



DLS
DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE



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An Update from the Lieutenant Governor

Lieutenant Governor Karyn Polito



Hello Municipal Leaders!

I hope this message finds your community well.

As you may know, the [Community Compact initiative](#) has taken off. More than 70 applications have been submitted and 12 compacts have been signed. The self-selected best practices from the communities include a wide range of municipal government responsibilities. Governor Baker and I could not be more pleased with the response from your communities and the willingness to raise the bar at the municipal level. I will continue to crisscross the state to visit you to discuss the program and will return when your compact is ready to sign.

At the state level, we continue to take strides toward working more

closely with and for municipalities and highlighting available resources from the state. An example of this is the creation of the Office of Municipal Partnerships and Governmental Affairs and the Office of Permit and Regulatory Ombudsman and Special Projects in the Department of Environmental Protection (MassDEP). These new offices at MassDEP will provide services tailored to each community's needs. Further, the establishment of the Assistant Secretary for Communities and Programs within the Executive Office of Housing and Economic Development, will help communities prepare for success by empowering local and municipal leaders and better connecting them to existing resources.

In addition to the excitement surrounding the Community Compact initiative, our administration announced the establishment of the Seaport Economic Council to guide the Commonwealth in a shared vision for a strong maritime economy that leverages coastal assets. The Seaport Economic Council will focus on the strengths of Massachusetts' coastal communities and the opportunity the maritime economic sector represents, with consideration given to the resilience and sustainability of coastal areas.

The Seaport Economic Council will challenge the 78 coastal communities of Massachusetts to leverage their unique geographic advantages in order to grow jobs and the economy, while preparing for the future to engage with the challenges posed by sea level rise and increasingly powerful coastal storms. I will chair the Council and Deputy Secretary of Housing and Economic Development and former Mayor of Gloucester Carolyn Kirk will serve as the Vice-Chair. I look forward to entering into this new phase of support for our coastal communities contributing to job and economic growth in the Commonwealth.

Lastly, a reminder that the MassWorks grant application opens on August 24th and closes on September 4th. [The MassWorks Infrastructure Program](#) provides a one-stop shop for municipalities seeking public infrastructure funding for projects that support economic development and job creation. This is a great opportunity for your community to obtain valuable funding for important projects.

Enjoy the rest of summer!

What is CWIP?

Brenda Cameron - Bureau of Local Assessment Deputy Director (retired)

Many assessing officials have heard the term "CWIP," construction work in progress, bandied about in dealing with centrally valued telephones and locally assessed gas and electric utilities since the March 13th, 2008 ruling of the Appellate Tax Board, In Re MCI Consolidated Central Valuation Appeals: Boston and Newton, Docket

No. C269462 and the In Re Verizon New England Inc., Consolidated Central Valuation Appeals: Boston and Newton, Docket C265966 ruling issued on October 1st, 2009. But what actually qualifies as CWIP?

CWIP is property that is owned by a utility but may not necessarily be in service as of the assessment date. This property may include poles, wires, underground conduits, pipes, fiber optics, and otherwise taxable machinery that is not in service, but installed or ready to be connected.

The 2009 Verizon ATB decision was upheld in 2012 by the Appeals Court when it determined CWIP was taxable to the extent it consisted of otherwise taxable property (poles, wires, conduits and pipes), even though it was not actually "in service," under M.G.L. c. 59 sec. 18(Fifth). Verizon New England, Inc., v. Board of Assessors of Boston, 81 Mass. App. Ct. 444, 455 (2012). It did not address the issue of machinery that qualifies as CWIP, as no such property was at issue in the case. However, the rationale of the decision would seem to apply to machinery not yet in service as a logical extension. Since there is no requirement that property be "in service" in order to be taxable, machinery not in service is taxable if it is capable of connection to a system to be placed in service. See Hamilton Manufacturing Co. v. Lowell, 274 Mass. 477, 484-487 (1931).

State Tax Form 2 must be filed with the assessing office on or before March 1st giving an itemized reporting of all taxable property within the taxing jurisdiction. Assessors need to ensure that all electric utility companies include CWIP on their State Tax Form 2 filings. Requests for this information should be made to all companies that have not included it on their forms of list, using MGL c. 59 sec. 38F to require a written return of information needed to determine the valuation of personal property.

CWIP is also eligible for tax levy new growth if it is being taxed for the first time within the community. The new growth calculation needs to be adjusted based on the value put into service the prior year to avoid double counting last year's CWIP as new growth in the current year.

