



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Disclaimer: All rights reserved. This online course is provided as a public service and is intended for training purposes only. While every attempt has been made to ensure that the content of this training is accurate, please refer to the Division of Local Services website for the latest and most accurate information when assessing local taxes. This course is not a public written statement within the meaning of 830 CMR 62C.3.1. Please refer to [Site Policies](#) for additional information.

Assessment Administration: Law, Procedures and Valuation

Module 4 – Property Tax Classification

Click the TOC icon located on the bottom right of the window to **Hide** or **Display** the Table of Contents.

Note: At the top of the TOC is a search field. You can search for items listed in the table of contents and then jump to that section when reviewing content. However, you must complete each Self Assessment Quiz at the end of each lesson in order to move to the next lesson or search for topics in upcoming lessons.

Division of Local Services

Click the button to
reference **Module 4** of
the ***DLS 101 Handbook***



Table of Contents

Lesson	Title
1	Brief History of Property Tax Classification
2	Classifying Property
3	The Classification Hearing
4	Role of the Assessor
5	Information Resources

A Brief History - Classification

Classification is the act of segregating property into two or more classes for the application of different effective tax rates.

Classification background:

- C&I properties traditionally assessed higher than residential to shoulder more of the tax burden.
- Court cases in the 1960s and 1970s gave taxpayers remedies to address inequitable assessment practices by cities and towns.
- Led to greater enforcement of and compliance with the “full and fair cash value” assessment standard.
- A constitutional amendment in 1978 allows property tax classification.
- Enables cities and towns to maintain, within limits, their historical tax shares.

Note: C&I = Commercial and Industrial

A Brief History – Legal Considerations

The law allows communities to:

- Choose between a single rate or multiple rates
- Annually decide portion of tax levy each class of property will pay

Classification Hearing

- Open and annual decision making process
- Choose a tax rate option
- Determine specific limits in shifting tax burden

The law defines major property classes

- Directs DLS to set classification standards

Definition:

The **tax levy** is the amount of taxes to be raised.



Department of Revenue's Role and Responsibility

- The law mandates DOR review and certify local assessments
- DOR establishes assessor qualifications and their required training
- Certify the Assessors have attended mandatory training and submitted evidence of completing the training in order to classify property

The Department of Revenue must assure that:

1. Assessors are familiar with the property classification coding system – State Use Code
2. Assessors recognize coding systems patterns to code unique properties

Lesson Recap

Full and Fair Cash Value	Results of court cases in the 1960s and 1970s led to greater enforcement of and compliance with the “full and fair cash value” assessment standard.
Constitutional Amendment	In 1978, a constitutional amendment allowed property tax classification, enabling cities and towns to maintain, within limits, their historical tax shares.
Division of Local Services	The law directs the Division of Local Services (DLS) to set classification standards and review and certify local assessments.
The Role of the DOR	Department of Revenue establishes assessor qualifications and their required training.
State Use Code	Assessors need to be familiar with the classification coding system known as the State Use Code.

Classifying Property – Types of Property

There are two basic types of property: Real and Personal

Real Property

Consists of the interests, benefits, and rights inherent in the ownership of land plus anything permanently attached to the land or legally defined as immovable, such as a building



Personal Property

Consists of every kind of property that is not real property; movable without damage to itself or the real estate, such as a cash register or display case



Classifying Property According to Current Use

Assessors must classify all real property according to use, as of January 1st each year, into one of the following four classes of real property:

- | | |
|----------------|---------------|
| 1. Residential | 3. Commercial |
| 2. Open Space | 4. Industrial |

Property must be classified according to current use and **not by zoning**.

Example:



Note: Personal Property is considered the **5th class**, and is treated as a separate class for the purpose of allocating the tax levy.



Classification Coding System

DOR has developed a coding system for classifying various property types. This system, called the State Use Code, has a 3-digit level of detail.

The **1st DIGIT** designates the major classification:

Mixed-use properties begin with “0”

Residential parcels begins with “1”

Open Space parcels begins with “2”

Commercial parcels begins with “3”

Industrial parcels begins with “4”

Personal property begins with “5”

Chapter Lands

Note: Codes, beginning with the digits **6**, **7** and **8** represent land classified under Chapters 61, 61A and 61B as forest, farm and recreational land. Codes beginning with **9** are used for exempt parcels.

Classification Coding System - State Use Code

DOR has developed a specific coding system for classifying various property. This system, called the State Use Code, has a 3-digit level of detail.

The **2nd DIGIT** indicates a significant category within the class

The **3rd DIGIT** identifies a subdivision of the category

Note: If the DOR guidebook does not cover a code for a very specific and atypical property type, local assessors can create their own code **that follows the overall DOR pattern.**



Classification Coding System Example - Code 1: Residential Parcels

Class Code 1 is used to identify residential real property.

Class Code “1” followed by a “0” (“10-”) indicates the category of properties that includes parcels with one or more, 1 to 3 family dwellings on a lot, a residential condominium or a lot with only residential detached structures.

