

Ch. 188 MUNICIPAL RELIEF

An Act Relative to Municipal Relief. *Effective July 27, 2010 unless otherwise noted.*

§ 1 Special Education Tuition Rates. Amends G.L. c. 7, § 22N to require that the Operational Services Division notify school superintendents of the estimated rate of inflation in the prices of special education and other social service programs by October 1. Previously, the notification deadline was December 1.

§§ 2-3, 70 State Cultural Districts. Amend G.L. c. 10, § 52 and add a new section 58A to c. 10 to facilitate the development of state-designated cultural districts under guidelines established by the Massachusetts Cultural Council. The council is to establish criteria for the districts, develop an application process for municipalities seeking to create districts and identify state incentives and resources to support the development of the districts.

§§ 4-15, 62-63 Sound Bidding Practices and Flexibility. Amend G.L. c. 30B and c. 149, which govern local procurement of supplies, services, real property and public construction. In some cases, local governments will be able to purchase goods and services specified under United States General Services Administration (GSA) federal supply schedules from authorized GSA vendors, conduct a “reverse” auction bidding process and engage in intergovernmental cooperative purchasing under contracts let by the federal government, another state, or any political subdivision of the Commonwealth or another state. Also define sound business practices for c. 30B purposes. For construction contracts, the dollar thresholds applicable to payment bonds and use of sound business practices were increased.

§§ 16-19, 71 Pension Funding Relief. Add a new section 22F to G.L. c. 32, to allow local retirement systems to extend their funding schedules to 2040 subject to the approval of PERAC and certain minimum payment requirements. Payments for any year under the revised schedule cannot be less than the payment in a prior year under the current schedule. Any increase in the amortization component required by the schedule cannot be more than four percent. Amends G.L. c. 32, § 21 to require actuarial valuations at least once every two years rather than every three years. Amends G.L. c. 32, § 22D to require that any yearly payment under a funding schedule established under that section shall be no less than 95 percent of the amount appropriated in the prior fiscal year. Also amends G.L. c. 32, § 103 to add a local option subsection (j) that allows retirement systems to increase in multiples of \$1,000 the maximum base for calculating cost of living adjustments on pension payments. Currently, that base is \$12,000.

§ 20-21 Municipal Life Insurance. Amend G.L. c. 32B, § 11A, to eliminate restrictions on the maximum amount of optional life and accidental death insurance benefits for municipal employees based on salary. The maximum amount is \$150,000. Previously, it was \$74,000.

§ 22 Municipal Leases. Amends G.L. c. 40, § 3 regarding the leasing of public buildings under certain procedures. Those leases may now be up to 30 years. Previously, the maximum term was 10 years.

§ 23 Intermunicipal Agreements. Amends G.L. c. 40, § 4A, which authorizes agreements among governmental entities to jointly perform governmental services and functions, to limit approval of the agreements, i.e., the decision to enter, to the entities’ elected officials.

§ 24 Mutual Aid Agreements. Adds sections 4J and 4K to G.L. c. 40, to establish statewide mutual aid agreements that allow municipalities to share fire, police, emergency medical services, public works and other local services in the case of a public safety incident (G.L. c. 40, § 4J) and public works personnel, equipment, supplies and facilities in the case of a public works incident (G.L. c. 40, § 4K).

§ 25 Triennial Certification Schedule. Amends G.L. c. 40, § 56, which requires the Department of Revenue (DOR) to certify that a municipality's local assessments are at full and fair cash valuation every three years as a prerequisite to use of a classified tax system. The amendment allows DOR to revise the three-year schedule to balance the number of certifications each year, facilitate or implement regional or other cooperative assessing agreements and improve assessment performance.

§ 26 Joint or Regional Assessing Agreements. Amends G.L. c. 41, § 30B, which permits joint or cooperative assessing agreements, to allow cities and towns to share assessors as well as assessing department staff. Municipalities will now be able to form a single assessing department to share all departmental staff and perform all administrative functions or designate one person, one of their boards of assessors, or a regional board of assessors, to act as the assessors for all of them. The other boards would then terminate for the duration of the agreement. Parties to an agreement are responsible for sharing the costs of benefits provided personnel who serve during its term.

