



July 6th, 2023



In this edition:

- **Why Understanding New Growth is Important to Your Community's Fiscal Health**
- **Ask DLS: Elected to Appointed/Combining Roles**

Important Dates & Information

Annual End-of-Year Letters

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

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

FY2024 Telephone Company Central Valuations

Local boards of assessors will find the fiscal year 2024 telephone company central valuations pursuant to M.G.L. Chapter 59, Section 39 on the our [website](#) effective Thursday, June 15, 2023. Also included is a memorandum to assessors about the FY2024 valuation, the new growth figures, a list of company billing addresses, and the *Additional Landline Telephone Personality by FCC Code* for each of the centrally valued telephone companies by community.

Why Understanding New Growth is Important to Your Community's Fiscal Health

Paula King – Bureau of Local Assessment Field Advisor

The following article will explain what New Growth is, why it plays a critical role in the financial wellbeing of a municipality, and how you can utilize New Growth data for every community in Massachusetts. This information will help you understand where your growth is coming from and point to resources that will allow you to review trends from similar communities that can assist in predicting future growth.

[Proposition 2½](#) provides a city or town with annual increases in their levy limits of 2.5 percent and an additional amount based on the valuation of certain new construction and other allowable growth in the tax base that is not the result of property revaluation. This is commonly referred to as [New Growth](#). These annual increases are allowed so long as they do not result in a levy limit above the levy ceiling of 2.5 percent of full and fair cash valuation. If that occurs, the levy limit equals the levy ceiling. [General Laws Chapter 59, Sections 21C\(b\) and \(f\)](#). The Commissioner of Revenue is required to determine the annual levy limit for each city and town. For the Commissioner to do so, cities and towns must submit information documenting allowable tax base growth prior to setting the tax rate. The Commissioner cannot approve a tax rate for any city or town that does not submit a report on its allowable tax base growth for that fiscal year. [G.L. c. 59, § 21D](#). The purpose of this provision is to recognize that new development results in additional municipal

FY2024 Pipeline Company Central Valuations

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

New Informational Guidelines Releases (IGRs)

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

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

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

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

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

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

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

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

IGR 2023-6 informs local officials that 6.5% is the (1) maximum local option cost-of-living-adjustment (COLA) increase in Cl. 17 (surviving spouse/minor & elderly) exemption amount; (2) optional COLA applied to increased asset limit of Cl. 17s exemptions; (3) optional COLA applied to increase income & asset limits of Cl. 41s senior exemptions.

[IGR 2023-6: OPTIONAL COST OF](#)

costs; for instance, the construction of a new housing development may result in increased school enrollment, public safety costs, and so on.

What qualifies as New Growth?

Tax base growth under Proposition 2½ includes any parcel of real property or article of personal property that is:

- subject to taxation for the first time (e.g., new construction, new articles of personal property or previously exempt property)
- taxed as a separate parcel for the first time (e.g., subdivisions or condominium conversions)

What does not qualify as New Growth:

- The allowable value does not include any increases attributable to changes in the market value of properties in the community, nor is it reduced or offset by decreases in the community's total assessed valuation due to property changes occurring each year.
- The allowable value does not include the implementation of new valuation systems which is the conversion of a CAMA system which may lead to higher values. Also not included is the annual updating of the cost tables which may result in higher values.

To learn more about the fundamental components of New Growth, please see our [Municipal Finance Training and Resource page](#).

New Growth Data and Trend Analysis

DLS maintains New Growth data for all communities within the Commonwealth. The data can be viewed in customizable search reports. The [first report](#) generally displays statewide metrics while [the second report](#) provides information by municipality.