101 Single Family



102 Condominium



103 Mobile Home



Classification Coding System Example - Code 1: Residential Parcels

Class Code 1 is used to identify residential real property

Class Code 1 followed by a "1" ("**11**") is used to indicate apartment properties.

111 4 to 8 units

112 More than 8 units



Classification Coding System - Code 1: Residential Parcels

Class Code 1 is used to identify residential real property

All residential vacant land is grouped into three categories and coded with these State Use Codes.

130 is used for developable land

131 is used for potentially developable land

132 is used for undevelopable land

The Classification Coding Reference Book

PROPERTY TYPE CLASSIFICATION CODES

NON-ARM'S LENGTH CODES AND

SALES REPORT SPREADSHEET SPECIFICATIONS

CHANGES

- CODE 451, 551 CHANGED TO RENEWABLE ENERGY PLANT
- SALES CODES SUBSTITUTE: "D" TO "O" AND "S" TO "L"; "X" CODE DISCONTINUED
- GATEWAY VERSION 3: REVISED LA-3 PROPERTY SALES BILL UPLOAD INSTRUCTIONS
- LA-15 INTERIM YEAR ADJUSTMENT REPORT

JUNE, 2016

Major Property Class Significant Categories Specific Property Type



342: Medical Office Building



400: Manufacturing Building



Local Option Codes

When the DOR guidebook does not have a code for a very specific and atypical property type, assessors can create a code.

- Follow 3-digit coding pattern
- Create code in appropriate category
- Written criteria
- Used consistently
- Coded according to use

Major Class = 3 is Commercial

Significant Category = 4 is office building

Specific Type = 5 a High Tech Security Building



345: High Tech Security Building



Mixed-Use Property Codes

In a case where a parcel is being used for more than one purpose, you would use major classification “0”, mixed-use property.

2nd digit identifies predominant use

3rd digit identifies secondary use

In the case of mixed-use properties, use major classification codes across all three digits.

Two methods of determining this:

- **Square Foot** method
- **Income Value** method

Note: Both methods are correct, but consistency is key.



Mixed-Use Property Codes - Example

Step 1: Identify how the parcel is being used

Mixed-use property "0" is the 1st digit

Step 2: Determine predominant and secondary uses

Using the square foot method, the predominant use is residential. The 2nd digit is assigned "1" for residential use.

Using square foot method, the secondary use is commercial use. The 3rd digit is assigned "3" for commercial use.

013



Exception - Major Classification “5”, Personal Property

All properties must be identified with a State Use Code. This includes both real and personal property.

Personal Property is all property other than real property; it is not permanently attached and is, therefore, movable.

Personal property is usually coded according to the type of ownership.

→ Code 501 is for individually owned property

Code 502 is for corporate owned property



Other Designations ~ Major Classification “2”, Open Space

Open Space is land not held for the production of income, but is maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the general public.

A parcel is not required to allow full public access to receive this classification.

To use an **Open Space** classification:

1. The assessors determine the criteria, within the statutory definition, for classifying land as “open space”.
2. Must have written criteria.
3. Must be uniformly applied.
 - The assessors decide which parcels are designated as “open space”.



Note: Open Space is taxed at the residential tax rate.

Other Designations ~ Open Space Eligible Discounts

All parcels designated as Open Space are allowed an applied discount to their taxes.

There is a section in Chapter 61, 61A and 61B that, if accepted by the city or town, allows parcels in that chapter to be classified as **Open Space**.

Note: Chapter land is usually classified as Commercial property and taxed at the commercial/industrial tax rate.

This is a local option and if a community accepts the “open space” local option for forest land, farmland and recreational land, this land will be taxed at the same rate as Open Space.

Note: Acceptance of the local option is by vote of the legislative body, subject to local charter requirements.

Other Designations ~ Group Homes



Group Homes

Major Class "1", Residential:

Non-transient group quarters

"121" = Boarding houses

"125" = Congregate housing

Other Designations ~ Group Homes



Group Homes

Major Class "3", Commercial:

Focus on care and treatment under special licenses and population more transient

"304" = Nursing homes

"306" = Step-down care facility
(for example a half-way house)

Care Facilities

Care Facilities Coded by Clientele

Childcare Facility Residential
Code = "140"



Adult Day Care Commercial
Code = "352"



Class Code Summary

As an assessor, you must assign a State Use Code to every property. Codes are not only required, but will provide a common language used for sorting and analyzing property data.



Once codes have been assigned and values finalized, the next step is the **Classification Hearing**.

Note: The State Use Codes and their descriptions are published in the Bureau of Local Assessment's "**Property Type Classification Codes**" booklet. This book should be kept and used as a reference tool.

Lesson Recap

Classifying Property	Assessors must classify all real property <u>according to its use</u> , as of January 1 of each year.
Personal Property	Personal property is treated as a separate class for the purpose of allocating the tax levy.
State Use Code	The State Use Code has a three-digit level of detail.
Creating a Code	For a specific and atypical property type, assessors can create a code, as long as it follows the overall State Use Code pattern.
Mixed-Use	The predominant use of a mixed-use parcel is determined by either the square-foot method or the income value method, but the chosen method must be used consistently.
Coding Personal Property	Personal property is coded according to its <u>type of ownership</u> .

