

DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Supporting a Commonwealth of Communities

Massachusetts Municipal Association Connect 351

January 24, 2025

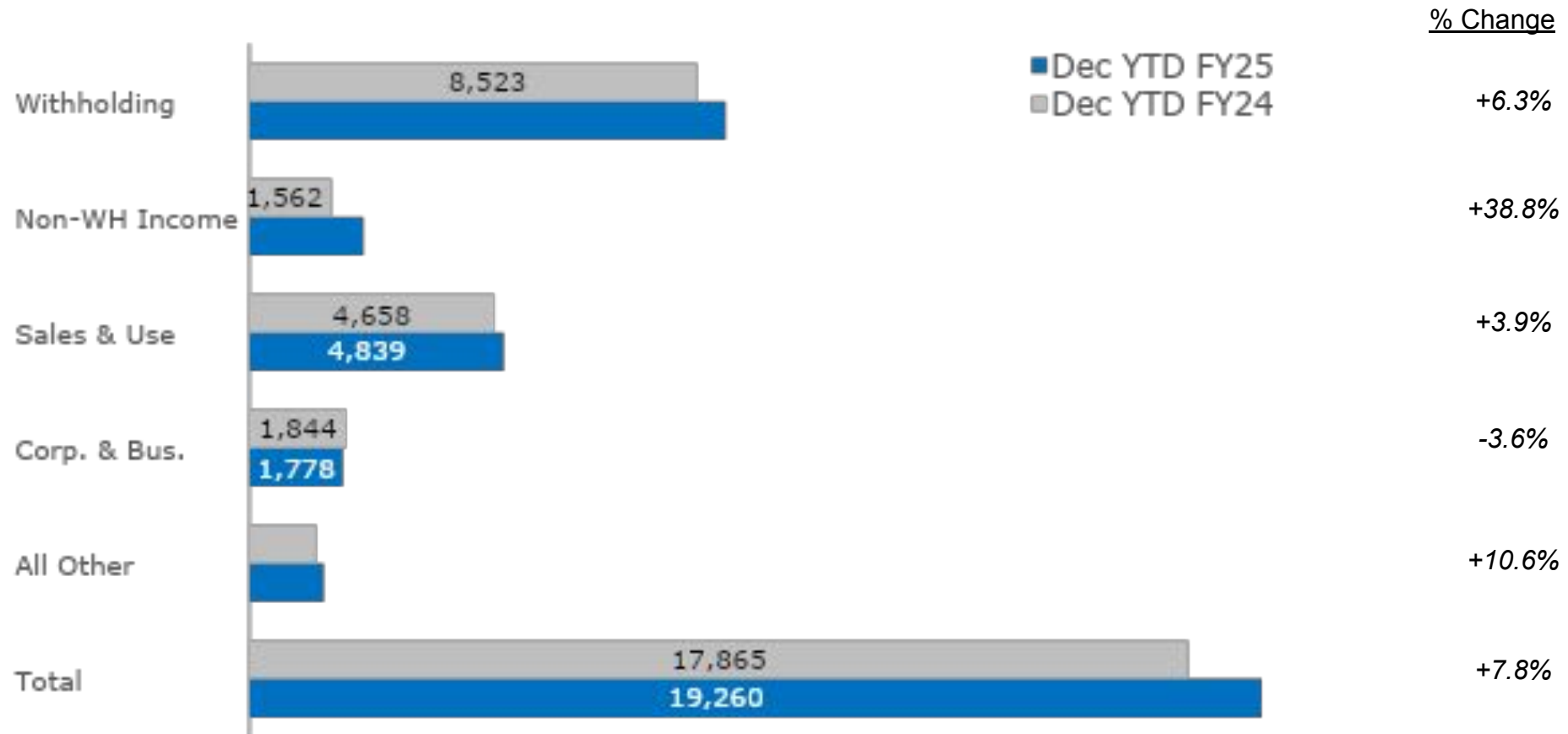


Commissioner Geoffrey Snyder



FY25 December Year to Date Revenue of \$19.260 Billion is \$1.394 billion or 7.8% More than the Prior Year

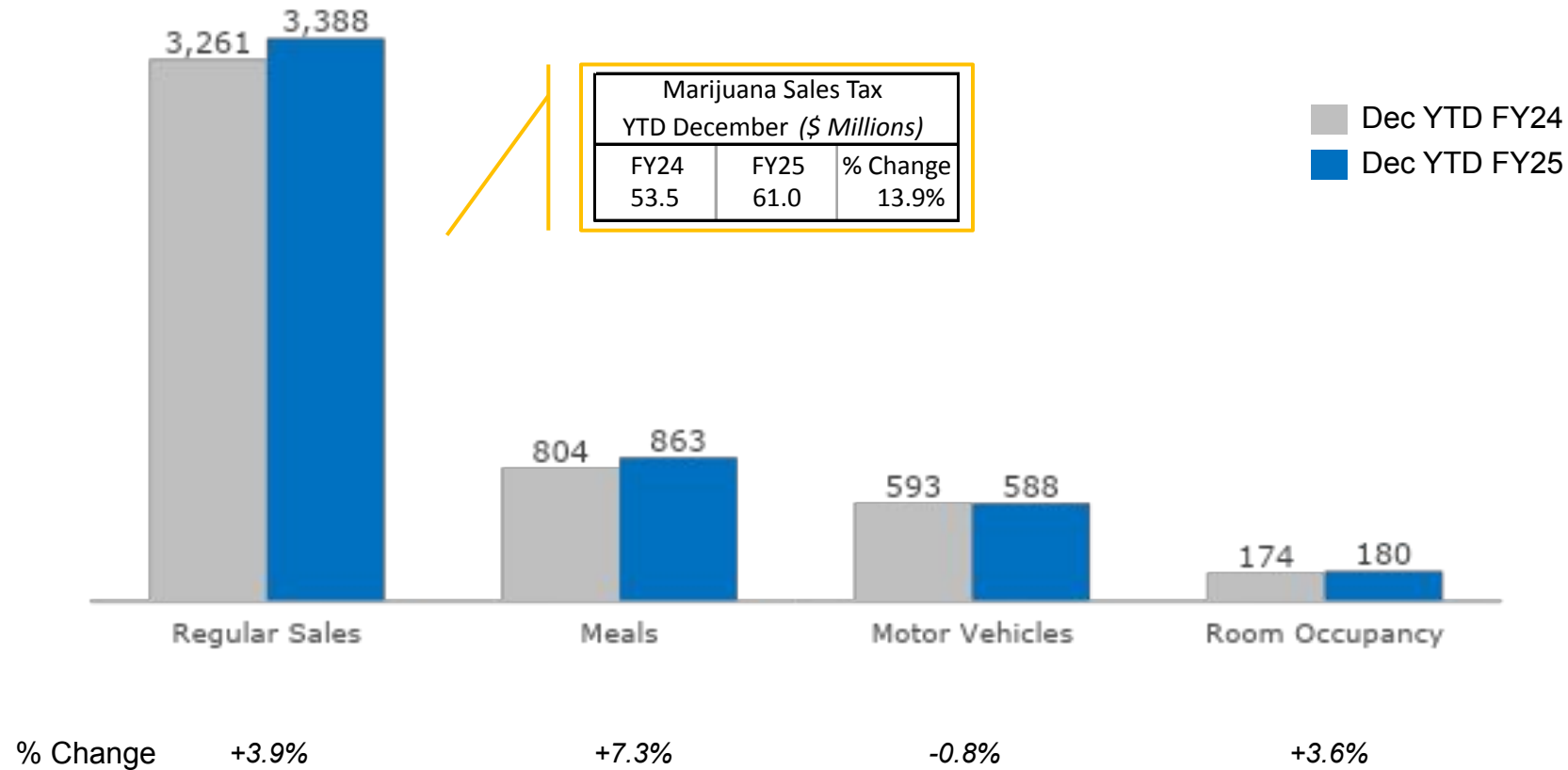
FY25 December Year-To-Date Revenue Collections by Tax Type (\$Millions)





A Closer Look at Select State Tax Types

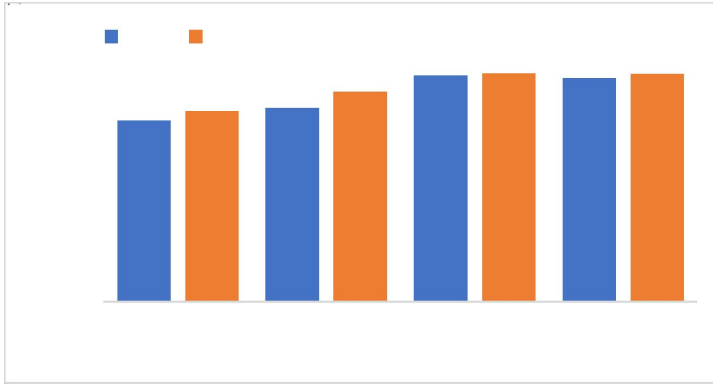
FY25 December YTD Regular Sales, Meals, Motor Vehicles, and Room Occupancy Tax
State Tax Revenue \$ Millions





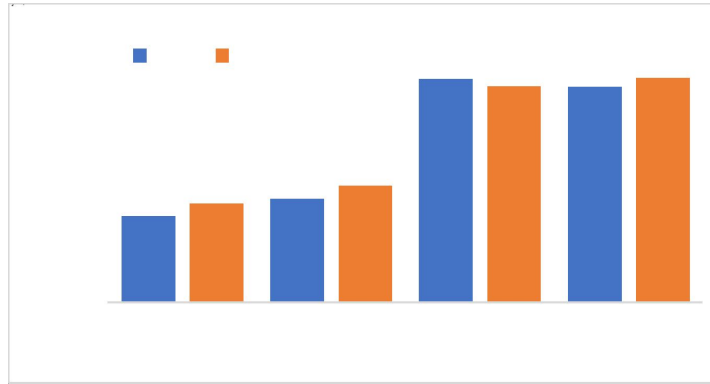
Local Option Distributions Mirror State Tax Collections

Meals



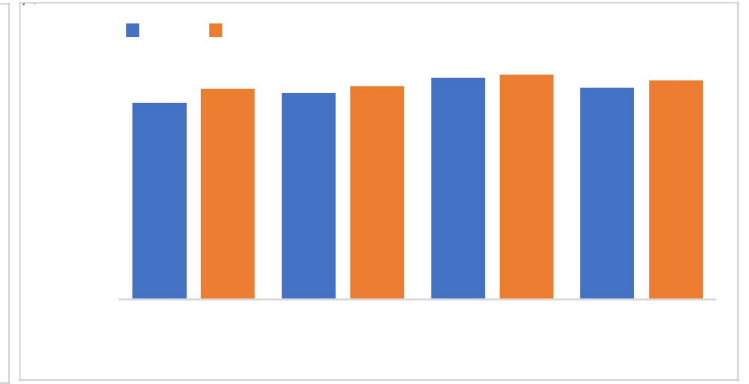
Full Year CY23: \$180M
Full Year CY24: \$188M
% Change: +3.9%

Room Occupancy



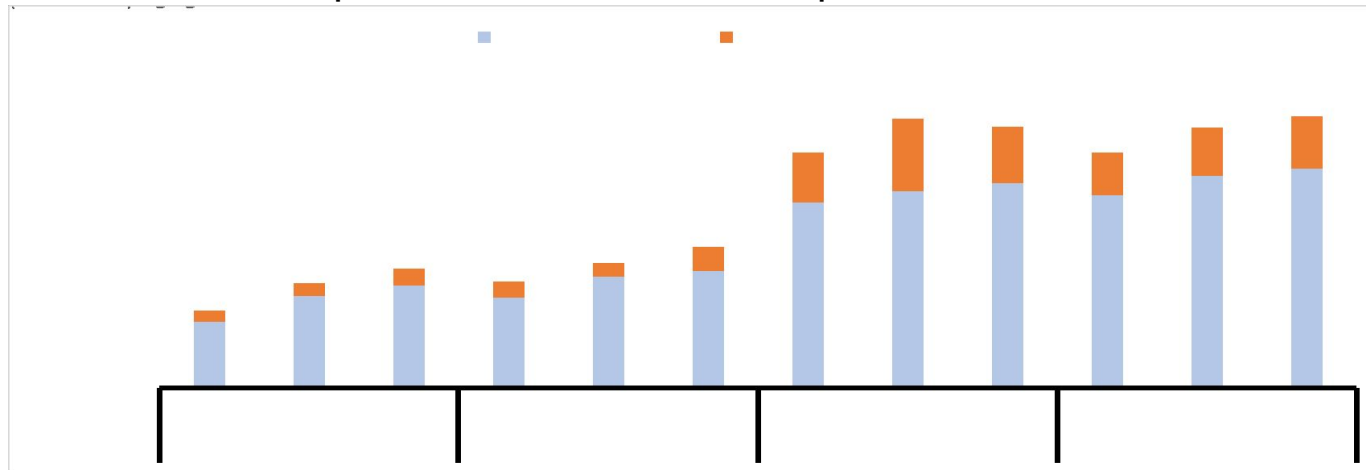
Full Year CY23: \$344M
Full Year CY24: \$360M
% Change: +4.5%