[LIVING ADJUSTMENT FOR FISCAL YEAR 2024 EXEMPTIONS](#)

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

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

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

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

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

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

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

Latest Issue of *Buy the Way* Now Available

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

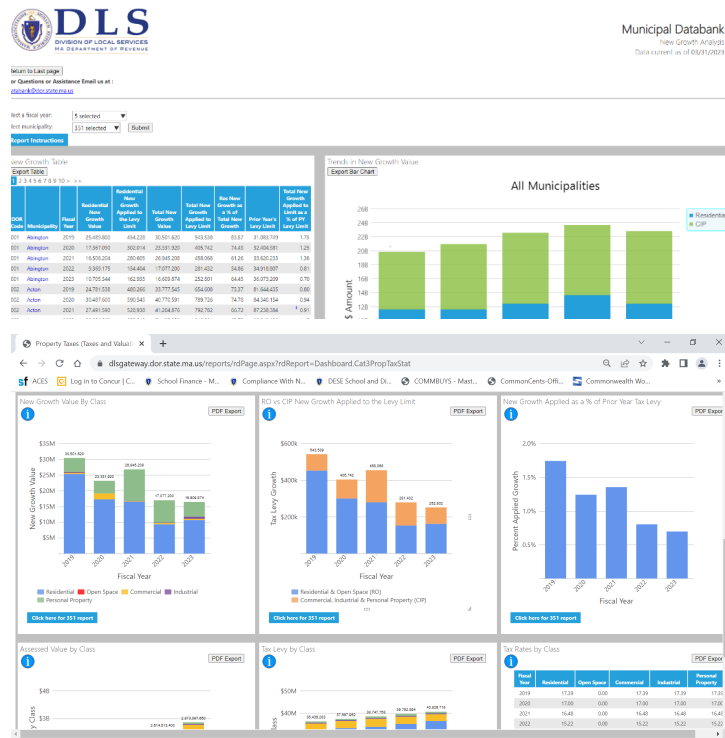
Farm Value Advisory Commission FY2024 Recommended Chapter Land Values

The Division of Local Services has posted the Farmland Valuation Advisory Commission adopted range of recommended agricultural, horticultural, and forest land use values for the various categories of land classified under *Chapter 61 and 61A* for Fiscal Year 2024.

Please see below for the land rates and related information:

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

Communities questioning the FY



These data points and metrics can be compared with like communities or across the entire range of the Commonwealth's 351 cities and towns. With all this valuable information literally available at your fingertips, you can research trends for assessing purposes or for financial planning.

[BLA's Assessment Data Dashboards](#) allow you to visualize your community's New Growth Numbers for the past five years several different ways. As shown below, you can go to page 12 of the BLA Local Assessment Dashboard to view the New Growth as it pertains to the Levy Limit as well as the distribution of assessed value in new growth between the Residential and Commercial, Industrial and Personal Property (CIP). You can customize your search, selecting a single community up to all 351 communities.

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

OSD Climate Action Survey: Meeting Your Electric Vehicle Needs

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

[Take the survey.](#)

BULLETIN 2023-1: Summary of 2022 Municipal Finance Law Changes

The DLS Municipal Finance Law Bureau has issued a new Bulletin. To keep local officials informed of legislative developments, DLS periodically publishes a Bulletin summarizing new laws that affect municipal budgets and local tax assessment, administration and collection. Each issue contains a cumulative summary of session laws enacted to that time and indicates whether the Division has issued any further implementation guidelines. This edition of the LEGISLATIVE BULLETIN includes any legislative changes affecting municipal finance found in Chapters 1 - 448 of the Acts of 2022.

BUL-2023-1 – Summary of 2022 Municipal Finance Law Changes

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

MBI Municipal Digital Equity Planning Program is Live

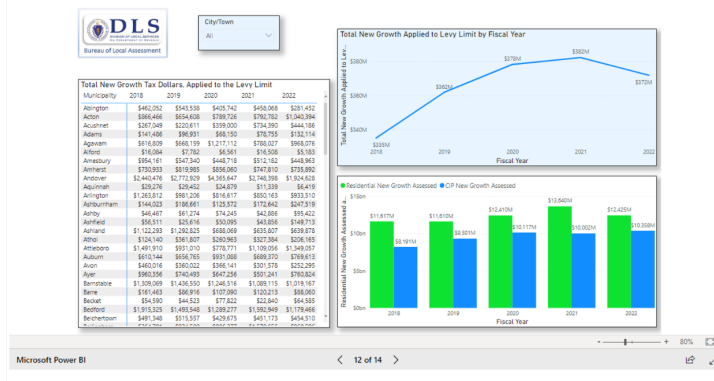
The Massachusetts Broadband Institute (MBI) is accepting applications for the [Municipal Digital Equity Planning Program!](#)

