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Gov's Budget Reforms and Ends Structural Deficit

Gov. Deval Patrick's proposed \$30.5 billion FY12 budget is a fiscally responsible document designed not only to be a balanced budget but also to remove structural deficits from this and future budgets. The budget proposes spending that is about \$570 million less than current FY11 spending.

The Governor's FY12 budget is built on revenues that are finally starting to grow as the economy improves. In her remarks to the MMA's Annual Meeting on Friday, January 21, DOR Commissioner Navjeet K. Bal recounted just how far revenues had fallen. In FY08, the state collected record revenues of \$20.888 billion. The original FY09 budget was built on an anticipated revenue collection of \$21.4 billion, but the actual collection was more than \$3 billion less, \$18.259 billion. The FY12 budget is built on a revenue estimate of \$20.5 billion, still less than was collected in FY08.

State expenditures have outstripped revenues ever since the economic collapse. Federal stimulus funds and draws on the state's rainy day fund reduced fiscal pressures on the FY10 and FY11 budgets. The proposed budget calls for a cut in unrestricted local aid of \$65 million, which reflects the lack of federal stimulus funds and only a \$200 million draw on the rainy day fund.

At the same time, in a separate bill, the Governor's healthcare related proposals to require all cities and towns to either join the GIC or institute a program of equivalent value and cost by July 1, 2011, combined with requiring eligible municipal retirees to be moved in to Medicare, if not already done, would save cities and towns an estimated \$120 million annually and encourage greater municipal control over healthcare related expenditures. (By itself, Medicare enrollment by the 60 percent of communities not currently enrolled would save \$15 to 30 million.)

In addition, the Governor has proposed increased state support for public schools through Chapter 70 funding; bringing his support to \$3.99 billion, or a \$139.3 million increase from the current FY11 budget, and the highest level of state funding in history. Additionally, he's proposed an \$80 million increase for the special education circuit breaker.

The budget would also boost Chapter 90 funding for local roads and bridges by \$45 million – bringing it to an all-time high of \$200 million. And, of great interest to those exploring regionalization, the budget would provide \$9.7 million to pay for a competitive regionalization and efficiency grant initiative.

The Governor's proposed FY12 budget would also remove the property tax exemption on telecommunications equipment and save cities and towns an estimated \$26 million; would establish a new municipal procurement program; and, for the long term, proposes an extensive new round of pension reforms estimated to save municipalities \$2 billion over 30 years in pension costs and \$1 billion in reduced retiree health benefits for new employees over the next 30 years.

A handwritten signature in black ink that reads 'Robert G. Nunes'.

Robert G. Nunes

[Deputy Commissioner & Director of Municipal Affairs](#)

Click [here](#) to read more ...

Updated Brochure on Exemptions for Charitable and Religious Organizations now available

Taxpayer's Guide to Local Property Tax Exemptions, Religious and Charitable Organizations; Clauses 3, 10, 11

[This fact sheet](#) is to provide general information to taxpayers about local property tax exemptions for religious and charitable organizations. It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws.

The Department of Revenue (DOR) has created this fact sheet, in conjunction with the Massachusetts Association of Assessing Officers (MAAO), to provide general information about local property tax exemptions for religious and charitable organizations. It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. **To find out about the specific eligibility and application requirements for your organization, you must contact your local board of assessors.** The DOR cannot advise you about your eligibility. Property taxes are assessed and collected by cities and towns, not by the DOR. Under state law, only your board of assessors, as the local tax administrator, can decide whether your organization qualifies for an exemption. If you disagree with its decision, you may appeal to the state Appellate Tax Board (or county commissioners if your county's government has not been abolished). You may also want to consult with your attorney.

INTRODUCTION

In Massachusetts, the property tax is assessed by cities and towns to fund local services. Municipalities operate on a fiscal year that begins on July 1 and ends the following June 30. Taxes are assessed as of the January 1 before the beginning of the fiscal year to the owner of record on that date. Taxes are a single liability payable in two or four installments during the fiscal year depending on the type of payment system the municipality uses.

If the link above does not work, please copy and paste the following in to your browser:

www.mass.gov/Ador/docs/dls/publ/brochures/charity.pdf

For more Forms & Brochures please click [here](#); for more Municipal Law Publications please click [here](#)

BLA Certification Preparation Workshops

Assessors please join [Bureau of Local Assessment \(BLA\)](#) appraisal advisors and Boston office representatives for our annual group meetings to prepare for the FY2012 certification review of local assessors' real and personal property proposed values. Assessors scheduled for FY2013 certification are also invited. During the month of March, four meetings are planned in locations across the state with an emphasis on preparing the fiscal year 2012 communities scheduled to have their real and personal property values certified by BLA this year. These meetings will provide information on what is expected from communities, note any certification issues and provide any needed clarification.

These workshops will give assessors the opportunity to hear instructions together and have the chance to ask questions that will be of benefit to all in attendance. It is our hope that this sharing of information will make the certification process more transparent and yield a greater understanding of the process.

[MAAO](#) has agreed to grant assessors Continuing Education credits for the Workshop. Register early with Manny Achin at 617-626-2331

Date	Time	City /Town	Location
March 11, 2011	10:00 a.m.	Boston, Saltonstall Building	100 Cambridge Street, 4 th floor Training Room
March 15, 2011	10:00 a.m.	Wareham, Town Hall	34 Marion Road, Auditorium
March 16, 2011	10:00 a.m.	Worcester, Main Public Library	3 Salem Square Worcester, Banx Room
March 23, 2011	10:00 a.m.	Springfield, DOR Office	436 Dwight Street Springfield, Room B42 (Basement)

Bulletin 2011-01B: Registration Now Open Course 101 Spring 2011

Course 101 Spring 2011 will be held as an early evening course in Natick from April 7th through May 12th. Classes will run from 4 PM to 7 PM and participants must attend a minimum of 5 out of the 6 evenings in order to qualify to take the exam at the end of the course. The basic assessor training course is mandatory for all newly elected or appointed assessors. If you are interested in attending this training, you must pre-register. The [registration form](#) is available on our website and must be submitted on or before March 18th. Please note that space is limited.