Assessor's Responsibilities

A classification hearing is an annual public hearing in which the selectboard, town council or city council conduct a hearing for the purposes of deciding amongst and voting on specific property tax allocation options.



The Assessors have 4 responsibilities:

1. Identify when the hearing must be held
2. Have a list of tax options available to be decided at the hearing
3. Know the full role of the Board of Assessors in the hearing process
4. Be familiar with the resources available to prepare for the hearing

Public Meeting Notice

Within the limits established by state law, as calculated by the Department of Revenue, the selectboard, town council or city council annually decides the percentage of the tax levy that will be paid by each class of real and personal property owners.

- Assessors notify selectboard, town council or city council when valuations are complete
- Community officials schedule public hearing and post a public notice of the hearing
- Minimum time required between publication of hearing notice and the public hearing is 48 hours.



Public Meeting Notice - Subsequent Meetings

There must be a public notice posted of where and when the Classification Hearing will take place.

Some communities only need a brief session, while others may need two or three special sessions.

Taxpayers may present their views in the manner provided by the body holding the Classification Hearing.



Note: The DOR guidelines require the community to also publish the meeting notice in a widely distributed newspaper in the community.

Public Meeting Notice – Tabling the Vote

If the scheduled hearing has started and is then delayed, it can be tabled and the voting can be delayed.

- A new posting is required when a meeting is continued or rescheduled.
- The newspaper article information required by DOR guidelines does not necessarily need to be republished.



Tax Allocation Options – General Information

All of these options affect the tax burden. However, none of the options affect the total amount paid in taxes, but rather, ***what portion*** of the total amount of taxes a particular property class pays.

Example:

With a *single tax rate*: Residential class has 70% of the total value; it pays 70% of the total taxes.

With a *split tax rate*: The tax burden shifts, and the Residential class might pay less than 70% of the total taxes; Commercial, Industrial, and Personal Property classes could pay more than 30% of the burden.

The Roles

The role of the **selectboard, town council or city council** is to conduct the hearing and vote on the Tax Allocation options.

The role of the **Assessors** is to provide all relevant information to the selectboard, town council or city council so it can make informed decisions. This includes the financial impact on the taxes of different taxpayers.



Note: The assessor does not make the decision on the tax allocation options.

The Tax Allocation Options

Cities and towns have several options in distributing the tax levy among taxpayers under property tax classification.

All of these options affect the allocation of the tax burden.

The options can change the amount of the tax levy paid by each property class, but the total tax levy remains the same.

The 4 Tax Allocation Options

There are 4 options that need to be considered at the Classification Hearing.

1. Should there be a single tax rate or a split tax rate?
2. Should a discount be given to parcels in the Open Space Class?
3. Should a partial tax exemption be given to all qualifying, owner-occupied residential properties?
4. Should a partial tax exemption be given to all qualifying small commercial properties?

Note: A “**split tax rate**” means more than one tax rate.



Tax Allocation Options - Considerations

Some considerations that can affect the decisions on the tax allocation options.

- The relative size of various property classes
- The nature of businesses in the community
- The industries in the community
- The number of single family homes

Note: The tax allocation decisions do not have to be voted at the Classification Hearing. The decisions can be voted at another properly scheduled and posted meeting of the body.



Tax Allocation Options – The First Option – Single vs Split

Tax allocation options considered at the Classification Hearing:

A single tax rate or a split tax rate?

- If a single tax rate is adopted then all classifications share the tax burden equally.
- If a split tax rate is chosen, the next decision is, how much of the tax burden to shift?

The Department of Revenue calculates a Minimum Residential Factor (MRF) to ensure that the shift taken by a city or town does not exceed the maximum shift allowed by law.

Tax Allocation Options – Calculate Minimal Residential Factor

Minimum Residential Factor (MRF) Computation

Once the final assessed values for the fiscal year are entered in Gateway on the **LA4 Assessment Classification Report**, the MRF is calculated with computations listed through Gateway Online and shown on the **LA7**, in the Tax Rate Tab.

MASSACHUSETTS DEPARTMENT OF REVENUE DIVISION OF LOCAL SERVICES BUREAU OF LOCAL ASSESSMENT			Acushnet TOWN
MINIMUM RESIDENTIAL FACTOR COMPUTATION Fiscal Year 2018			
A Class	B Full and Fair Cash Valuation	C Percentage Share	
1. Residential	1,044,372,207	90.6070%	90.6070%
2. Open Space	0	0.0000%	
3. Commercial	32,373,697	2.8087%	9.3930%
4. Industrial	23,779,760	2.0631%	
5. Personal Property	52,113,601	4.5212%	
TOTALS	1,152,639,265	100.0000%	
Maximum Share of Levy for Classes Three, Four and Personal Property: $150\% \times 9.3930\% \text{ (Lines 3C + 4C + 5C)} = 14.0895\% \text{ (Max \% Share)}$			
Minimum Share of Levy for Classes One and Two: $100\% - 14.0895\% \text{ (Max \% Share)} = 85.9105\% \text{ (Min \% Share)}$			
Minimum Residential Factor (MRF): $85.9105\% \text{ (Min \% Share)} / 90.6070\% \text{ (Lines 1C + 2C)} = 94.8166\% \text{ (Minimum Residential Factor)}$			
MINIMUM RESIDENTIAL FACTOR LA7 (6-96): 94.8166%			
Chapter 58, Section 1A mandates a minimum residential factor of not less than 65 percent.			