Traditionally, electric utility companies have been valued using their net book value based on the premise that the market for this type of property is limited to other regulated utilities and have a restriction on their return of investment. However, where it can be demonstrated that there is a market of buyers willing to pay more than net book for this property, assessments may be based on a replacement or reproduction new less depreciation methodology.

BOA Announcements: Tax Rate Recap and Schedule A

Submission

Bureau of Accounts

Attention: Assessors, Auditors, Accountants, Mayors and Selectmen

The Division of Local Services has released the FY2016 Excel Tax Rate Recap, related forms, and instructions. They can be found by using the following link:

[Recap - Massachusetts Department of Revenue - Mass.Gov](#)

This year's cover letter includes several important topics to consider when completing the FY2016 tax rate recap form including snow and ice deficits, grant reimbursements, new growth and an updated field representative listing.

Recap forms are submitted via the Gateway system. BOA and BLA suggest that forms be completed, printed, signed and filed locally as well (for audit purposes). Forward to BOA or BLA only supporting documentation not entered into Gateway. Gateway can be found using the following link:

[Massachusetts Department of Revenue](#)

Attention: Auditors and Accountants

The Division of Local Services has released the FY2015 Excel Schedule A, related forms, and instructions. They can be found by using the following link:

[Schedule A](#)

If you have not received information indicating that your community's FY2014 Schedule A has been approved, fund balance information on the Excel program will not be available.

The Bureau of Accounts strongly encourages completion of the FY2015 Schedule A in Gateway. The form, however, may be uploaded using the instructions provided. The form is substantially the same as in FY2014 and is due November 30th, 2015.

Register Now for "What's New in Municipal Law"

The Division of Local Services Legal Staff will offer its annual seminar "What's New in Municipal Law" for local officials on Thursday, October

1st, 2015 at The Log Cabin Banquet & Meeting House in Holyoke and Thursday, October 8th, 2015 at The Lantana in Randolph.

The general session in the morning will review new legislation and recent court decisions pertaining to local government.

The afternoon session will consist of three concurrent workshops on the following topics: (1) assessing condominiums, including undeclared units built on the common area, and timeshares; collecting outstanding taxes and charges, particularly personal property taxes and other receivables for which no lien exists; (2) adopting and amending municipal operating and capital budgets, including appropriations and borrowings contingent on overrides and exclusions; and (3) negotiating and funding employment benefits payable after retirement.

Please click the following for the [agenda](#) and [registration form](#). Registrations must be received by Wednesday, September 23rd, 2015. Preregistration is required. The Massachusetts Association of Assessing Officers (MAAO) will grant four (4) hours of continuing education credits to assessors attending this program.

If you have any questions about these seminars, please contact DLS Training Coordinator Donna Quinn at 617-626-3838 or by email at dlsregistration@dor.state.ma.us.

Save the Date and Nominate Colleagues for an *Excellence in Technology Award*

MassIT

Mark your calendars for the Commonwealth's 21st annual *Digital Government Summit* - to be held in Boston on Monday and Tuesday, November 2nd and 3rd - and consider nominating a colleague or team for outstanding work in the area of government technology.

Each year, this event gives our community of public sector IT employees the opportunity to hear the latest on technology initiatives from Commonwealth leaders and industry experts and to network with colleagues from across the state.

Event information is available [here](#) and you can check out highlights of last year's Summit on Youtube by clicking [here](#).

In addition, the winners of the fifth annual *Excellence in Technology* awards will be recognized at the summit. For a glimpse of last year's winners, check out [this short Youtube video](#).

This year's award categories are intended to serve as inspiration and provide a framework, while giving you an opportunity to nominate the most deserving people and initiatives:

1. Executive Leadership - Technology Champion (For a *non-technologist* who has excelled at leveraging technology to meet business needs.)
2. Technology Leadership
3. Improving Government Services
4. Cross-Boundary Collaboration - this can be regional, across agencies, etc.
5. New this year: Nominator's Choice - the *uncategory*. (Your opportunity to nominate a worthy person/team/initiative that does not fit in one of the named categories.)

All municipal and state workers are eligible. Award decisions will be made by Commonwealth IT leaders. To submit a nomination, please email the following to Monique.Clarke@mass.gov by Tuesday, September 15th:

- For individuals: nominee's name, job title, and contact information.
- For teams: name of the team/initiative, plus name, job title, and contact information for key representative of the team.
- Compelling explanation (approximately a paragraph) of why he/she/they should win.
Whenever possible, include tangible outcomes.
- Your name, title, and contact information for follow-up.