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,

BLA's Local Assessment Dashboard

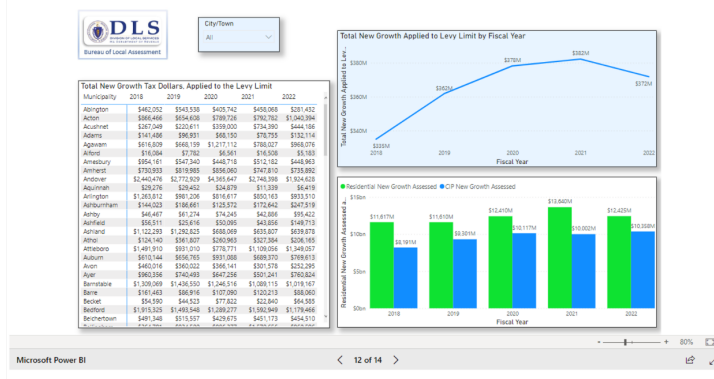


BLA's Local Assessment Dashboard



The 2023 Assessment History dashboard, as shown in the first screenshot below, enables you to view New Growth as it pertains to value from a county or municipality standpoint over a 5-year period. Page 8 of the same dashboard provides information specifically for FY23. Growth is a very important component of municipal finance in Massachusetts. With this information, public officials can view approved growth numbers from the current year and from the previous four years for their community and other peer communities. This growth visualization page also has total growth value and residential New Growth value by fiscal year.

BLA's Local Assessment Dashboard



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 Links:

[COVID-19 Resources and Guidance for Municipal Officials](#)

[Events & Training Calendar](#)

[Municipal Finance Training and Resource Center](#)

[Local Officials Directory](#)

[Municipal Databank](#)

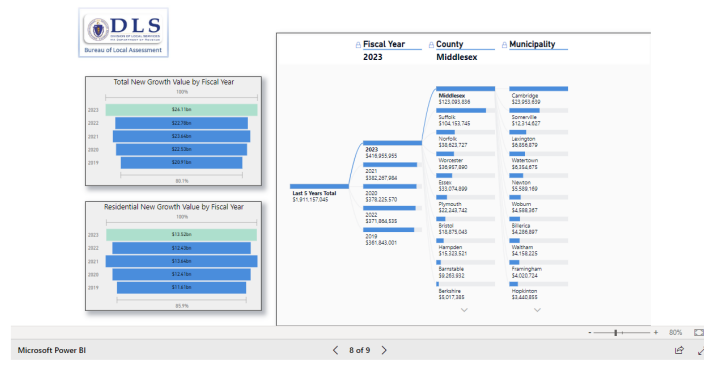
[Informational Guideline Releases \(IGRs\)](#)

[Bulletins](#)

[Tools and Financial Calculators](#)



2023 Assessment History



Accurately collecting New Growth ensures the tax burden is evenly and fairly distributed on all taxable real & personal property. With the New Growth number established, the municipality then knows exactly how much of the budget can be funded by property tax. To consistently capture as much new growth and maintain accurate data, the BLA requires that a periodic data inspection program provide for the inspection of each parcel at least once every ten years. It is highly recommended that this be an ongoing program to ensure current accurate data be used in the valuation process and to spread out the data collection cost. Assessors annually inspect building permits, conduct abatement inspection and verify sales information to collect growth, but these cyclical inspections often produce growth from unpermitted work or items missed from prior listings.

We hope you find our local assessment trend visualization tools, reports relating to property tax data, and our [DLS YouTube videos](#) useful in analyzing new growth for your community. These tools are not only informative, but a valuable resource when presenting critical information to all stakeholders including City Council and Select Board members, Finance Committees and taxpayers.

We welcome any suggestions for future local assessment projects. If you would like to provide any feedback, please email us at bladata@dor.state.ma.us.

Ask DLS: Elected to Appointed/Combining Roles



This month's *Ask DLS* features frequently asked questions concerning moving municipal officials from elected to appointed and combining roles. 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.

What are the benefits of moving local officials from elected to appointed?

As municipal positions grow in responsibility and required skillset, communities are turning to appointed positions to attract a wider pool of candidates with strong credentials and relevant professional experience. Converting an elected role also provides the opportunity to define job requirements and reporting structure, specifying clear expectations of the position and its relationship with management and other team members. The most common change is to the positions of treasurer and collector because these positions require extensive knowledge and are essential members of the community's financial management team.