Tax Allocation Options – The Residential Factor

The Shift Limits

The residential factor adopted by the community cannot be less than the Minimum Residential Factor (MRF) as calculated by the DOR.

- The residential factor governs the percentage of the tax levy to be paid by the Residential and Open Space properties.
- The Residential and Open Space classes have to raise at least 65% of their assessed value percentage.
- The difference is shifted to the Commercial, Industrial and Personal Property (CIP) classes.

Note: The residential factor is “1” with a single tax rate.



Tax Allocation Options – A Split Tax Rate

Defined Limits

With a split tax rate, the Commercial, Industrial, and Personal Property (CIP) classes cannot pay more than 150% of their assessed value percentage, as long as the *Residential and Open Space* (RO) classes pay at least 65% of the total tax levy.

Whether a community can shift to the maximum allowed depends on:

- The change in the *Residential and Open Space* (RO) share of the levy from the previous year
- The lowest RO levy share ever chosen

Tax Allocation Options – MRF and the Shift Limits

The Minimum Residential Factor (MRF) for most Massachusetts communities does not come close to this shift limit because of the distribution of their property values among the classes.

But

There are a few communities that have an extraordinary proportion of their value in the Commercial, Industrial, and Personal Property (CIP) classes and can't shift as much because the Residential and Open Space (RO) levy share would drop below the minimum share allowed by state law.

Tax Allocation Options – The Basic Tool

The “residential factor” is the basic tool for determining how much a municipality can shift the tax burden if the selectboard, town council or city council has voted for a split tax rate.

An example:

If the Residential and Open Space (RO) classes are 80% of the entire assessed value of the town, then the Commercial, Industrial, and Personal Property (CIP) classes are 20% of the entire assessed value of the town. With a single tax rate the RO classes would pay 80% of the entire tax levy and the CIP classes would pay 20% of the entire tax levy.

However, in this example, the town selectboard has voted for a split tax rate and also decided on the maximum allowable shift of 50% to the CIP classes.

Tax Allocation Options – An Example

The Shift

With a single tax rate

- RO classes would have paid 80%
- CIP classes would have paid 20%

50% shift of the current CIP classes tax burden of 20%

$$.2 \times .5 = .1$$

or

$$20\% \times 50\% = 10\%$$

$$20\% + 10\% = 30\%$$

After the shift, CIP classes will pay 30% of the total tax levy.



Tax Allocation Options - An Example

Residential Factor

New RO levy share / Original RO levy share = Residential factor

$$70\% / 80\% = 87.5$$

$$\text{Residential factor} = .875$$



Tax Allocation Options – Minimum Residential Factor

Expanded MRF Parameters

The MRF is calculated using the following parameters if adopting the MRF determined by using the basic parameters (demonstrated in the previous example) would mean residential taxpayers would pay a higher share of the tax levy than (1) last year or (2) the fiscal year before the year in which the city or town first adopted the MRF to shift.

- CIP taxpayers cannot pay more than 175% of their “full and fair cash value” share of the tax levy.
- RO taxpayers must pay the greater of (1) 50% of their “full and fair cash value” share of the levy, or (2) the lowest percentage share of the levy they have paid since classification began.

Note: Understanding the DOR forms enables local officials to understand the relationship of the values by class to each other, in the realm of tax shifting.

Tax Allocation Options – The Second Option

Open Space Discount

If the community has parcels classified as Open Space, the selectboard, town council or city council can allow up to a 25% discount on their taxes.

Open Space Discount Results:

- The discounted taxes are shifted to the Residential class
- The tax levy burden for the RO classes remains the same
- There are different tax rates for the Open Space class versus the Residential class

Note: The Open Space Discount is rarely used.

Tax Allocation Options – The Third Option

The Residential Exemption

- Only owner-occupied, residential properties are eligible.
- Up to 35% of the average residential value is exempted.
 - I. The exempted value is calculated by finding the average of all residential values and computing the chosen percentage of that average.
 - II. The exempted amount is subtracted from the assessed value of all eligible properties.

Note: The Residential Exemption results in a reduction of the taxable value of all eligible properties.

Tax Allocation Options - Residential Exemption

The residential exemption affects a shift in the tax levy share within the Residential class. The reduction in taxes created by the exempted value is shifted from the eligible residential parcels to the ineligible residential parcels.

Key Points:

- The residential exemption does not change the tax levy share of the Residential class.
- The exempted value lowers the total taxable value of the Residential class and, therefore, raises the Residential tax rate.