Marijuana



Full Year CY23: \$46M
Full Year CY24: \$48M
% Change: +3.8%

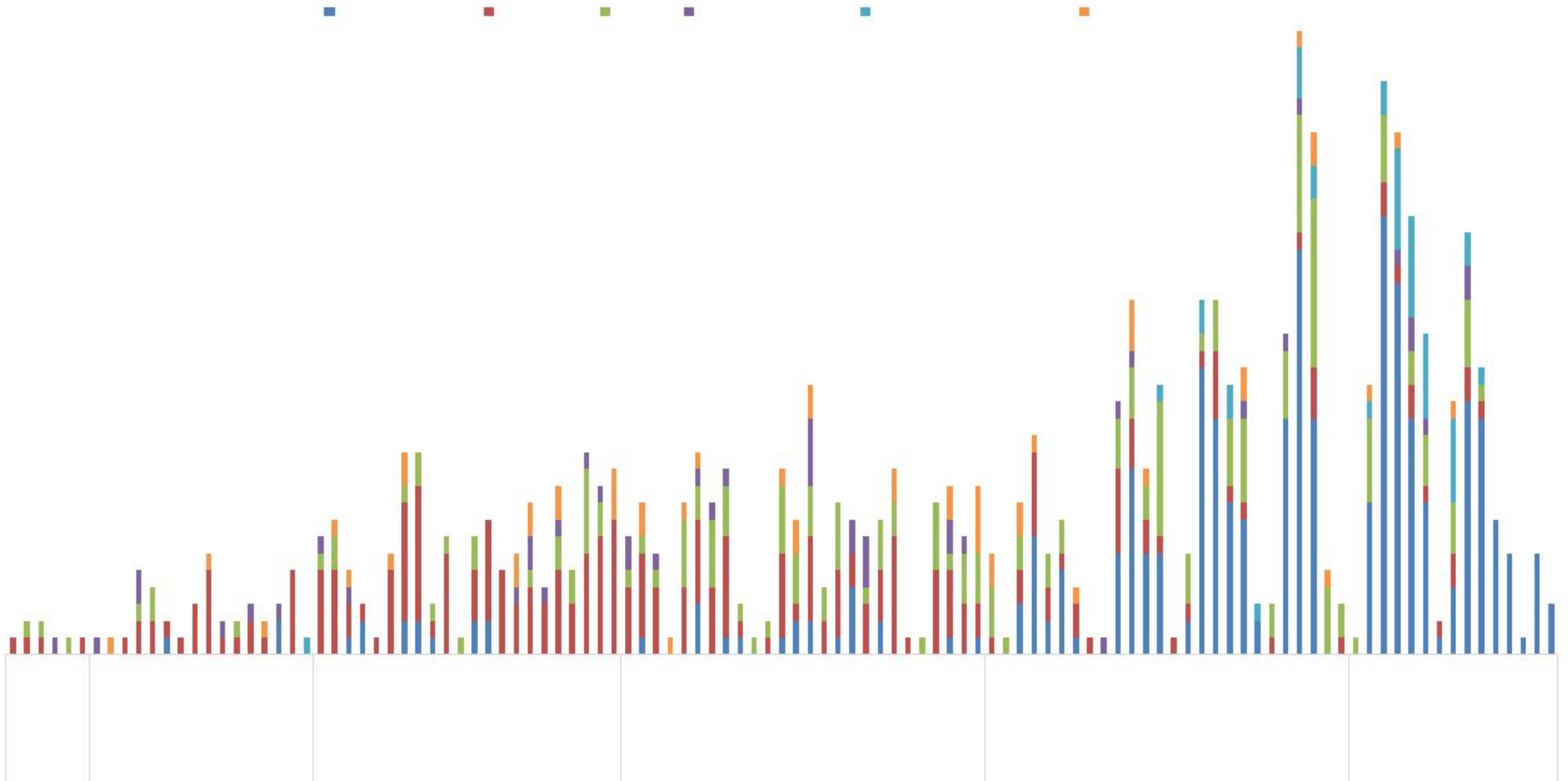
Components of Room Local Option Distributions





Senior Deputy Commissioner
Sean Cronin

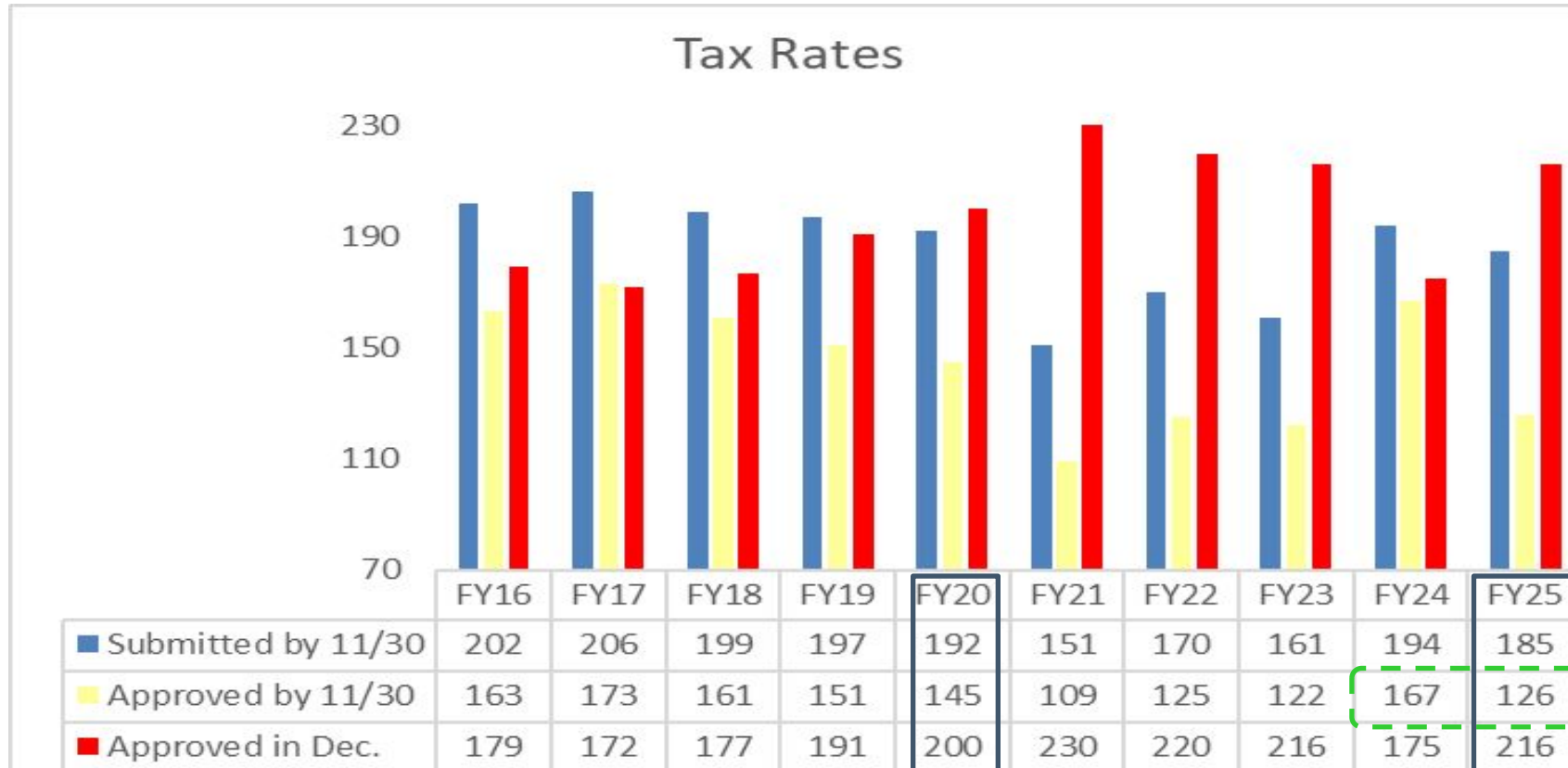
Submissions to DLS





How are We Doing? Tax Rates

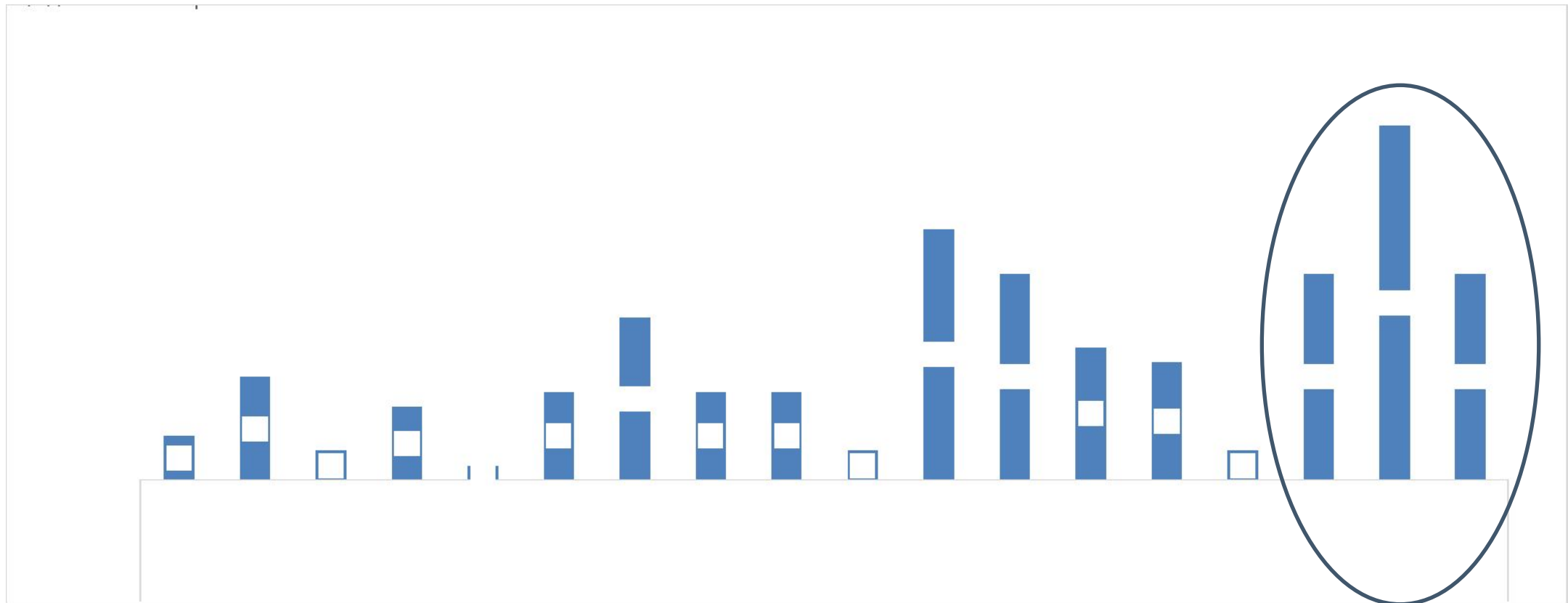
- By the end of November, we received 185 recaps, slight decline from last year and below pre-COVID levels
- All but 1 Recap submitted by Dec 31 was approved (343 in / 342 approved)



How are We Doing? Tax Rates



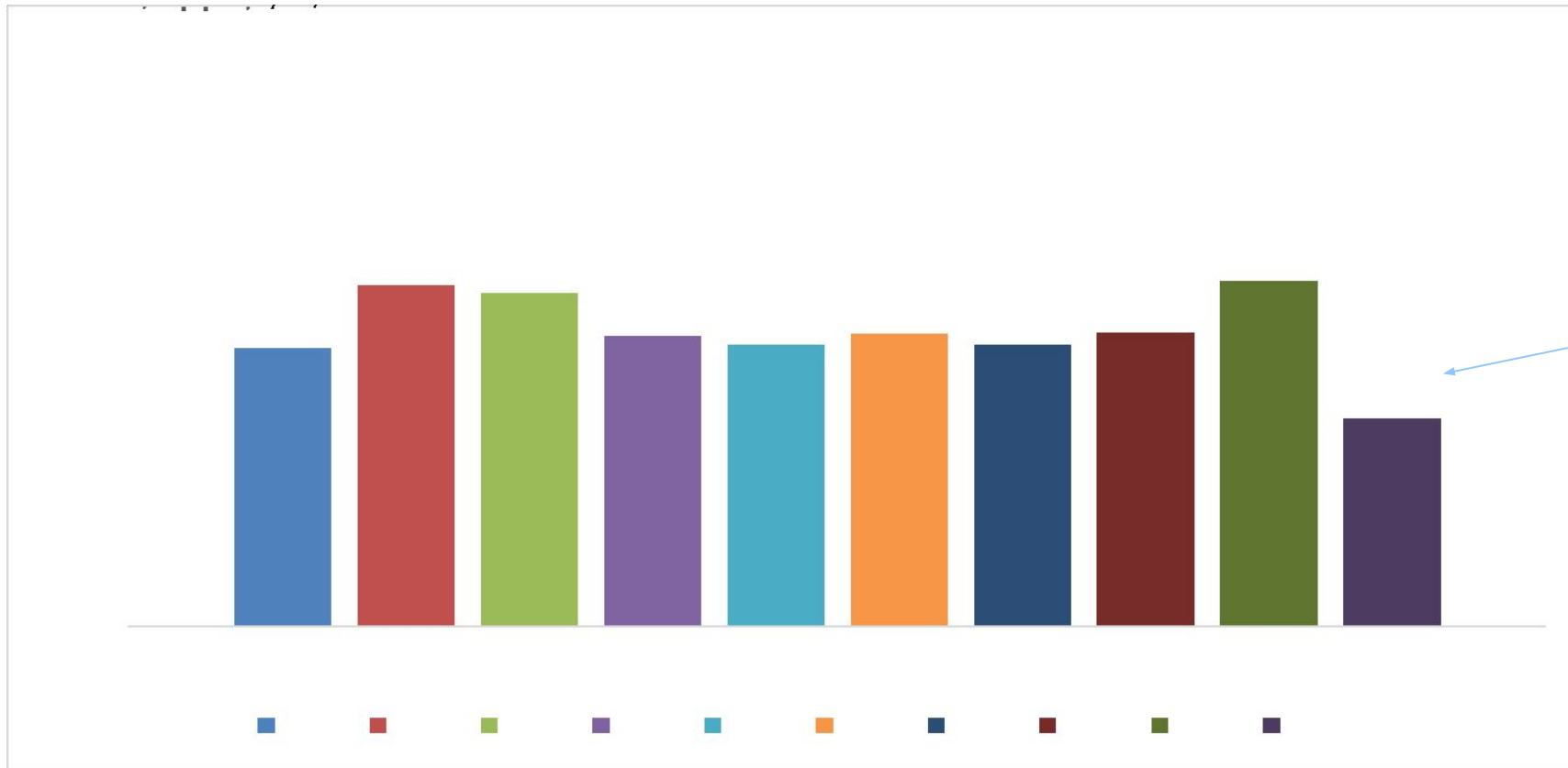
- 52 recaps came to DLS the week of Thanksgiving, which was very late this year
- Pushed the approval of the vast majority of those into December, thereby deflating the number of approved by the end of November