§§ 27, 29, 30-33, 56 and 57 Flexibility in Municipal, Improvement District and Regional School District Borrowing. Amend G.L. c. 44, § 7 to allow municipalities and improvement districts to borrow within their debt limits for: (1) other public works, improvements or assets not specifically described in that section, for up to five years; (2) the dredging of rivers, streams, harbors, channels and tide waters, for up to 10 years; (3) the construction or reconstruction of seawalls, revetments, breakwaters and other related structures, for up to 20 years; (4) the funding of loans to property owners for renewable energy and energy conservation projects on their property under a local program created under G.L. c. 44, § 53E^{3/4} for up to 20 years; and (5) the cleanup or prevention activities at municipal facilities under G.L. c. 21E relating to the release of oil and hazardous materials, or G.L. c. 21H relating to solid waste, for up to 10 years. Cleanup and prevention plans must be approved by the Department of Environmental Protection (DEP). Also amend G.L. c. 44, §§ 7 and 8 (outside debt limit), c. 70B, § 6(d) (School Building Authority approved projects) and c. 71, § 16(d) (regional school districts) to allow municipalities, improvement districts and regional school districts to borrow for some projects over a term matching the useful life of the asset being financed, not to exceed 30 years, as determined under guidelines issued by the Division of Local Services (DLS) within DOR. Approval of emergency borrowings under G.L. c. 44, § 8(9) will now be approved by the municipal finance oversight board (MFOB), not the emergency board. Municipalities and districts may now use level debt service, or a schedule providing for more repaid amortization of principal, under G.L. c. 44, § 19.

§§ 28, 36, and 64 Renewable Energy Revolving Fund and Betterment Loan Program. Amend G.L. c. 44, § 7, to allow cities, towns and other governmental entities, to borrow for up to 20 years to fund loans to property owners for renewable energy and energy conservation projects on their property under a local program. Also add a new section 53E^{3/4} to G.L. c. 44 that authorizes creation of local energy loan programs, creates a special revenue fund for the borrowed monies and provides for the loans to be treated as betterments and repaid over 20 years as part of the property owners' annual property tax bills. The loans are secured by municipal liens, which have priority over mortgages and other liens.

§ 35 Elimination of Fee for State House Notes. Repeals G.L. c. 44, § 26 and eliminates the fee charged cities, towns and districts for the processing of state house notes by the Director of Accounts.

§ 37 Voter Information. Adds a new local option section 18B to G.L. c. 53, which governs elections. If accepted, municipalities may send information on local binding and non-binding referenda questions to voters before local elections. Binding referenda questions would include Proposition 2½ overrides, underrides, debt exclusions or capital exclusions. The information to be provided is similar to that provided by the Secretary of State before each biennial state election, *i.e.*, a fair summary of the question prepared by municipal counsel and arguments by proponents and opponents.

§ 38 Expedited Abatement Authority. Amends G.L. c. 58, § 8, which allows the DOR to authorize the board of assessors, or other board or officer, to abate taxes or charges where they no longer have the legal power to abate because the taxpayer did not timely apply for abatement. The DOR will now be able to issue guidelines authorizing local officials to abate in some circumstances on an expedited basis without having to obtain prior approval of each individual abatement. The delegation is subject to annual reporting and audit requirements and may be withdrawn.

§ 39 Interest Rate on Financial Hardship Deferral. Amends G.L. c. 59, § 5(18A), which authorizes a board of assessors to grant temporary property tax deferrals to taxpayers experiencing financial hardships, to allow cities and towns to reduce the interest rate that accrues on the deferred taxes. The statutory rate is eight percent, but the legislative body will now be able to set a rate as low as zero percent. Any change in rate must be voted no later than July 1 of the fiscal year to which the tax relates.