Tax Allocation Options - Residential Exemption

An Example

A community decides to implement the residential exemption. The chosen percentage of the average residential value is calculated and results in a \$40,000 exemption.

Current residential tax rate is \$15 per thousand.

Exemption in tax dollars
 $40 \times 15 = \$600$
per eligible property

Exemption amounts to \$600 in tax dollars

Loss in tax dollars shifted to ineligible residential properties and higher valued residential properties with increase in the residential tax rate. The increase in the residential tax rate often offsets the exempted amounts for the higher valued properties.

Note: Important that assessors identify all eligible residential properties before the Classification Hearing.

Tax Allocation Options – The Fourth Option

The Small Commercial Exemption

- In a city, the mayor, with the approval of the city council, and in a town, the town council or selectboard, may exempt up to 10% of the value of qualifying Commercial class properties.
- The assessors apply the exemption to reduce the taxable value of all eligible properties before setting the tax rate.

Note: Like the Residential Exemption, the Small Commercial Exemption results in a reduction of the taxable value of all eligible properties.

Tax Allocation Options – Tax Levy Shift

The Small Commercial Exemption is a value exemption.

- Lowers the taxable value of the qualifying properties.
- The exemption lowers the taxes on parcels occupied by small business owners and shifts those taxes to the other Commercial and Industrial taxpayers.

Tax Allocation Options – The Small Commercial Exemption

Qualifications

In order to qualify for the Small Commercial Exemption a property:

1. Must be a Commercial class property, not an Industrial property.
2. Must be a business with an average annual employment of 10 or less individuals at all locations during the prior year.
3. Assessors may determine employment numbers for a sole proprietorship but for all other businesses, the assessors must rely solely on the determination made by the Director of Labor and Workplace Development.
4. The parcel has an assessed value of \$1,000,000 or less before the application for the exemption is applied.

Lesson Recap

Classification Hearing	A classification hearing is an annual public hearing conducted by the selectboard, town council or city council to consider and possibly vote on specific property tax allocation options.
Public Notice of the Classification Hearing	There must be a public notice posted of where and when the Classification Hearing will take place. The notice must also be published in a widely distributed newspaper in the community.
Tax Allocation Impact	The tax allocation options affect the tax burden of the property classes but not the total tax levy.
Tax Allocation Considerations	When considering a split tax rate, the residential factor adopted by the community cannot be less than the DOR's Minimum Residential Factor (MRF).
Tax Allocation Options	The other tax allocation options are; Open Space discount, Residential exemption and small Commercial exemption.

The Assessors Role - The Classification Hearing

The Assessors key role is their expertise in valuation.

- Assessors are not required by statute to make recommendations at the Classification Hearing, but they are often asked to and sometimes do make recommendations.
- Assessors provide all relevant information and data to the Classification Hearing so the selectboard, town council or city council can make informed tax rate decisions, including the financial impact on the taxes of different taxpayers.
- Assessors need to have fully completed final values and estimated the “new growth” totals that are added to the existing levy limit.

Definition: New growth is an additional annual increase to the tax levy limit based on the valuation of certain new construction and other allowable growth in the tax base.

The Assessors Role

As part of the community's financial team

- Need to prepare all the data available that will assist the local decision makers when making their tax option decisions.
- Need to present the community leaders with visual graphs and charts so they can be reviewed as quickly and easily as possible.
- Need to speak in terms of the financial impact of the various options on the average tax bills.

Note: The time of the Classification Hearing depends on the turnout and community factors.

Lesson Recap

Relevant Information	The assessors have to provide all the relevant information and data to the Classification Hearing so the selectboard, town council or city council can make informed tax rate decisions.
Before Classification Hearing	Assessors need to have fully completed the final values and estimated the “new growth” totals before the Classification Hearing.
Financial Impact of Options	Assessors need to speak in terms of the financial impact of the various options on the average tax bills.

DLS Website

Home Page: www.mass.gov/orgs/division-of-local-services



DLS Training Programs

DLS Training Programs

Course 101 Supplemental Materials

Property Tax Classification (Chapter 4)

Property Type Classification Codes Booklet



Databank Reports

Databank Reports

Municipal Trend Analysis Report

At A Glance Reports

Community Comparison Reports



DLS Gateway (must sign in)

Tax Rate tab

LA7

Options Table

Information Resources – DLS Website

The screenshot shows a web browser window displaying the Division of Local Services (DLS) website. The browser's address bar shows the URL <https://www.mass.gov/orgs/division-of-local-services>. The website header includes the Mass.gov logo, a search bar, and navigation links for "Select Language", "State Organizations", and "Log In to...". Below the header, there are five main navigation categories: "LIVING", "WORKING", "LEARNING", "VISITING & EXPLORING", and "YOUR GOVERNMENT". The main content area features a large banner with a map of Massachusetts, where different regions are color-coded (green, yellow, orange, red). The text "Division of Local Services (DLS)" is overlaid on the map. Below the banner, a text block states: "DLS supports local officials in your community to achieve sound fiscal management through guidance, training and oversight." To the right of this text is the DLS logo, which includes the text "DLS" and "DIVISION OF LOCAL SERVICES MA DEPARTMENT OF REVENUE". Below the text block, there is a "Address" section with the following information: "Boston Office (Main)", "100 Cambridge Street, 6th Floor, Boston, MA 02114", and a "directions" link. To the right of the address is a button that says "TELL US WHAT YOU THINK". The browser window also shows a taskbar at the bottom with various application icons and a system tray on the right indicating the time as 10:03 AM on 11/28/2017.