How are We Doing? Tax Rates

- Turnaround times:
 - % of tax rates approved within 5 working days decreased to 76%
 - The median approval time remained consistent at 3 days

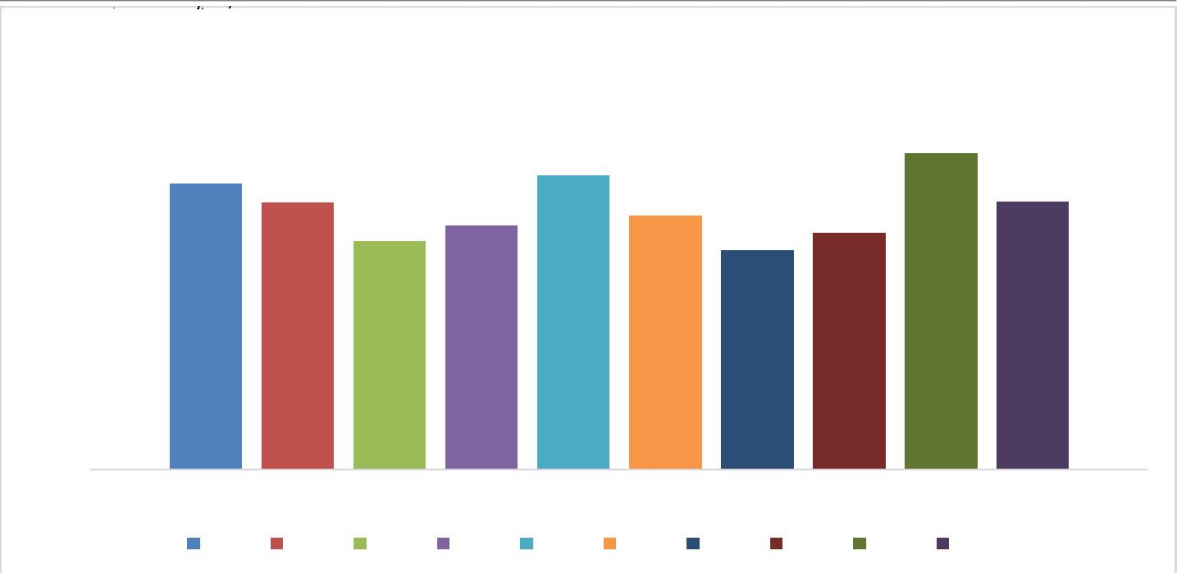
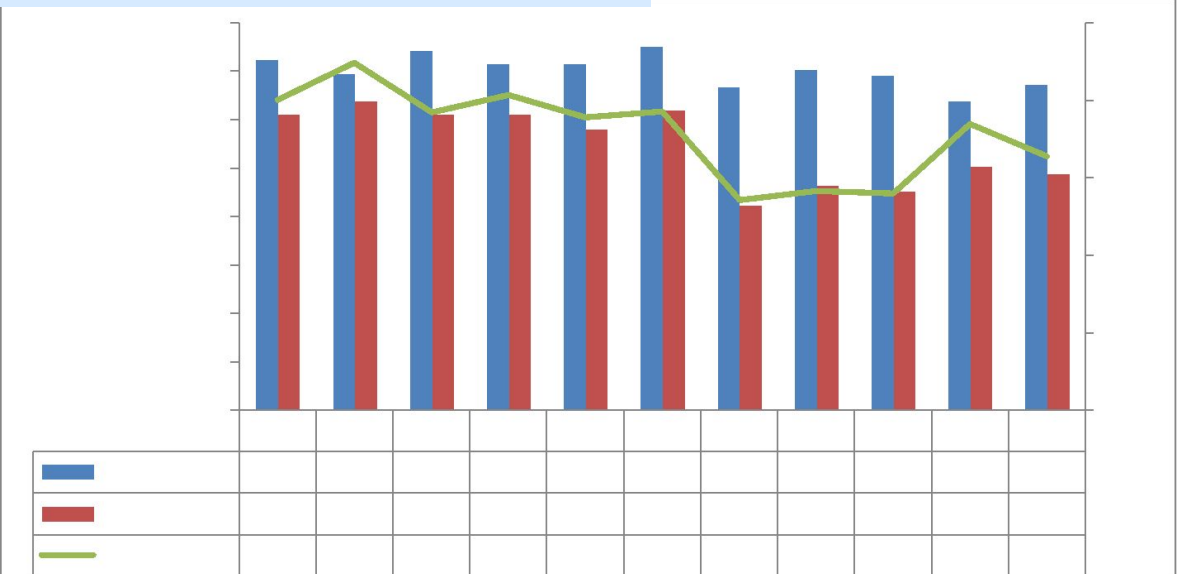


Most of the drop caused by 20 taking 1-2 days more, from ≤ 5 to 6 or 7



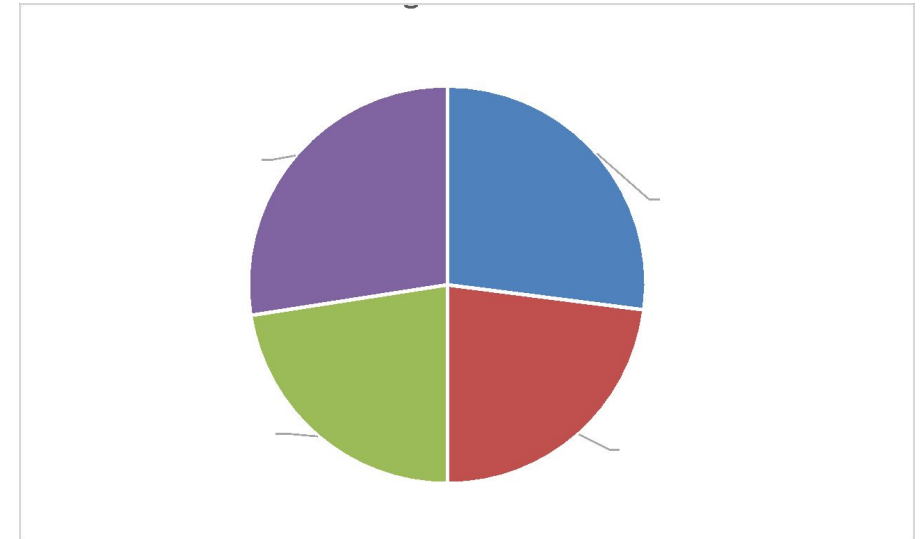
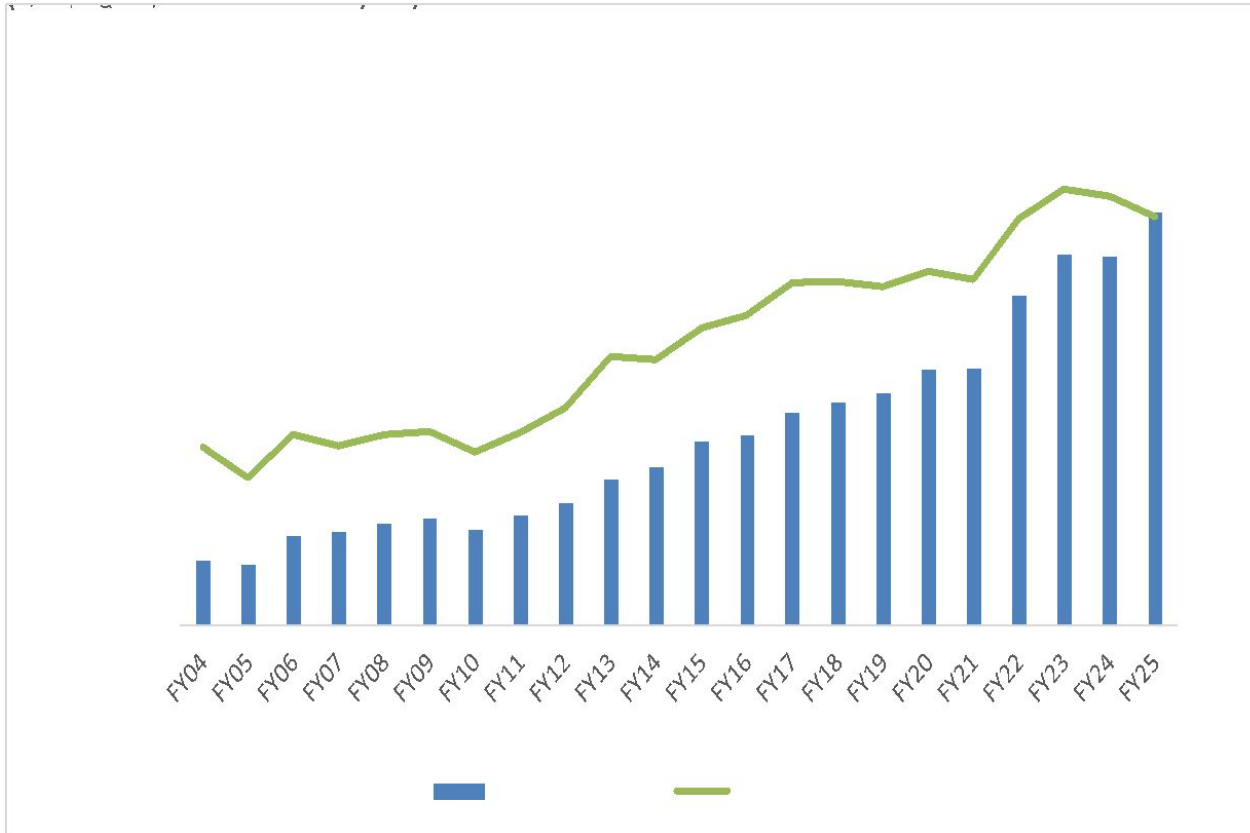
How are We Doing? Free Cash

- Submissions continue to be below pre-pandemic levels
- Decrease in the percentage of submitted Balance Sheets approved
 - Due, in part, to having prioritize Tax Rates
- Number of Free Cash certifications completed within 10 days decreased to 70%
 - Due, in part, to having prioritize Tax Rates
- Median increased from 6 days to 7 days



Statewide Data – Free Cash

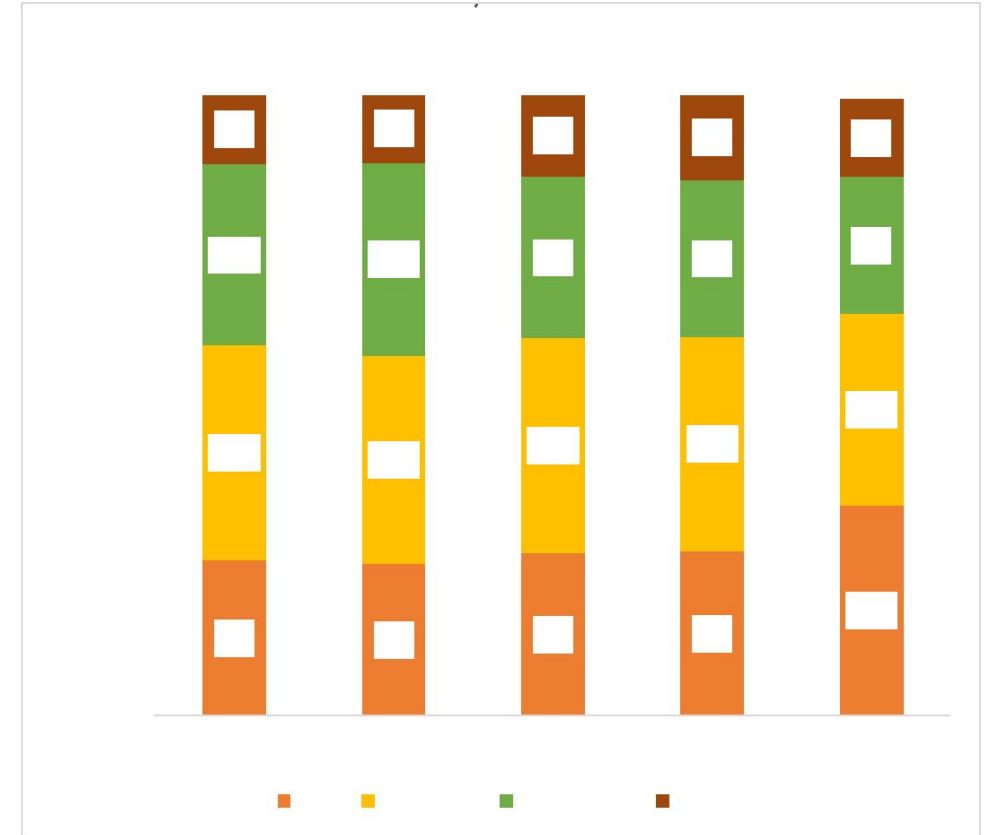
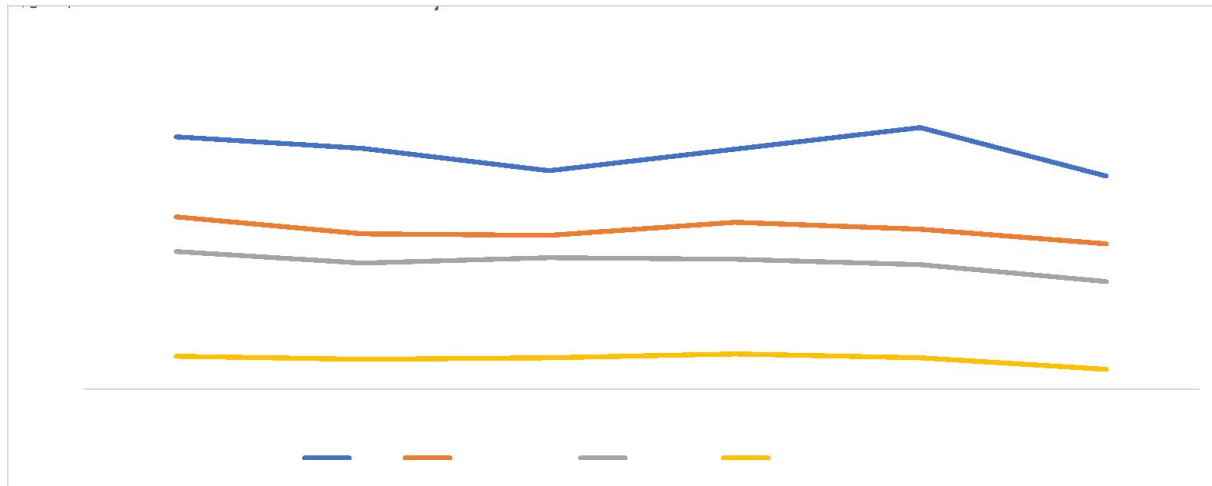
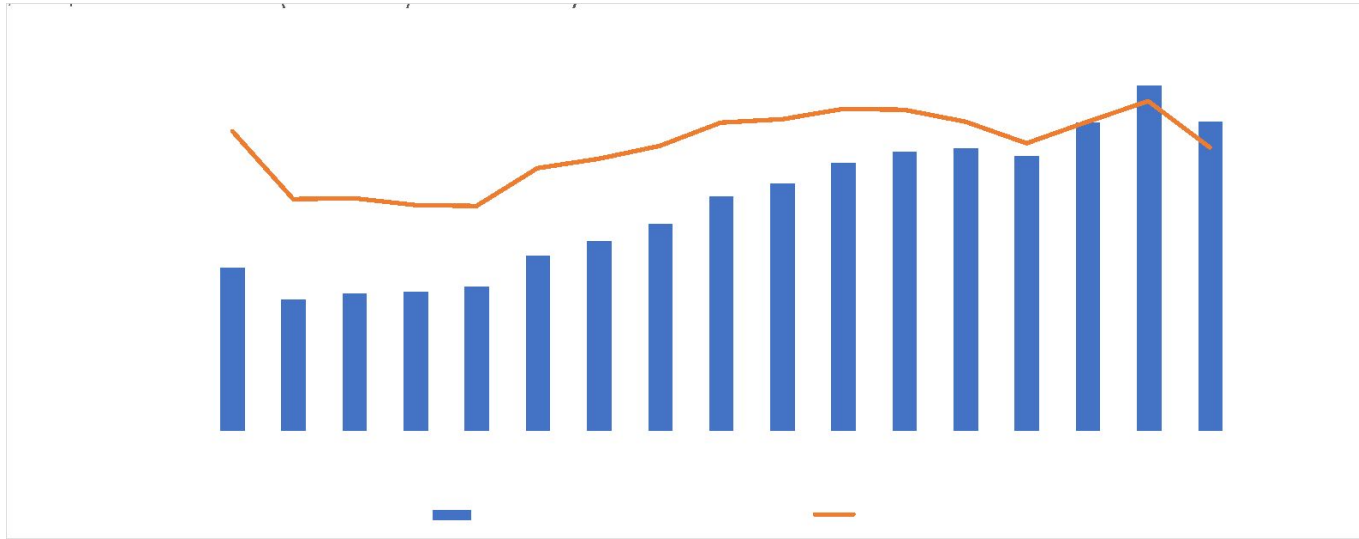
- Through 12/31/24, totaled \$1.6B for the 222 with Free Cash certified, an increase of \$174M (11.9%)