How does a community go about changing an official from elected to appointed?

In 1997, the Legislature enacted [G.L. c. 41, § 1B](#), this is a local process whereby towns can convert officers or boards elected pursuant to [G.L. c. 41, § 1](#), with the exception of the selectboard and the school committee, to appointed officers, without the need for special legislation. Those affected by this legislation include town clerks, treasurers, tax collectors, assessors, assistant assessors, auditors, highway surveyors, road commissioners, sewer commissioners, tree wardens, constables, and board of health members.

The local process entails two steps. A majority of those present and voting at an annual or special town meeting must vote to make the desired change. Also, a majority of those voting at the annual election must also vote to make the change. If a town desires to convert more than one officer or board from elected to appointed,

both the town meeting and the annual election must vote on each position, separately. The statute sets out, specifically the language which must appear on the annual election ballot. For each position which the town seeks to convert, it must place the following question:

“Shall the town vote to have its elected (Title(s) of office or board) become an appointed (Title(s) of office or board) of the town? Yes ____ No ____”

If a town votes to make the change at a special town meeting, the legislation stipulates that it precede the annual election by at least 60 days. However, the statute imposes no timing requirement if the change is made at the annual meeting.

Upon a position being converted from elected to appointed, the incumbent shall continue to hold the office and be responsible to perform its duties until (a) the expiration of the term for which that individual was elected or (b) the appointment of another person to the office, whichever is later. If the incumbent vacates the position prior to this time, the selectmen shall appoint a replacement, pursuant to the relevant provisions of [G.L. c 41, § 11](#) or [§ 40](#). The board of selectmen shall make all appointments under [G.L. c. 41, § 1A](#), unless some other provision of law specifically provides.

Can municipalities combine positions?

Yes, and many have. A large majority of communities across the Commonwealth have combined treasurer and collector positions. There are two main reasons for combining these positions. The first being the same cash management functions are performed in both areas. In each department, staff must collect, count, record, deposit, and reconcile large volumes of various receipts. It makes organizational sense to handle all receipt processing in one central place, where it is easier to ensure that all appropriate internal controls are being properly and consistently applied in this high-risk area for potential errors or fraud. The second is the advantage of the combined office is the efficiency gained in addressing delinquent property taxes.

How does a community go about combining the treasurer and collector positions?

Any town that has an elected treasurer and collector can convert to a single combined and appointed position through a majority vote of town meeting and acceptance by voters at the annual election. [G.L. c. 41, § 1b](#). If either position is already appointed in a city or town, the appropriate mechanism is a special act or a new provision in the city/town charter. If a community adopts an ordinance or bylaw to create a consolidated department of municipal finance, [G.L. c. 43C, § 11](#), it can choose to combine the collector and treasurer offices then or revise the bylaw at a future date if a merger is subsequently desired.

Can a municipality have a combined finance department?

Yes, pursuant to [G.L. c. 43C, § 11](#). This statute specifically authorizes the legislative body of a city or town to enact an ordinance or by-law establishing a consolidated department of municipal finance. Such a consolidated department, the statute says, may include the accountant, auditor, treasurer, collector and assessors. At the same time, the statute places a restriction upon the merging of responsibilities within a combined department, declaring that its supervisor "cannot serve as both accountant, auditor or comptroller and treasurer, collector or treasurer-collector." Furthermore, [G.L. c. 41, § 24](#) also places a restriction upon the merging of municipal responsibilities. It says, "In no city or town, including Boston, shall an assessor hold the office of collector of taxes or deputy collector of taxes"

For more information related to evolving government structures, please see our recent [City & Town article on the subject](#).

Editor: Dan Bertrand

Editorial Board: Kasey Bik, Sean Cronin, Emily Izzo, Paula King, Lisa Krzywicki, Jennifer McAllister and Tony Rassias

Contact *City & Town* with questions, comments and feedback by emailing us at cityandtown@dor.state.ma.us. To view previous editions, please [click here](#).

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

This email was sent to <<Email Address>>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Massachusetts Department of Revenue - Division of Local Services · PO Box 7095 · Boston, MA 02204-7095 · USA