We hope to see you in November!

Boards and Commissions: Responsibilities, Good Governance and What You Need to Know as a Member

Office of the Inspector General

The Inspector General's Massachusetts Certified Public Purchasing Official (MCPPO) program will be offering this new one-day seminar at One Ashburton Place, Room 1306 in Boston on Tuesday, November 17th, 2015, at 8:00 a.m. to 3:30 p.m. Board members have a fiduciary duty to actively oversee the officials who report to them and to ensure that the public monies they administer are spent appropriately. This course will cover segments relating to the fiduciary duties of board members, fraud prevention and detection, public records law, open meeting law, and ethics law, and it will end with a general discussion

period. Attend this class and walk away armed with the knowledge and background on what it takes to be an effective board or commission member for your municipality or agency.

For registration information, click [here](#). If you have any questions about the program, please contact Joyce McEntee Emmett, Director of MCPPO, or Natasha Bizanos, Senior Counsel/Chapter 30B Coordinator at (617) 727-9140.

OSD: Getting Green Clean with Statewide Contracts

Operational Services Division

Purchasing decisions can affect our environment, our health, and our communities. As part of a large purchasing and procurement group, Massachusetts public purchasers have the ability to impact spending practices. Over time, a growing interest in eco-friendly product choices by public purchasers has led to greater availability of Environmentally Preferable Products (EPP) on Massachusetts Statewide Contracts.

Since the inception of the Massachusetts Environmentally Preferable Products Procurement Program, EPP product and service purchases have soared from \$5M in Fiscal Year 2009 to more than \$400M in FY2014. Commonwealth public purchasers are increasingly making eco-friendly choices that range from furniture to environmentally preferable clothing to organic food - all on statewide contracts.

Responding to this growing demand for environmentally responsible purchasing choices and recognizing the evolution of standards from third-party certification programs, Julia Wolfe, Director of Environmental Purchasing for the Operational Services Division (OSD), and a 21-member Strategic Sourcing Team launched the [Environmentally Preferable Cleaning Products, Programs, Equipment and Supplies Statewide Contract \(FAC85\)](#) in March 2015.*

With 6,600 products and 15 vendors, the contract offers buyers an incredible array of options to implement a green cleaning program. The contract boasts 12 categories of products and services, which include cleaning equipment and supplies, janitorial paper products, and snowmelt products. All of the green chemicals included in FAC85 are required to be "Independently Third-Party Certified," ensuring that the environmental claims and product performance have been tested and certified by an established and legitimate, nationally-recognized, third-party certification program such as GreenSeal and Energy Star. Another component of the contract is that vendors were chosen for their ability to provide technical assistance in transitioning eligible entities to a green cleaning program, which includes an initial facility assessment, recommendations, and any initial training.

Meet the FAC85 Vendors

Are you interested in reducing the impact of your organization's purchases on the environment and public health? Do you want to learn how to save money for your organization by using the [Environmentally Preferable Cleaning Products, Programs, Equipment and Supplies Statewide Contract \(FAC85\)?](#) * If so, be sure to attend the Green Cleaning Networking Event hosted by OSD on September 25, 2015.

At this event, buyers may network with vendors and hear testimonials about green cleaning products and services. Additionally, buyers will have access to free resources on transitioning to a green cleaning program and get tips for purchasing from FAC85 in COMMBUYS (www.COMMBUYS.com). As a bonus, buyers also will have the opportunity to network with vendors from the [Environmentally Preferable Janitorial Services Statewide Contract \(FAC81\)](#).^{*} Designed for purchasing and procurement professionals, this event aims to connect the buyer and seller communities to allow for a better understanding on how to use statewide contracts to help protect the environment and preserve public health.

Friday, September 25, 2015

11:00 AM to 1:00 PM

Commonwealth of Massachusetts State Transportation Building

10 Park Plaza, 2nd Floor

Boston, MA

Visit www.FAC85.eventbrite.com to learn more and register now for the Green Cleaning Networking Event. For questions about the event, email osd-events@state.ma.us. For more information on the EPP program, visit <http://www.mass.gov/epp/>. To learn more about OSD, visit www.mass.gov/osd.