Statewide Data – New Growth (taxes)

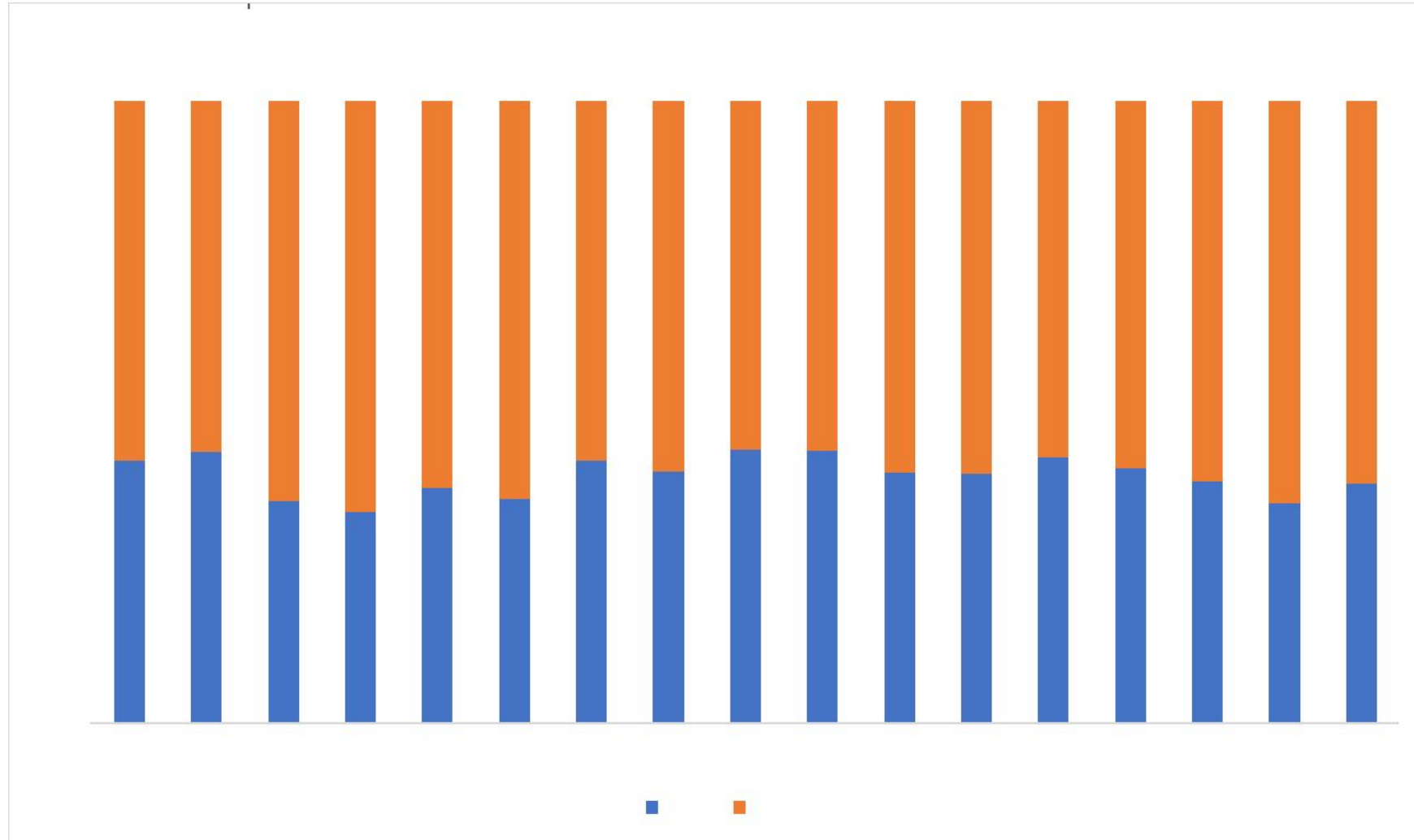
- FY25 totals \$419M, which is equivalent to 1.9% of the prior year's levy limit
 - \$47M decrease



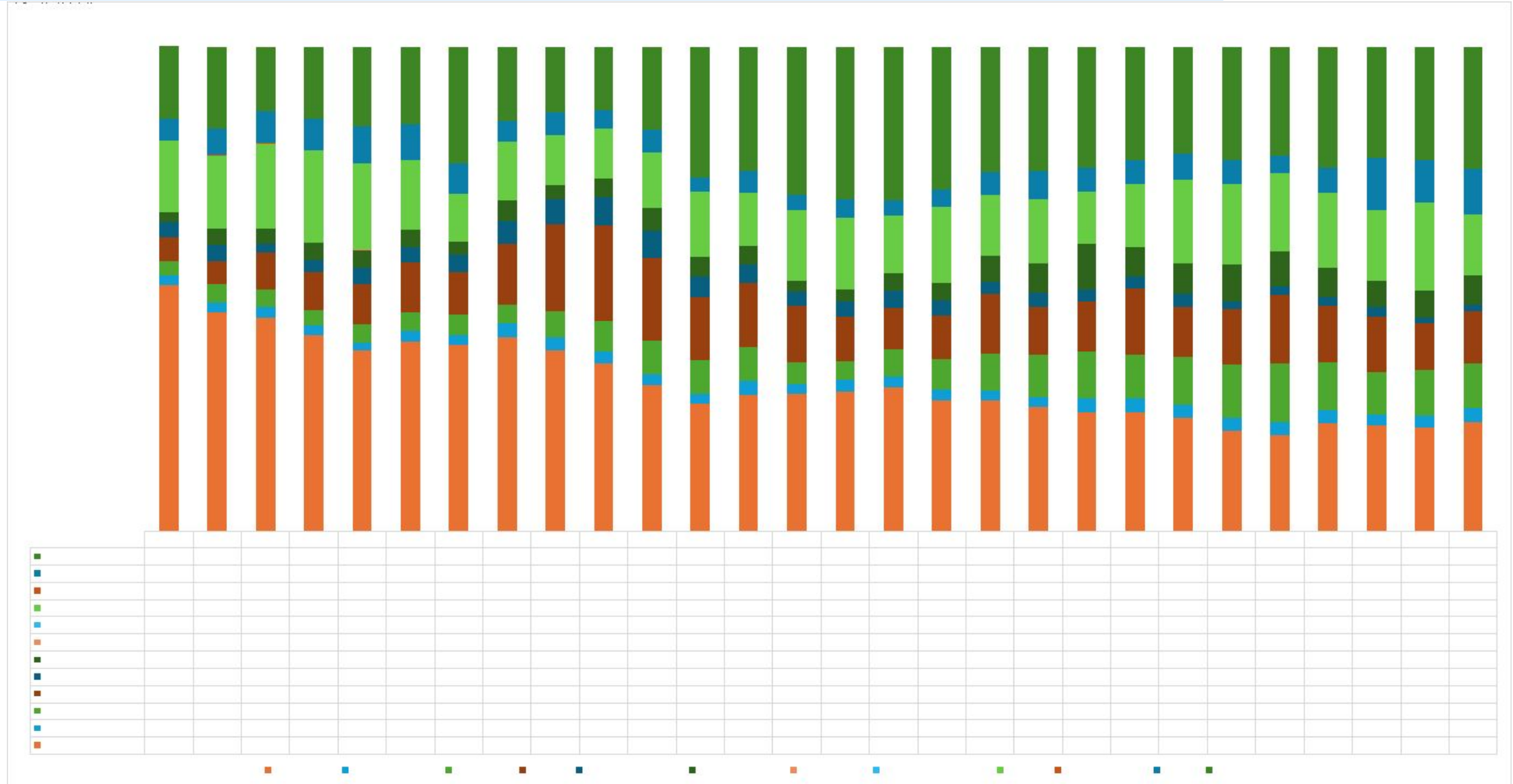


Statewide Data – New Growth (taxes)

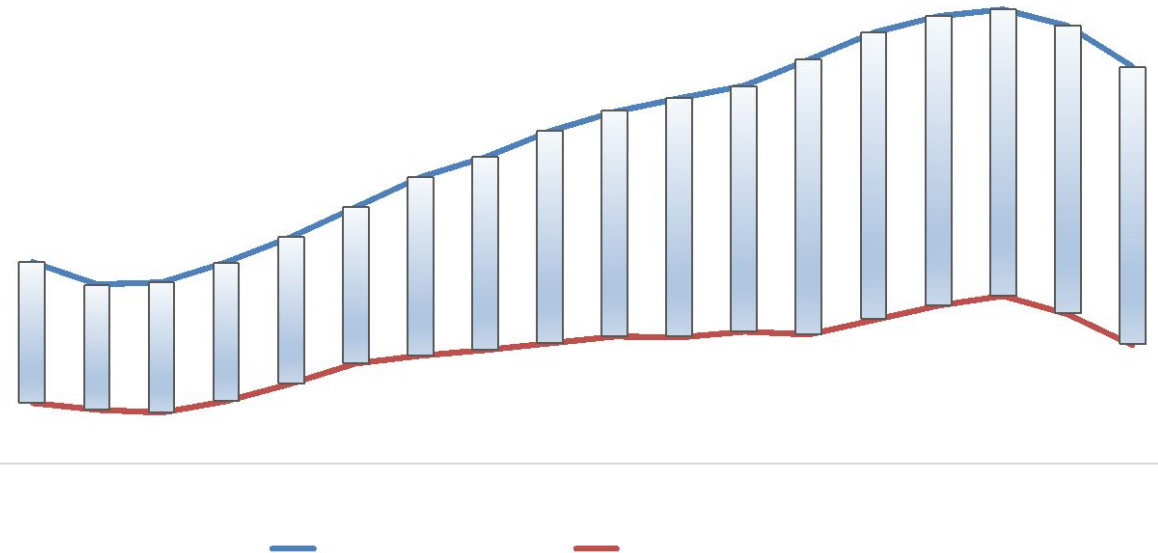
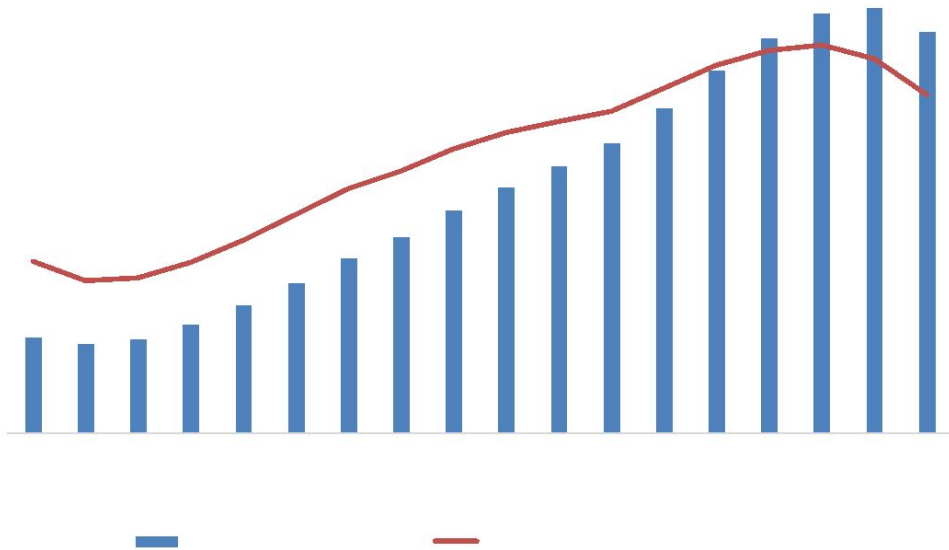
- Commercial/Industrial/Personal Property (CIP) consistently comprises 56% - 66% of New Growth