Division of Local Services (DLS)

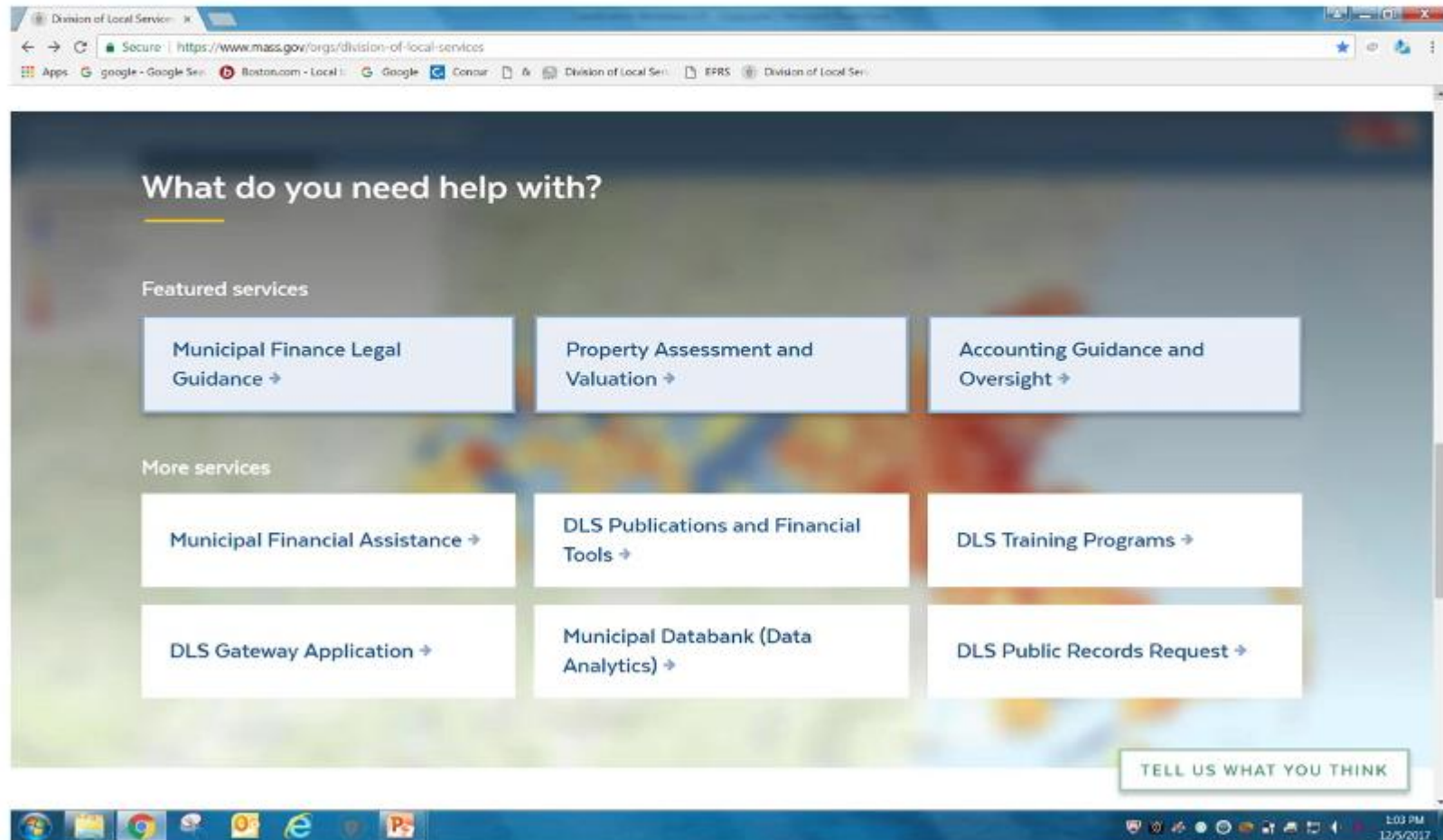
DLS supports local officials in your community to achieve sound fiscal management through guidance, training and oversight.