**FAC85 and FAC81 Contract User Guides can be found at Mass.Gov/OSD > Buy from a Statewide Contract > Contract User Guides*

August Municipal Calendar

August 1

Taxpayer

Quarterly Tax Bills - Deadline for Paying 1st Quarterly Tax Bill Without Interest

According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for

		<p>receipt of the 1st Quarter preliminary tax payment without interest, unless the preliminary bills were mailed after July 1. If mailed by August 1, the 1st Quarterly payment is due August 1, or 30 days after the bills were mailed, whichever is later, and the 2nd Quarterly payment is due November 1. If mailed after August 1, the preliminary tax is due as a single installment on November 1, or 30 days after the bills were mailed, whichever is later.</p>
August 1	Taxpayer	Annual Boat Excise Return Due
August 1	Accountant	<p>Notification of Total Receipts of Preceding Year</p> <p>The total actual local receipts (e.g., motor vehicle excise, fines, fees, water/sewer charges) of the previous fiscal year must be included on Schedule A of the Tax Rate Recapitulation Sheet (Recap) which is submitted by the Assessors to DOR. On the Recap, the Accountant certifies the previous fiscal year's actual revenues, and the Assessors use this information to project the next fiscal year's revenues. Any estimates of local receipts on the Recap that differ significantly from the previous year's actual receipts must be accompanied by documentation justifying the change in order to be approved by the Commissioner of Revenue.</p>
August 10	Assessors	<p>Deadline for Appealing EQVs to ATB (even numbered years only)</p>
August 10	Assessors	<p>Deadline for Appealing SOL Valuations to ATB (every fourth year after 2005)</p>

<p>August 15</p>	<p>Assessors</p>	<p>Deadline to Vote to Seek Approval for Authorization to Issue Optional Preliminary Tax Bills</p> <p>For semi-annual communities issuing optional preliminary property tax bills, the Assessors must vote to seek authorization to issue the bills from DOR by this date. After receiving approval, Assessors must submit a Pro-forma Tax Rate Recap Sheet to DOR for review and issue the tax bills by October 1.</p>
<p>August 31</p>	<p>DOR/BOA</p>	<p>Issue Instructions for Determining Local and District Tax Rates</p> <p>A copy of the Tax Rate Recap Sheet and its instructions are forwarded to the community.</p>
<p>August 31</p>	<p>Assessors</p>	<p>Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for semi-annual bills)</p> <p>Until the Tax Rate Recap Sheet is completed and certified by the Commissioner of Revenue, the community may not set a tax rate nor send out its property tax bills (unless it issues preliminary quarterly tax bills or requests from DOR the authority to send out preliminary tax notices if DOR requirements are met). Communities should begin gathering the information in enough time for the tax rate to be set and tax bills mailed by October 1. The Tax Rate Recap Sheet provides Mayors or Selectmen with a ready-made financial management tool because the town's most important financial management information is summarized on this form. The Mayor or Selectmen</p>

should review the Recap Sheet in preliminary form in order to understand the following financial information:

Page 1 (Tax Rate Summary) -

The proposed tax levy should be compared to the levy limit. If a community does not levy to its limit, the remaining levy is referred to as excess levy capacity. Excess levy capacity is lost to the community for the current fiscal year although it will always remain in the levy limit calculation.

Page 2 (Amount To Be

Raised) -This section includes appropriations and other local expenditures not appropriated. These include overlay deficits, revenue deficits, state and county charges, Cherry Sheet offset items, and the allowance for abatements and exemptions. By comparing this information to the prior year(s), any significant changes can be determined.

Page 2 (Estimated Receipts & Revenues From Other

Sources) -In particular, Section C shows the amount appropriated from free cash and other available funds. By comparing the amounts appropriated to the balances in these accounts (available from the Accountant/Auditor), the Mayor or Selectmen can get a sense of how their non-property tax revenues are being used.

Page 3, Schedule A (Local Receipts Not Allocated) -

By comparing these figures to prior year(s), the Mayor or Selectmen can determine any changes in these revenues.

		<p>Page 4, Schedule B (Certification of Appropriations and Source of Funding) -This section includes financial votes of City/Town Council or Town Meeting not previously reported on last year's recap.</p>
<p>Final Day of Each Month</p>	<p>State Treasurer</p>	<p>Notification of monthly local aid distribution.</p> <p>Click www.mass.gov/treasury/cash-management to view distribution breakdown.</p>
<p>To unsubscribe to <i>City & Town</i> and all other DLS Alerts, please click here.</p>		