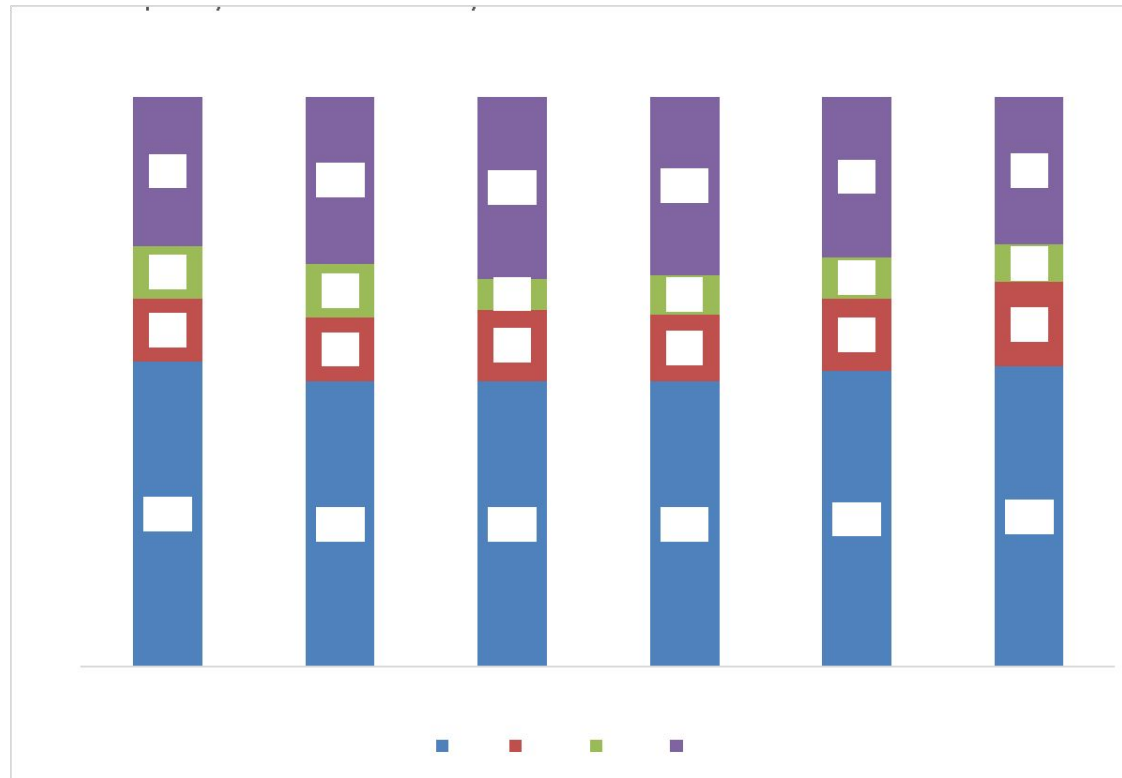
Statewide Data – New Growth (value)



Statewide Data – Excess Capacity



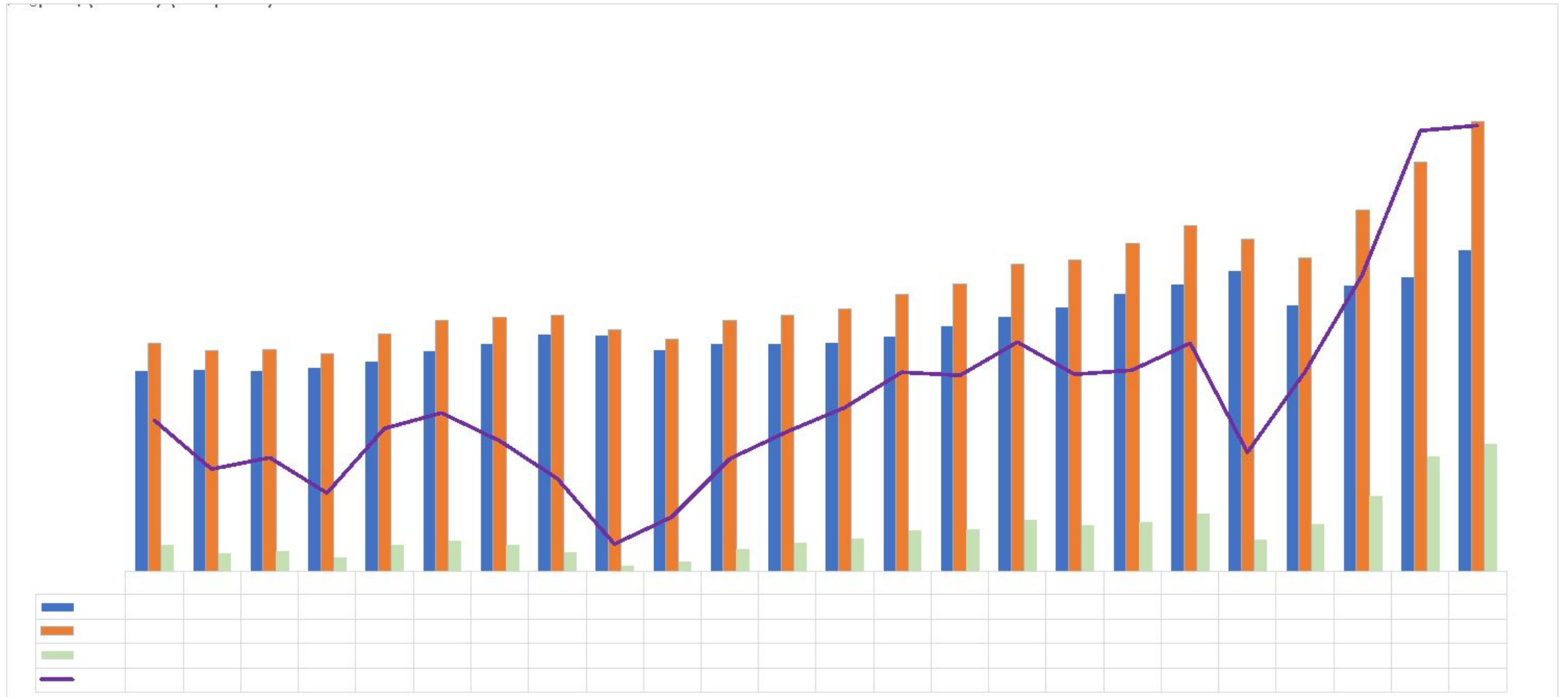
Statewide Data – Excess Capacity





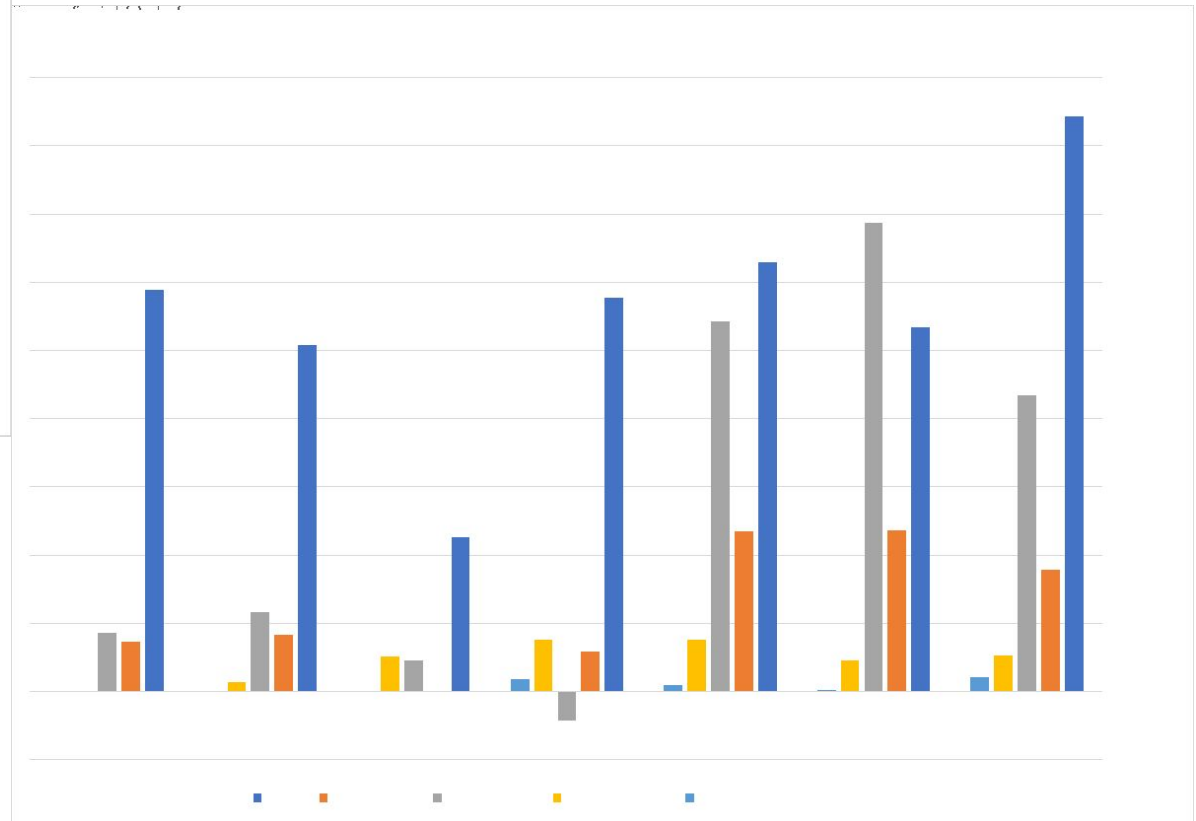
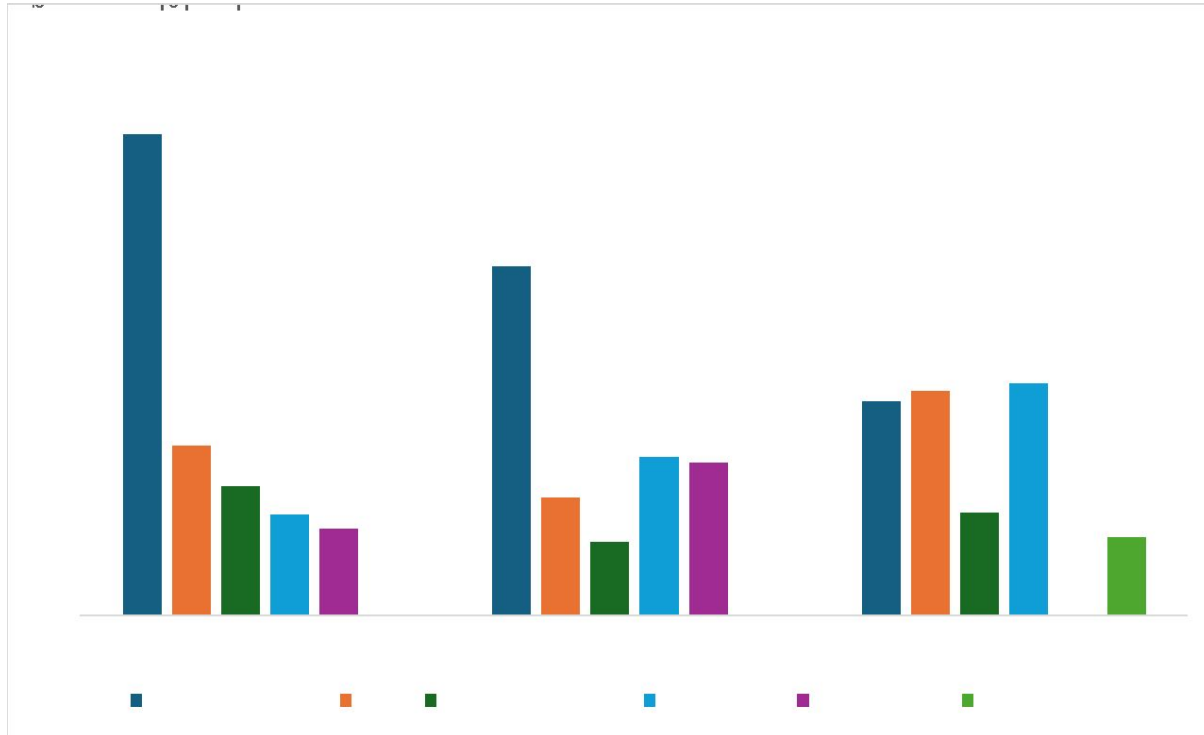
Statewide Data – Local Receipts

- Over past decade+, moved from the “tightness” of the Great Recession period to one where actual local receipts exceeded budget by \$1.3B (40%)





