

Local Options Additional Information and Resources

Communities adopting any of these local options are required to submit a notification of acceptance to the Municipal Databank.

Billing Cycle, [Chapter 59, section 57C](#)- Communities have the option of issuing tax bills on a quarterly, semi-annual or preliminary semi-annual basis. Notification of acceptance form found [here](#).

Assessment on New Construction, Chapter 653, Section 40, Acts of 1989 allows communities that accept its provisions to assess new buildings, structures, or other physical improvements added to real property between January and June for the upcoming fiscal year. As a result, new construction or improvements built on a parcel during the first six months of the year will now be reflected in the assessed valuation of the parcel a fiscal year earlier.

This legislation reduces the delay that occurs between the construction and taxation of new buildings and other improvements to real estate. For additional information, please see [IGR 90-401](#). Notification of acceptance form found [here](#).

Hopkinton Supplemental Tax, [Chapter 59, section 2D](#) allows a community to make pro rata assessments on the value of improvements that are greater than 50% of the billed value when an occupancy permit is issued after January 1. This provision allows a community to issue a bill (back to the date of occupancy between January 1-June 30) for the current fiscal year on qualifying property improvements, resulting in additional general revenue. This provision is considered accepted by the community unless they formally rescind, notification of revocation can be found [here](#).

Residential Exemption, [Chapter 59, section 2C](#), allows a municipality to grant a residential exemption of a dollar amount that cannot exceed 20 percent of the average assessed value of all residential class property. The exemption reduces, by the adopted percentage, the taxable valuation of each residential parcel that is a taxpayer's principal residence. Granting the exemption raises the residential tax rate and shifts the residential tax burden from moderately valued homes, to apartments, summer homes and higher valued homes. The Division of Local Services Technical Assistance Section has developed a tool to assist communities considering adopting the residential exemption, this tool can be found [here](#).

Small Commercial Exemption, a property tax classification option where a community may exempt up to 10 percent of the value of a Class Three, Commercial parcel. The parcel must be occupied by small businesses of less than \$1 million. In effect, the option shifts the tax burden from parcels occupied by small businesses to those occupied by other commercial and industrial taxpayers. Eligible small businesses have an average annual employment of no more than ten persons. (See [IGR 00-403](#))

Personal Property Exemption, [Chapter 59, section 5, clause 54](#), the personal property exemption allows as city or town that accepts its provision to establish a minimum fair cash value required for personal

property accounts to be taxed. The amount can be modified by vote of the legislative body and the minimum value can't be lower than \$10,000. (See [Bulletin 2001-13B](#))

Brownfield Bill, [Chapter 59, section 59A](#), made a number of changes in the Commonwealth's environmental laws to help remove financial impediments to the clean-up and redevelopment of abandoned contaminated properties throughout the Commonwealth. The bill created certain protections for new owners and lenders in order to encourage them to redevelop these properties. Various financial incentives, including tax credits, loans and grants were provided to promote clean-up activities.

The bill includes a local option that allows communities to make agreements regarding the payment of outstanding real estate taxes, interest and penalties, including the abatement of those amounts needed to make a clean-up and redevelopment project economically feasible. (See [Bulletin May 1999 "Brownfields Tax Agreements"](#))

Chapter 61, 61A, and 61B Lands Taxed as Open Space, Forest, agricultural/horticultural, and recreational lands classified, valued and taxed according to *Chapter [61](#), [61A](#) & [61B](#)*. Land is valued at its current use rather than the full and fair cash value. The commercial property tax rate is applicable for land defined under these chapters, unless the community adopts a local option provision within each chapter to apply the open space rate.