DLS
DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

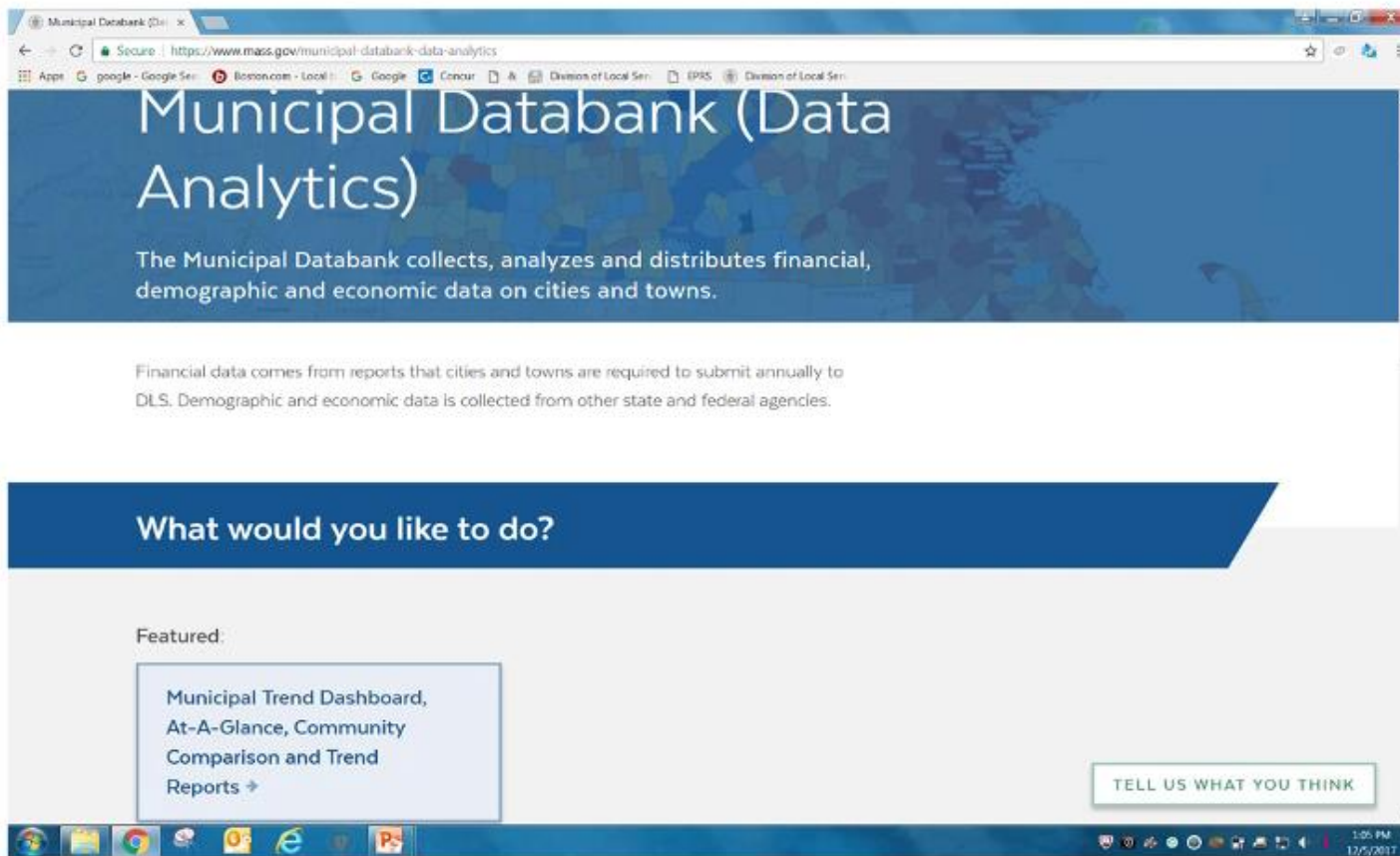
Address
Boston Office (Main)
100 Cambridge Street, 6th Floor, Boston, MA 02114
[directions](#)

[TELL US WHAT YOU THINK](#)

Information Resources – DLS Website



Information Resources – Municipal Databank



Municipal Databank (Data Analytics)

The Municipal Databank collects, analyzes and distributes financial, demographic and economic data on cities and towns.

Financial data comes from reports that cities and towns are required to submit annually to DLS. Demographic and economic data is collected from other state and federal agencies.

What would you like to do?

Featured:

Municipal Trend Dashboard, At-A-Glance, Community Comparison and Trend Reports →

TELL US WHAT YOU THINK

Municipal Databank



Information Resources – Municipal Databank

Municipal Databank Reports

Municipal Trend Analysis Report

Can be downloaded and customized to any community's information, including any comparable community.

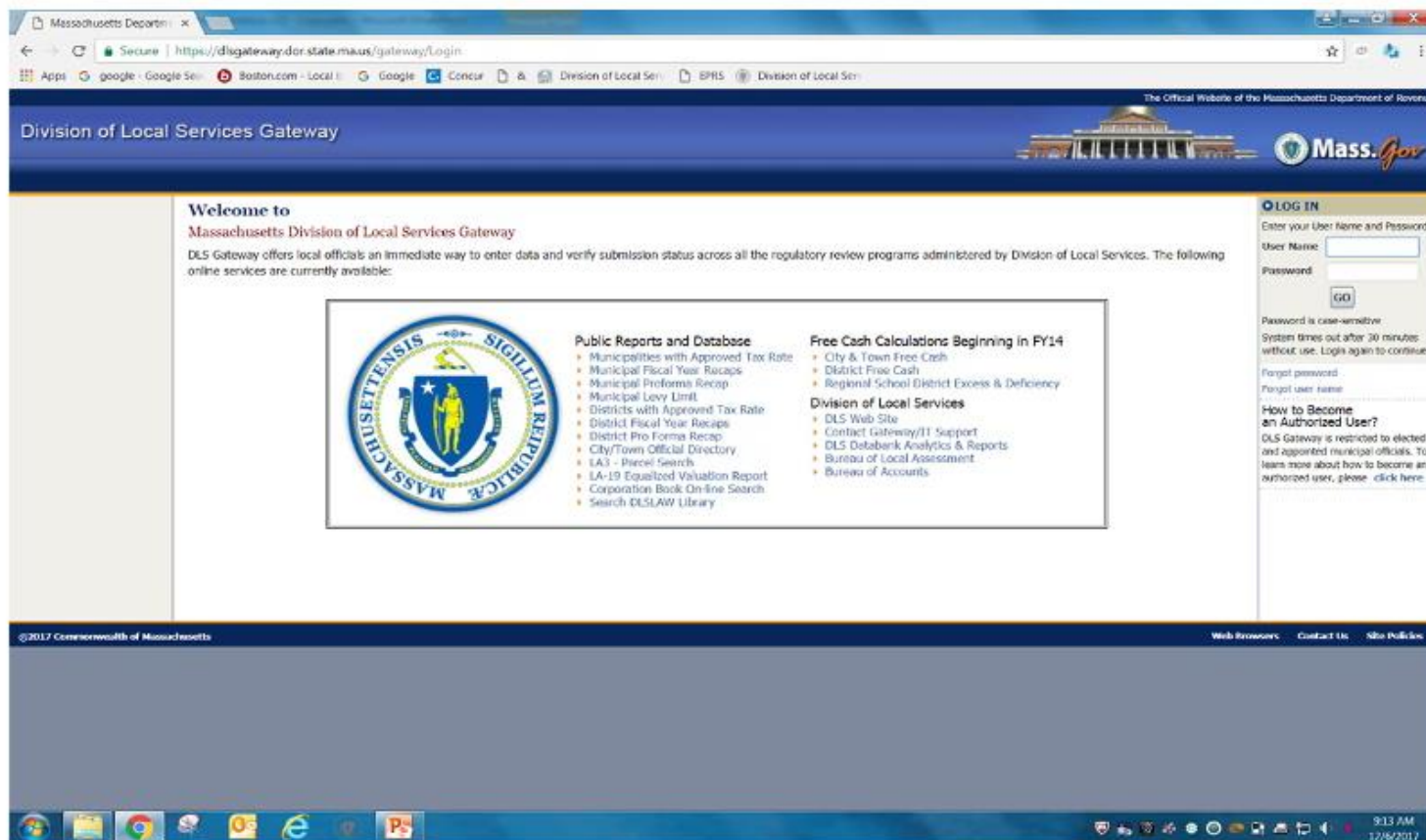
At A Glance Reports

Provide financial and demographic overviews for every community.

Community Comparison Report

Provides a “search” capability on important municipal statistics such as, the population size, the average assessment and the size of the budget.

Information Resources – DLS Gateway



The screenshot shows a web browser window displaying the 'Division of Local Services Gateway' login page. The page header includes the Massachusetts Department of Revenue logo and the text 'The Official Website of the Massachusetts Department of Revenue'. The main content area features a 'Welcome to Massachusetts Division of Local Services Gateway' message, followed by a list of services available through the gateway, including 'Public Reports and Database' and 'Free Cash Calculations Beginning in FY14'. A 'LOG IN' section on the right side of the page contains fields for 'User Name' and 'Password', a 'GO' button, and links for 'Forgot password?' and 'Forgot user name?'. Below the login section, there is a 'How to Become an Authorized User?' link. The footer of the page displays the copyright notice '©2017 Commonwealth of Massachusetts' and links for 'Web Resources', 'Contact Us', and 'Site Policies'.

Massachusetts Department of Revenue
The Official Website of the Massachusetts Department of Revenue

Division of Local Services Gateway

Welcome to
Massachusetts Division of Local Services Gateway

DLS Gateway offers local officials an immediate way to enter data and verify submission status across all the regulatory review programs administered by Division of Local Services. The following online services are currently available:

Public Reports and Database

- Municipalities with Approved Tax Rate
- Municipal Fiscal Year Recaps
- Municipal Proforma Recap
- Municipal Levy Limit
- Districts with Approved Tax Rate
- District Fiscal Year Recaps
- District Pro Forma Recap
- City/Town Official Directory
- LA3 - Parcel Search
- LA-19 Equalized Valuation Report
- Corporation Book On-line Search
- Search DLSLAW Library

Free Cash Calculations Beginning in FY14

- City & Town Free Cash
- District Free Cash
- