bill amount is different than their February tax bill.



Questions?