Statewide Data – Local Receipts Act vs Bud





Chief, Bureau of Accounts
Deb Wagner

Chief, Bureau of Local Assessment
Chris Wilcock

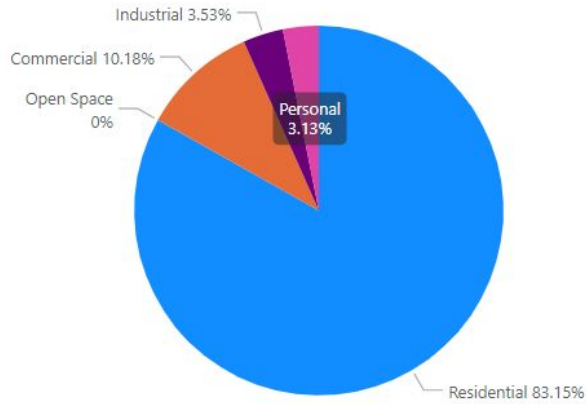


FY 2025 Assessed Value Changes



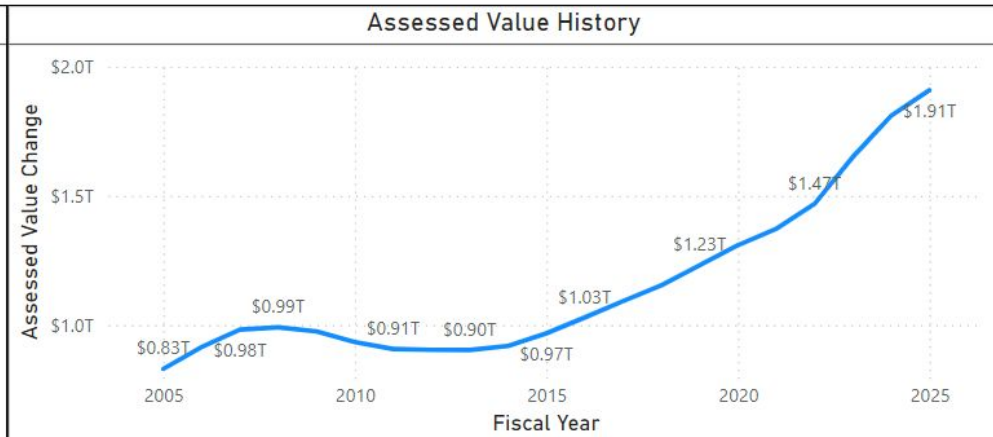
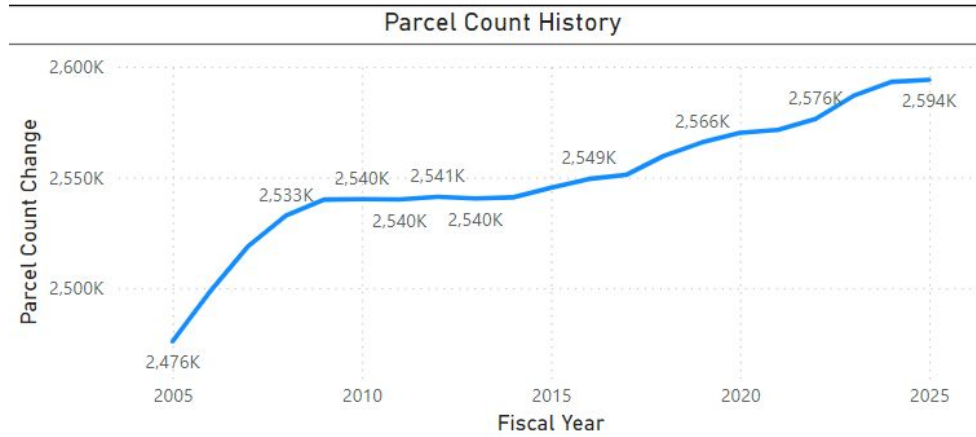
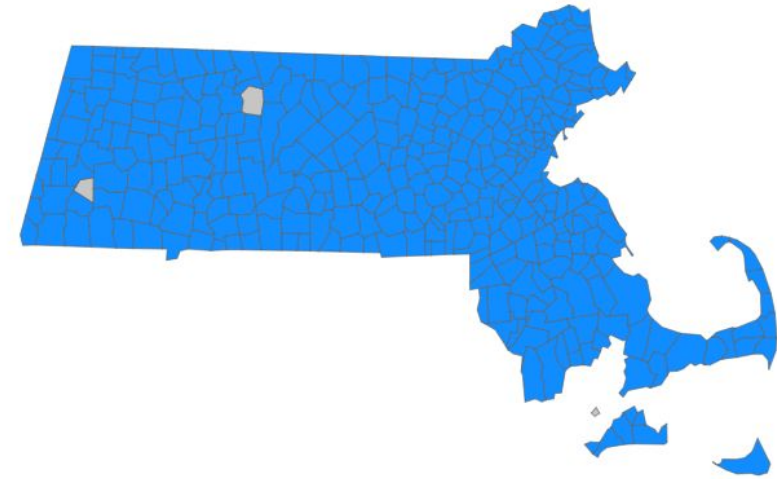
Fiscal Year 2025 Approved Communities Stats

Last Update
12/23/2024



348
Communities Approved

5.5%
Total Change from 2024





FY 2024 State Value Change by Use

Class	% Change	2024	2025	\$ Change
Residential	5.9%	\$1,373.10bn	\$1,454.35bn	\$81.24bn
Personal Property	7.4%	\$55.69bn	\$59.78bn	\$4.10bn
Open Space	2.9%	\$0.01bn	\$0.01bn	\$0.00bn
Multi Unit Residential	5.4%	\$90.32bn	\$95.19bn	\$4.87bn
Mixed Use	7.3%	\$50.94bn	\$54.65bn	\$3.71bn
Industrial	4.8%	\$62.17bn	\$65.14bn	\$2.97bn
Commercial Property	1.3%	\$177.72bn	\$179.96bn	\$2.23bn
Chapterland	2.6%	\$0.77bn	\$0.79bn	\$0.02bn
Total	5.5%	\$1,810.72bn	\$1,909.86bn	\$99.14bn

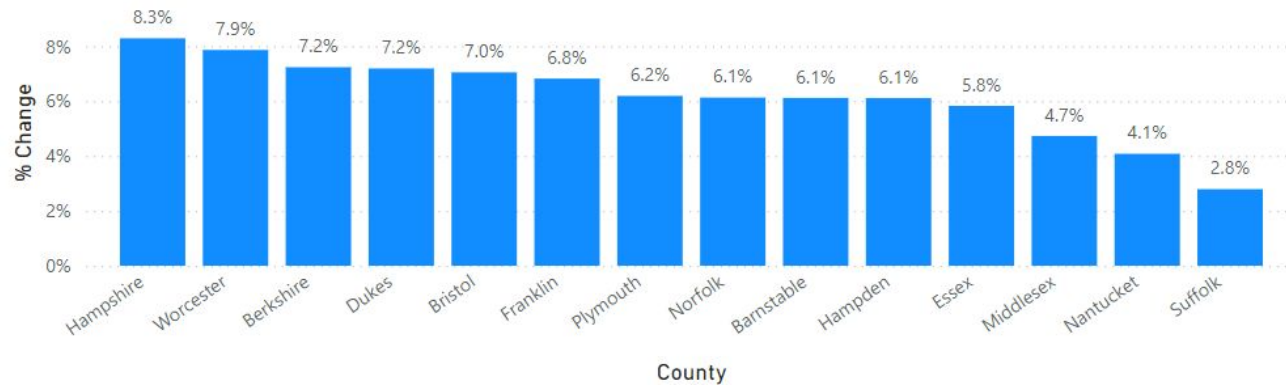
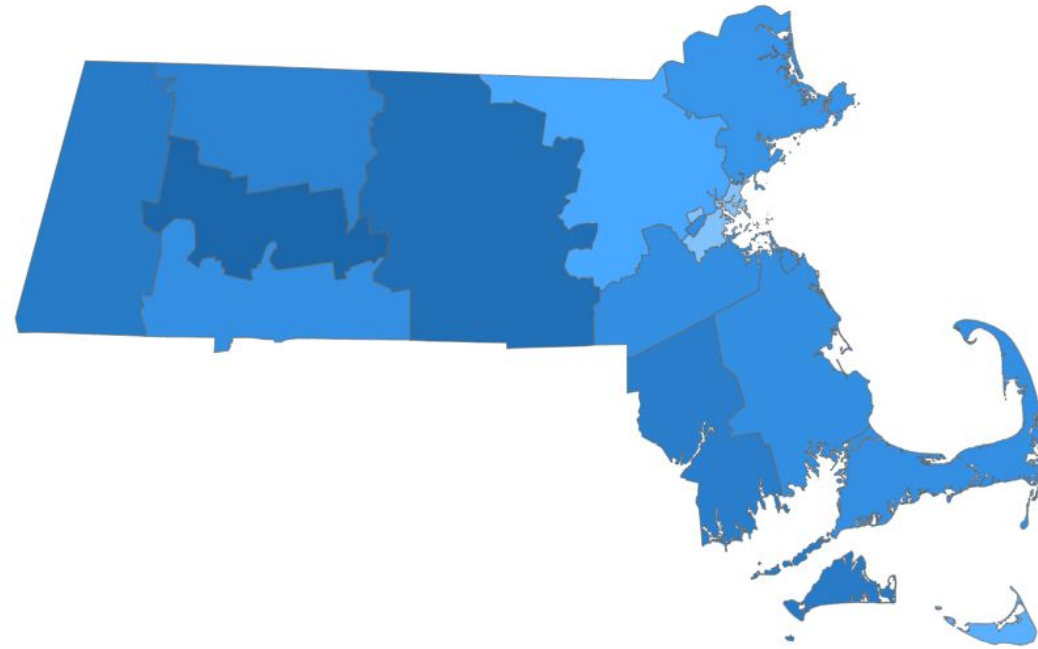
Class	% Change	2024	2025	\$ Change
Residential	5.9%	\$1,373,104.1M	\$1,454,348.4M	\$81,244.32M
Two Family	5.5%	\$97,879.2M	\$103,303.1M	\$5,423.86M
Three Family	5.2%	\$43,775.2M	\$46,053.7M	\$2,278.48M
Single Family	5.8%	\$978,802.9M	\$1,035,517.6M	\$56,714.71M
Residential Land	1.7%	\$16,736.9M	\$17,025.7M	\$288.75M
Other Residential	7.0%	\$38,138.5M	\$40,817.9M	\$2,679.40M
Condo	7.0%	\$197,771.4M	\$211,630.5M	\$13,859.12M
Personal Property	7.4%	\$55,685.9M	\$59,784.5M	\$4,098.56M
Utility Corporation Personal	8.5%	\$30,269.7M	\$32,832.1M	\$2,562.32M
Telephone Personal	6.6%	\$3,949.7M	\$4,211.8M	\$262.13M
Pipeline Personal	-0.6%	\$1,485.5M	\$1,476.5M	(\$8.98M)
Non-incorporated Personal	9.1%	\$7,410.9M	\$8,087.1M	\$676.23M
Manufacturing Company Personal	14.4%	\$16.5M	\$18.8M	\$2.37M
Electric Generation Personal	6.2%	\$2,787.4M	\$2,961.0M	\$173.67M
Cellular/Wireless Personal	-6.1%	\$950.7M	\$892.3M	(\$58.35M)
Business Corporations Personal	5.5%	\$8,815.5M	\$9,304.7M	\$489.18M
Open Space	2.9%	\$13.2M	\$13.6M	\$0.39M
Open Space	2.9%	\$13.2M	\$13.6M	\$0.39M
Multi Unit Residential	5.4%	\$90,316.7M	\$95,185.9M	\$4,869.21M
Multi Unit Residential	5.4%	\$90,316.7M	\$95,185.9M	\$4,869.21M
Mixed Use	7.3%	\$50,935.9M	\$54,645.9M	\$3,709.99M
Mixed Use	7.3%	\$50,935.9M	\$54,645.9M	\$3,709.99M
Industrial	4.8%	\$62,170.2M	\$65,135.8M	\$2,965.64M
Industrial Property	5.1%	\$58,998.2M	\$62,034.2M	\$3,036.06M
Electric Generation Real Property	-2.2%	\$3,172.0M	\$3,101.6M	(\$70.41M)
Commercial Property	1.3%	\$177,722.7M	\$179,955.3M	\$2,232.54M
Commercial Property	1.3%	\$177,722.7M	\$179,955.3M	\$2,232.54M
Chapterland	2.6%	\$774.5M	\$794.4M	\$19.92M
Chapter Recreational	2.2%	\$561.1M	\$573.5M	\$12.34M
Chapter Forest	-12.4%	\$36.7M	\$32.2M	(\$4.54M)
Chapter Agriculture	6.9%	\$176.7M	\$188.8M	\$12.11M
Total	5.5%	\$1,810,723.3M	\$1,909,863.8M	\$99,140.57M

Overall Assessment Change FY 2025



FY 2025 Change by County

County	% Diff	Approved Towns
⊕ Barnstable	6.1%	15
⊕ Berkshire	7.2%	31
⊕ Bristol	7.0%	20
⊕ Dukes	7.2%	6
⊕ Essex	5.8%	34
⊕ Franklin	6.8%	25
⊕ Hampden	6.1%	23
⊕ Hampshire	8.3%	20
⊕ Middlesex	4.7%	54
⊕ Nantucket	4.1%	1
⊕ Norfolk	6.1%	28
⊕ Plymouth	6.2%	27
⊕ Suffolk	2.8%	4
Total	5.5%	348