§§ 40-42 Property Tax Exemptions. Amend two clauses in G.L. c. 59, § 5, which sets out the real and personal property exempt from local taxes. Section 40 amends Clause 22E, which provides a \$1000 exemption for veterans, or their spouses and surviving spouses, who have a 100 percent disability rating as determined by the United States Department of Veteran Affairs (VA) and are incapable of working as determined by assessors. The amendment eliminates the incapable of working requirement for veterans applying for Clause 22E exemptions beginning in fiscal year 2012. Section 41 amends Clause 41C½, which is one of the local option variations of the Clause 41 exemption for seniors. Under the amendment, beginning in fiscal year 2012, the combined gross receipts of married applicants and their spouses must meet the limit found in the statute. Previously, the limit applied to just the applicant's income. Section 42 adds two new local option exemptions, Clauses 56 and 57. If accepted, Clause 56 allows assessors to exempt up to 100 percent of the real and personal property taxes assessed to Massachusetts national guardsmen and reservists for any fiscal year they are deployed overseas. Assessors may establish eligibility criteria for the exemption and the exemption expires two years after acceptance unless extended by vote of the legislative body subject to charter. If accepted, Clause 57 will allow assessors to grant exemptions to seniors who qualify for the state circuit breaker income tax credit for their domicile. Exemptions would be up to the amount of the credit, but are subject to an annual allocation ("appropriation") of overlay to the exemption.

§ 43 Senior Work Abatements. Amends G.L. c. 59, § 5K, which authorizes communities to establish senior work-off abatement programs where seniors provide services to the community at an hourly rate no higher than the state minimum wage and their earnings are credited to reduce their property tax bills. The maximum reduction is \$1,000. Under the amendment, however, that

maximum may be based on 125 hours of service, rather than \$1,000. In addition, a proxy may now perform the services on behalf of a senior who is physically unable to perform them.

§§ 44-46, 49-53 Audit of Personal Property. Add a new section 31A to G.L. c. 59 that allows local assessors to subpoena and audit the records of taxpayers required to file annual returns of their taxable personal property in order to verify that the returns are complete and accurate. The assessors will have three years after the return was due or was filed, whichever is later, to audit the records. If taxable property is discovered, they will have three years and six months after the return was due or was filed, whichever is later, to make an omitted or revised assessment under G.L. c. 59, §§ 75 or 76. Previously, assessors could only make additional assessments for certain unintentional clerical or data processing errors by June of the same fiscal year. Also add section 42A to G.L. c. 59 to give the DOR the same power to subpoena and audit the records of pipeline and telephone or telegraph companies subject to central valuation. If taxable personal property is discovered, the Commissioner can make an amended certification. The assessors will have two months to make the additional assessment and the companies will then have one month to appeal to the appellate tax board in the same manner as the original certification. Also amends G.L. c. 59, § 29 to make the last date for granting an extension to file local returns the same as the due date for abatement applications, amends G.L. c. 59, § 32 to allow companies hired by the assessors or commissioner to value or audit personal property to review the returns, which are otherwise confidential, and amends G.L. c. 59, § 61 to make compliance with audit requests a condition for obtaining an abatement.

§ 47 and 48 Pre-assessment Information Returns. Amend G.L. c. 59, § 38D, which requires property owners to provide the assessors with requested information to help determine the fair cash value of real property. Commercial and industrial property owners who fail to comply with the requests will now be subject to a penalty of \$250. Previously, that penalty was \$50. In addition, if the property owner appeals the assessors' denial of an application for abatement on the property to the appellate tax board, or county commissioners if applicable, the owner's non-compliance with the request will be grounds for automatic dismissal. The appeal may still proceed, however, if the owner was unable to comply for reasons beyond the owner's control or had made a good faith attempt to respond.

§ 54 Electronic Billing and Joint Bills. Amends G.L. c. 60, § 3A, which governs the form, content and mailing of the annual property tax bill. Under the amendments, local tax collectors may now display on the actual tax bill certain personal exemptions granted to seniors, blind persons, veterans, surviving spouses and minors with deceased parents, as well as the amount of net tax due. In addition, collectors may implement voluntary e-billing programs subject to the approval of the selectboard or mayor. Bills for other municipal charges, such as those for water, sewer, solid waste and light plant services, may be included in the same envelope or e-billing as the tax bill, if authorized by by-law or ordinance and the bills for the other charges are separate and distinct. The by-law or ordinance may also provide that bills for an independent water and sewer commission operating in the municipality may be included as well.