For more information regarding this training opportunity please contact Donna Quinn, Training Coordinator at 617-626-3838 or dlswebcontacts@dor.state.ma.us.

FY2012 Tax Bill Guidelines

The Division of Local Services has issued its property tax bill guidelines for Fiscal Year 2012. The guidelines reflect provisions in the 2010 Municipal Relief Act that allow collectors, subject to certain approvals or other requirements, to display personal exemptions on the actual tax bills, use e-billing to send tax bills and send municipal utility bills with the tax bills (consolidated billing). The guidelines have been posted to the DLS website. They are IGRs [11-201](#) Semi-annual Payment System; [11-202](#) Semi-annual Payment System – Optional Preliminary Bills; [11-203](#) Semi-annual Payment System – Annual Preliminary Bills and [11-204](#), Quarterly Payment System.

Complete February 2011 Edition

Municipal Calendar

February 15: Treasurer 2nd Quarter Reconciliation of Cash

February 28: Finance Committee Continue Budget Review and Develop Recommendations This date will vary depending on dates of town meeting.

March 1: DOR/MDM-TAB Notification of Cherry Sheet Estimates for the Following Year (pending action taken by the Legislature) The Cherry Sheet is an estimate of: 1) Receipts — local reimbursement and assistance programs as authorized by law and appropriated by the General Court; and 2) Assessments — state and county assessments and charges to local governments. All amounts listed on the Cherry Sheet are estimates. Actual receipts and charges are determined based on detailed formulas or guidelines for each program. Cherry Sheets are posted on the DLS website and updated at each juncture of the state budget process.

March 1: Personal Property Owner Submit Form of List This is a listing of all personal property filed by the owner with the Assessors each year for the purpose of determining taxes in the next fiscal year.

March 1: Non-Profit Organization Final Filing Date for 3-ABC Forms These must be filed on or before March 1 (this deadline may be extended by the Assessors). In no event may the extension granted be later than 30 days after the tax bill is mailed.

March 1: DOR/BLA Filing Deadline for Telecommunications Forms of List

March 31: State Treasurer Notification of Quarterly Local Aid Payment on or Before March 3

April 1: Taxpayer Deadline for Payment of Semi-Annual Bill Without Interest According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for receipt of the actual tax payment in communities using the annual preliminary tax billing system on a semi-annual basis, unless the bills were mailed after December 31. If mailed after December 31, payment is due May 1, or 30 days after the bills were mailed, whichever is later.

April 1: Collector Mail 2nd Half Semi-Annual Tax Bills In communities using a regular semi-annual payment system, the 2nd half actual tax bill, or the actual tax if an optional preliminary bill was issued, should be mailed by this date.

May 1: Taxpayer Deadline for Payment of Semi-Annual and 4th Quarterly Tax Bill Without Interest According to M.G.L. Ch. 59, Sec. 57, this is the deadline for receipt of the 2nd half actual tax payment, or the actual tax payment if an optional preliminary bill was issued. According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for the 4th Quarter tax payment.

May 1: Treasurer Deadline for Payment of 2nd Half of County Tax

May 1: Accountant/Treasurer Notification of Amount of Debt Due in Next Fiscal Year As required by M.G.L. Ch. 44, Sec. 28, the Accountant or Treasurer must notify the Assessors of all debt due in the next fiscal year because the municipality is required to pay its debts, appropriated or not. Since all debt service must be paid, any debt service not covered by appropriations is added to the "Other Local Expenditures" category, found on page 2 of the Tax Recapitulation Sheet. It is important that the Assessors have this information in order to avoid setting a tax rate lower than required and raising insufficient revenue to cover the municipality's expenditures.

May 15: Treasurer 3rd Quarterly Reconciliation of Cash

May 15: DOR/BLA Commissioner Determines and Certifies Telephone and Telegraph Company Valuations

Mark Your Calendar

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Please remember to update the online Local Officials Directory so that both municipal and state officials have accurate contact information.



City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

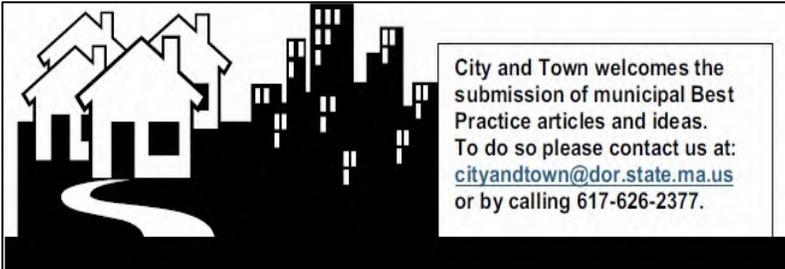
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- website: www.mass.gov/dls
- e-mail: cityandtown@dor.state.ma.us
- telephone: 617-626-2377
- mail: PO Box 9569, Boston, MA 02114-9569



City and Town welcomes the submission of municipal Best Practice articles and ideas. To do so please contact us at: cityandtown@dor.state.ma.us or by calling 617-626-2377.