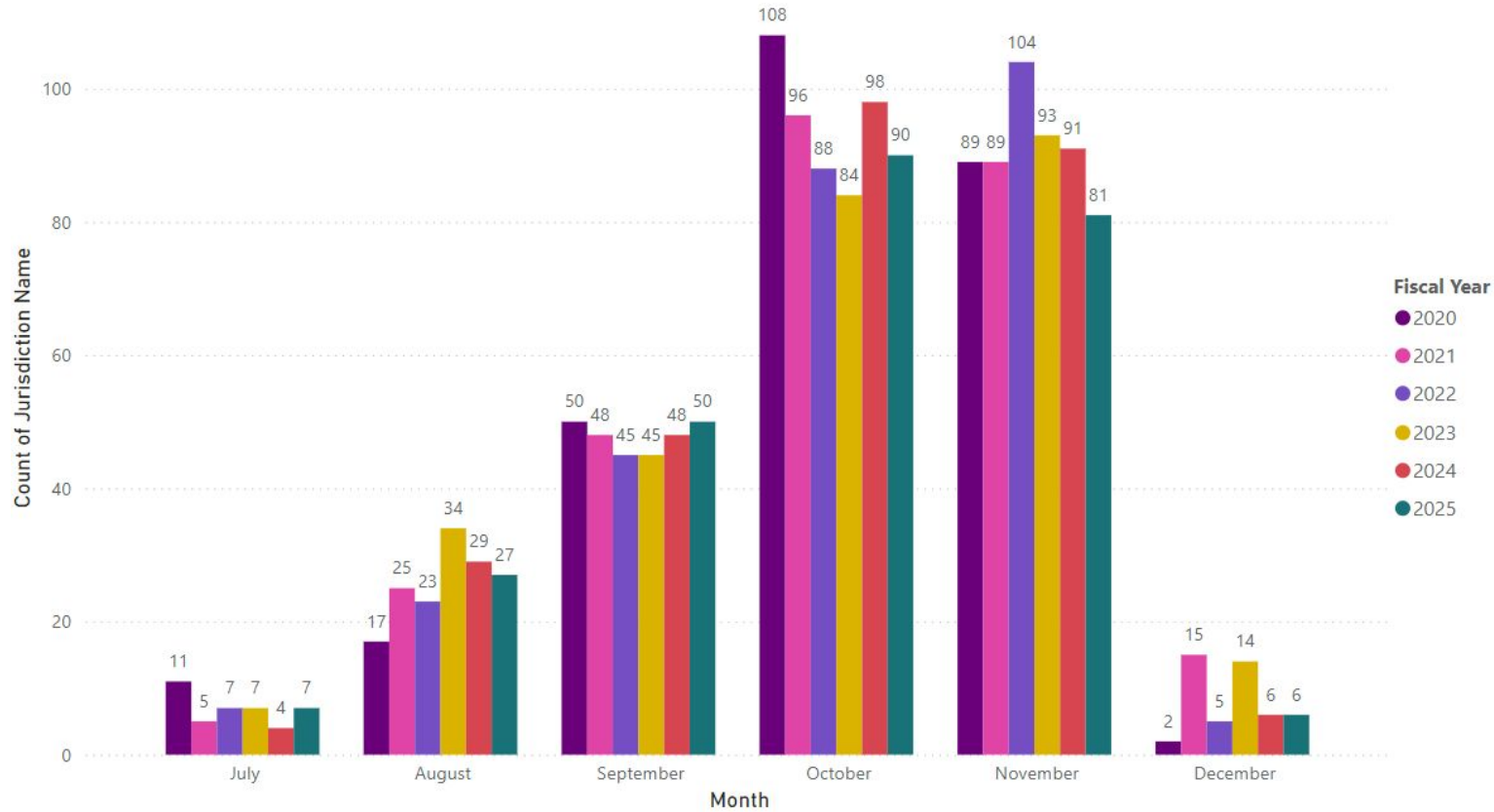
FY 2025 Interim Communities LA3 First Submitted



BLA Year

Certification

Interim



51

Start to Tax Rate (Days)

20

Start to Appv Growth (Days)

21

Appv Values to CH (Days)

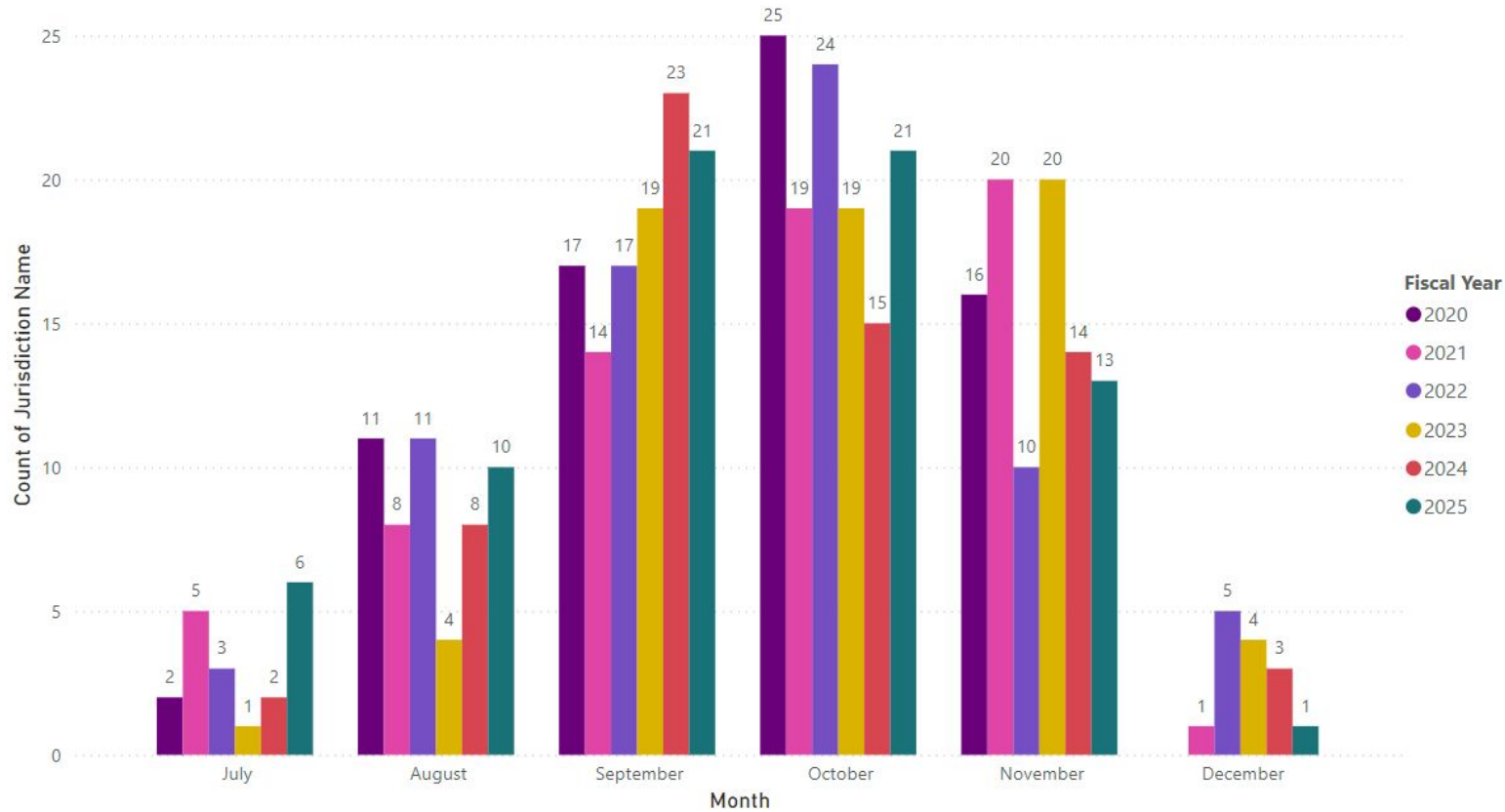


FY 2025 Certification Communities LA3 First Submitted



BLA Year

Certification	Interim
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66
Start to Tax Rate (Days)

34
Start to Appv Growth (Days)

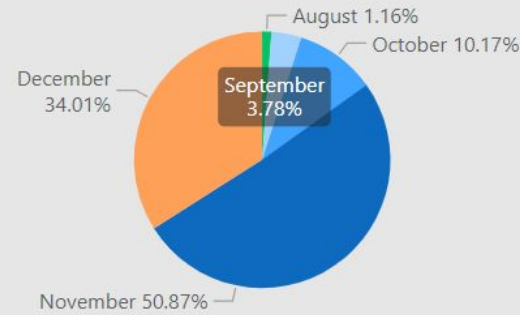
22
Appv Values to CH (Days)



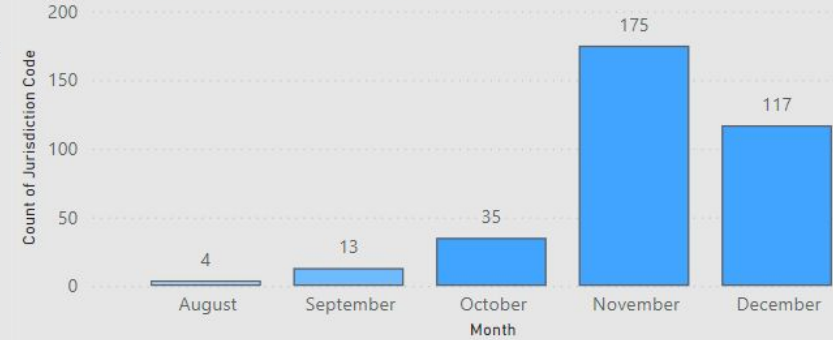
FY 2025 Classification Hearing Review



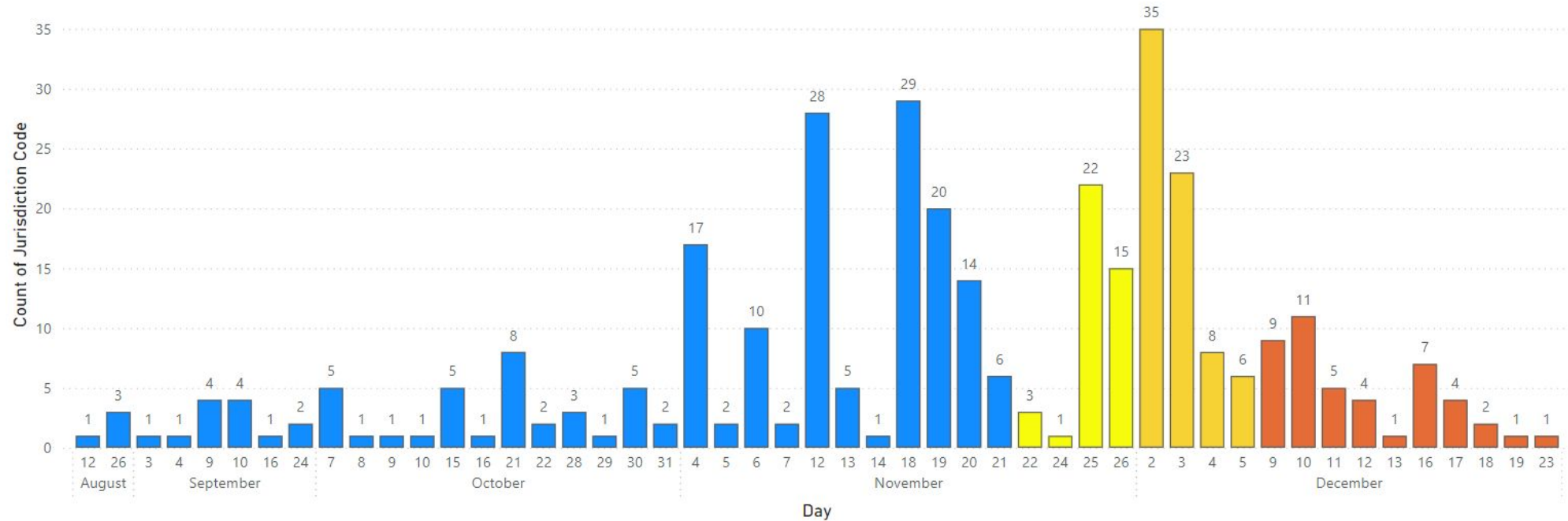
FY 2025 Classification Hearings by Month



FY 2025 Classification Hearings by Month



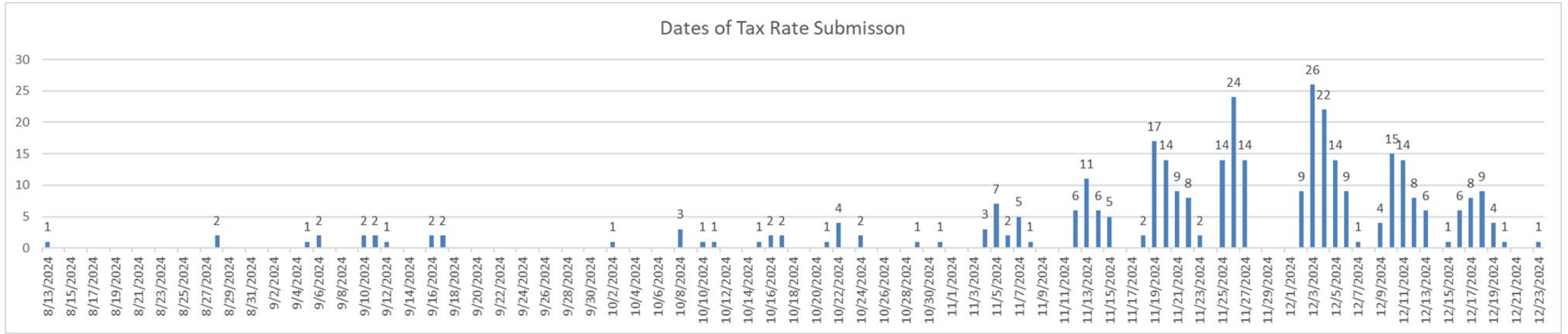
FY 2025 Classification Hearing Dates





Tax Rate Submissions - 2025

Dates of Tax Rate Submission



Tax Rate Submission Dates

BOA Approved 343 Tax Rates by Christmas Eve

Week prior to Thanksgiving	52
Week of Thanksgiving	52
Week after Thanksgiving	81
Week of December 8 - 14	47
Ten days leading up to Christmas	30
5 weeks leading up to Christmas	<u>262</u>

Free Cash E & D SPD Tax SPD Free Approved Certified Rates Approved Cash Certified

222	34	56	34
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Things we saw:

- Over the levy limit
- Tax rate submission with a posted meeting of the legislative body
- Incorrect signatures
- Increased revenue estimates with no documentation – Local Receipts and Enterprise Funds
- Improper/no reservations of free cash voted
- Ballot votes not reported timely
- Documentation lacking for votes to reduce the tax rate and other matters
- Large changes (decreases) in excess capacity



What you can do:

1. Start planning early for setting the tax rate
 - Understand the process
 - Back into a calendar
 - Assign clear responsibilities
 - Communicate expectations
2. Complete the tax rate recap forms as soon as your budget is adopted
3. Make sure local options/proposition 2 ½ ballot votes are reported promptly
4. Ensure revenue estimates are supported
5. Ensure revenue estimates match Gateway entries
6. Review and review again for accuracy
 - Are the results of what you entered in Gateway on the tax rate recap form what you expected?
 - Tax Rate?
 - Excess Capacity?