§ 55 Motor Vehicle Excise Bills. Amends G.L. c. 60A, § 2 to require that motor vehicle excise bills display the date the excise is due.

§ 58 Regional School District Stabilization Funds. Amends G.L. c. 71, § 16G½, which governs regional school district stabilization funds. Under the amendment, districts may spend stabilization funds by a two-thirds vote of all members of the district school committee. Previously, districts wanting to make expenditures from the fund could not do so until after complying with the debt

approval procedure applicable in the district under G.L. c. 71, § 16(d) or (n). In addition, use of stabilization funds for a purpose other than a purpose for which the district may borrow must now be approved by the director of accounts, rather than the emergency finance board which was abolished in 2003.

§ 59 Shared School Superintendents. Amends G.L. c. 71, § 37 to allow municipal and regional school districts to share superintendents.

§ 60 Special Education Mileage Reimbursement for Parents. Amends G.L. c. 71B, § 8 to allow school committees to adopt a program to reimburse parents who voluntarily choose to transport their disabled child to an approved out of district placement, provided the municipality can demonstrate savings in transportation costs.

§ 61 Ambulance Staffing. Adds a new section 25 to G.L. c. 111C that modifies current requirements regarding staffing of ambulances with licensed emergency medical technicians.

§ 65 Abandoned and Unclaimed Checks. Amends G.L. c. 200A, § 9A, the alternative procedure for municipal treasurers to follow in order to retain uncashed and abandoned checks (tailings) for the municipal treasury. The local procedure is now a local option statute. If accepted, it allows cities and towns to print a one year expiration date on checks it issues. Previously, checks had to remain uncashed for three years to be considered abandoned. Treasurers will still notify apparent owners of the checks of the procedure for claiming them by mail and by posting on the municipality's web site, if any. If unclaimed within 60 days, the treasurer must still publish a list in a newspaper of general circulation. However, an additional publication must be made for those checks of \$100 or more that are not claimed within 60 days. Claims must still be made within one year of publication.

§ 66 Optional Early Retirement Program. Creates a local option early retirement program for municipal employees. If accepted, the chief executive of the city, town or light plant will have to limit the total number of employees who can participate and submit a plan to PERAC by September 28, 2010 (two months after effective date of act). The plan may include a grant of years and service up to 3 years. The municipality must demonstrate the value of its plan to PERAC. If approved, the plan must be submitted to the legislative body at the next meeting. Eligible employees must have at least 20 years of service and be members of a municipal, regional or county system. Participants must give up the right to accrued sick and vacation time and the monies saved must be used to offset the increased pension liabilities under the program. The increased pension liabilities must be amortized over 10 years and there are limits on filling the positions vacated.

§ 67 Massachusetts Water Resources Authority (MWRA) Water Supply. Exempts the three Chicopee Valley Aqueduct (CVA) communities, which receive their water supply from the MWRA, from the standard MWRA application process for certain types of expansions or extensions of water service.

§ 68 Local Option Tax Amnesty Program. Allows cities and towns to establish temporary tax amnesty programs, which must end by June 30, 2011. If accepted, municipalities may waive a uniform percentage up to 100 percent of collection costs and accrued interest due on outstanding property taxes, motor vehicle excises and boat excises, with some exceptions. The taxpayer must pay the principal amount owed and cannot have been subject of a criminal investigation for failure to pay taxes.

§ 69 School District Reporting Requirements. Requires the Department of Elementary and Secondary Education to revise and consolidate reporting requirements imposed on local school districts.

§ 72 School District Regionalization Commission. Creates a 16 member special commission to study efficient and effective strategies for collaboration and regionalization among school districts. The commission is to report to the legislature by March 31, 2011.