Take advantage of DLS Training

- Contact us anytime for assistance – wagnerd@dor.state.ma.us
- Take advantage of our training resources
 - [Proposition 2 ½ and Calculating the Levy Limit](#)
 - [Completing the Tax Rate Recap Forms Webinar](#) (Video)
 - [Free Cash Upload & Certification Process Webinar Recording](#) (Video)
 - [Excess and Deficiency Upload Process Webinar Recording](#) (Video)
 - [Submitting Proposition 2 ½ Ballot Votes in Gateway](#) (Video)



Chief, Bureau of Local Payments
Chris Ketchen

FY2026 Cherry Sheets Online

[Most requested](#)
[Proposition 2 ½ Resources](#)
[Featured Resources](#)
[Videos](#)
[Bureaus & Services](#)

Most Requested

Municipal Finance Training and Resource Center →

Bulletins, Guidelines and Opinions (IGR/BUL/LFO) →

Data Analytics & Visualizations →

Cherry sheet & state payment reports →

DLS Publications and Financial Tools →



FY2026 Cherry Sheets Online



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Cherry sheet & state payment reports

Provided by the Data Analytics & Resources Bureau (DARB)



The Division of Local Services' Data Analytics and Resources Bureau analyzes and distributes data related to local government. All analytics use data submitted to DLS by individual cities, towns, special purpose districts, regional school districts, and state and federal agencies.

Cherry sheets →



Annual estimates of state aid and assessments to be used by assessors in the local budget process. Available for cities, towns and regional school districts.

State owned land →



Data relating to values of reimbursable state-owned land used to determine cherry sheet estimates and actual state reimbursements.

Monthly local aid →



Payments of monthly local aid, CPA state match, smart growth and other state aid managed by the Division of Local Services.



FY2026 Cherry Sheets Online



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Cherry sheet estimates

Reports reflecting annual cherry sheet estimates including trends and preliminary estimates.

LOG IN: [DLS Gateway](#)



FY25 Cherry sheet estimates - final

[Municipal](#) →

[Regional school](#) →

[Estimates for all communities and districts](#) →

FY24 Cherry sheet estimates - final

[Municipal](#) →

[Regional school](#) →



FY2025 Supplemental Payments – Veterans, Blind, Surviving-Spouse, Elderly

- Chapter 248 of the Acts of 2024 made over \$11 million in supplemental appropriations to reimburse cities and towns for FY2024 VBS costs
- Supplemental payments were not part of the Cherry Sheet during tax rate setting
- DLS issued BUL-2025-1
 - Must be recorded as revenue in FY2025 VBS revenue account
 - Additional funds can:
 - a) Close to fund balance and certify as free cash, or
 - b) Be appropriated in FY2025 for any legal purpose (city/town council or town meeting)
- Supplemental payments will be made as part of monthly local aid starting in January



Chief, Municipal Finance Law Bureau
Ken Woodland



Announcement: Ask the Chief



As a complement to the Bureau's Attorney of the Day service, local officials can utilize a Zoom link every Wednesday between 10:00 AM and 12:00 PM to speak directly with the Bureau's legal counsel. Local officials only need to [click the button on the DLS website](#) and will then be placed in a waiting room and addressed in the order of arrival.

Just expanded to include Tuesdays, beginning January 21, 2025!



Announcement: State Tax Forms Page Now Live!

OFFERED BY [Division of Local Services](#)

State Tax Forms

These forms are commonly used by local officials in conducting business, primarily by assessors, collectors and treasurers personnel.

TABLE OF CONTENTS

- Personal Property Returns
- Personal Exemption Application
- Residential Exemption Application
- Charitable Exemption
- Chapterland
- Deferral
- Abatement
- Collector Forms
- Assessor Forms
- Treasurer Forms

Show More ▾

DLS aims to create one centralized location for all forms that local finance officials may need in the performance of your statutorily imposed obligations.

DLS will continue to update this page with revised or additional forms that are requested by local officials. Please email dlslaw@dor.state.ma.us with any requests.



HERO Act

- An Act Honoring, Empowering and Recognizing Our Servicemembers and Veterans (HERO Act) – Bulletin 2024-5
 - › Creates two separate local options (must be accepted by legislative body of community). Sample language for acceptance in Bulletin.
 - › The first allows municipalities to double the veteran property tax exemption without doubling all other exemption clauses (Clause 22J). The second increases the amount of Clause 22 exemptions by the increase in the Consumer Price Index (Clause 22I).
 - › No additional state reimbursement.



HERO Act

- An Act Honoring, Empowering and Recognizing Our Servicemembers and Veterans (HERO Act) – Bulletin 2024-5
 - › Example: if a Clause 22 recipient will receive a \$400 exemption and the community accepts Clause 22I, and the CPI increases by 5%, the total exemption amount would increase to \$420. If the community further accepts Clause 22J (or G.L. c. 59, § 5C½) and increases by the maximum 100% the amount of the tax exemption granted to veterans, in this example, the total exemption will increase to \$840.



HERO Act

- An Act Honoring, Empowering and Recognizing Our Servicemembers and Veterans (HERO Act) – Bulletin 2024-5
 - › Changes MVE veteran disability determination from MAB to VA. As such, a veteran will qualify for a motor vehicle exemption if the VA determines they have a 100% disability rating or deems them unemployable due to their service-connected disability.
 - › Effective now.
 - › Fully reimbursed by Commonwealth.



Housing Bond Bill

- Affordable Housing Act/ Housing Bond Bill – Chapter 150 of the Acts of 2024
 - **Creates a “Seasonal Communities” (SC) Designation**
 - SC designation is based upon criteria such as % of short-term rentals relative to overall housing and number of seasonal residents
 - Administered by the Executive Office of Housing and Livable Communities
 - › **Provides SC’s authority to increase residential exemption from present 35% up to a maximum of 50% of assessed value of residential parcels**



Recent Tax Title Changes: Chapter 140 of the Acts of 2024

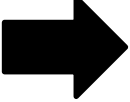
- Why was there is a need for a legislative fix?
 - Tyler v. Hennepin County 598 U.S. 631 (2023).
 - Retention of excess equity from a taking above the tax debt violates the Takings Clause of the 5th Amendment, requiring a payment of just compensation.
 - *The taxpayer must render unto Caesar what is Caesar's, but no more!*

- Section 80-99 took effect on November 1, 2024 per Section 250.

- Sections 81-87 add notice and publication requirements to the tax title foreclosure process and the sale or assignment of tax titles.



Recent Tax Title Changes: Chapter 140 of the Acts of 2024

- Section 88 amends G.L. c. 60, § 62 (Tax Title Interest Rate)
 - Reduces the tax title interest rate from 16% to 8%. 
 - Interest on outstanding taxes remains at 14%.
- Prospective application
 - Reduced interest rate only applicable for tax titles *entered into on or after November 1, 2024*.
 - Property already in tax title before November 1, 2024 continues to accrue interest at a rate of 16%; taxes added to existing tax title also accrue interest at 16%.
 - Well settled in MA absent a clear indication of legislative intent, a statute presumptively operates prospectively only.
 - Nothing in Section 88 *expressly* provides for retroactive application (Legislature did make other amendments retroactive, see Section 212).



Recent Tax Title Changes: Chapter 140 of the Acts of 2024

- New Process for how to dispose of foreclosed property
- Section 93 adds G.L. c. 60, § 64A (Disposition of Foreclosed Property)
 - Municipality must decide either to retain possession of the property and dedicate to municipal use or sell the property
 - Decision within 14 days after the entry of judgment foreclosing all rights of redemption has become final.
 - 14 days measured from:
 - No appeal: 30 days.
 - Appeal: at time judgment entered for the appeal.



Recent Tax Title Changes: Chapter 140 of the Acts of 2024

- Where municipality elects to retain the property:
 - Use reasonable efforts to have an appraisal of the property be conducted within 120 days of the judgment becoming final unless otherwise agreed upon by taxpayer;
 - Appraisal for the highest and best use of the property as of the date of the final judgment of foreclosure and conducted by an independent appraiser licensed in MA.
 - Resulting value from this process will be used to determine whether any excess equity exists that can then be claimed by the taxpayer.
- Need an appropriation to pay the amounts owed.



Recent Tax Title Changes: Chapter 140 of the Acts of 2024

- Where municipality elects to sell the property:
 - Municipality must list the property for sale with a real estate agent or broker within 180 days of the judgment becoming final unless otherwise agreed upon by the taxpayer.
 - If 12 months have elapsed from the date of the initial listing by the agent or broker and the property has not been sold, the municipality must conduct an auction for said property
 - Auctioneer may not accept bids at auction that are less than 2/3 of the appraised value



Recent Tax Title Changes: Chapter 140 of the Acts of 2024

- Further process under election of sale or retention
 - Within 30 days of a sale or, in the case of a municipality retaining possession, the municipality must prepare a written itemized accounting of the disposition of the proceeds
- If identity and mailing address of any parties entitled to claim excess equity *are known*, along with itemized accounting:
 - Provide a proportional share of the excess equity to which each such individual is entitled.
- If identity and mailing address of any parties entitled to claim excess equity *are not known*, along with itemized accounting:
 - Publish notice to alert former owners and all others known to hold right of redemption in property at time judgment of foreclosure entered in Land Court that they may claim excess equity in writing to municipality.
- ~~If not claimed within 19 months of a sale or appraisal must be reported pursuant to Chapter 200A~~



Recent Tax Title Changes: Chapter 140 of the Acts of 2024

- Section 212 (Retroactive Claims of Excess Equity)
 - Former owners may seek excess equity that resulted from their foreclosed property if their right of redemption was foreclosed upon by a final judgment of foreclosure entered on or after May 25, 2021 but before the effective date of the Act.
 - To claim excess equity, prior owners must file written complaint in Superior Court for the return of excess equity within 12 months of the effective date of the Act..
 - DLS interprets this section to mean that claims can be filed no later than November 1, 2025 (ambiguous, consult w/local counsel to make determination).
 - No claim for the return of excess equity may be asserted by any party where a Land Court judgment of foreclosure was entered and not appealed, on or before May 24, 2021.



Proposed 2025 Municipal Bill (selected provisions)

- Regional Board of Assessors
- Central Valuation
- Borrowing for School Projects
- 8 of 58
- Reporting and Tax Treatment of Solar PILOTS
- Departmental Revolving Fund Spending Cap
- Amortization of Emergency Spending Deficit
- Senior Means Tested Exemption
- One Time Override for Non-Capital Expenses
- Property Tax Exemptions
- PEG Access and election reimbursement funds
- Gifts/Grants Local Process



Proposed 2025 Municipal Bill

- Regional Board of Assessors
 - Allows multiple communities to organize a Regional Board of Assessors by agreement and eliminate the necessity of each town having a local board of assessors
- Central Valuation
 - Relevant personal property of utility and telecommunications companies would be subject to central valuation by DOR rather than being assessed by each city or town
- Borrowing for School Projects
 - Allows a 40-year term for borrowing for a school construction/renovation project - current law allows for a maximum term of 30 years



Proposed 2025 Municipal Bill

- 8 of 58 Abatement Applications
 - Eliminates the requirement that abatement applications for a paid tax be the result of an obvious clerical error – just for an error and duration is still limited to the last 3 fiscal years
- Reporting and Tax Treatment of Solar PILOTS
 - Inserts language found in G.L. c. 59, § 39H(b) into G.L. c. 59, § 5 Clause 45 so that any receipts derived from solar or wind powered energy generating facility PILOTS are considered part of the tax levy and constitute new growth within the community
- Departmental Revolving Fund Spending Cap
 - Lets the spending cap a community votes before July 1 apply in the upcoming FY and future FYs until it votes a new spending cap before the July 1 of the FY the new cap goes into effect



Proposed 2025 Municipal Bill

- Amortization of Emergency Spending Deficit
 - Codifies in the general laws the ability to amortize emergency related deficit spending over the subsequent 3 fiscal years, rather than account for the same in one fiscal year
- Senior Means Tested Exemption
 - New local option exemption for qualifying income-eligible seniors for the property taxes assessed on their domiciles - The exemption works like the residential exemption by shifting the exempted taxes to other residential taxpayers in the town
- One Time Override for Non-Capital Expenses
 - Allows municipalities to adopt a one-year override for non-capital expenditures, similar to a capital outlay exclusion question



Proposed 2025 Municipal Bill

- PEG Access and election reimbursement funds
 - Provides a local option to credit PEG Access and Cable related receipts to a special revenue fund and to spend from the fund without appropriation to pay for PEG services
 - Allows Early Voting Law receipts to be segregated into a special revenue fund and spent without further appropriation for specified purposes, similar the treatment of Extended Polling Hours receipts

- Gifts/Grants Local Process
 - Amends the gifts and grants statute so that a Selectboard, City Council or School Committee is the default acceptor of any gifts or grants and then to spend without further appropriation or approval for the intended purposes of the gift or grant



Proposed 2025 Municipal Bill

- Property Tax Exemptions
 - COLAs (cost of living adjustments)
 - New local option statute to allow an increase in the amount of personal property tax exemptions by an amount not more than the increase of the cost of living determined by the Consumer Price Index (CPI)
 - Elderly Exemptions:
 - Provides municipalities with the option to increase Clause 41 elderly tax exemptions to any amount
 - Domicile Owned by a Trustee, Conservator or Other Fiduciary
 - New local option to allow individuals whose domiciles are held by a trustee, conservator or other fiduciary for their benefit to be treated as the owners of their domiciles so that they may be granted a personal exemption that they otherwise would qualify for



**Any
Questions?**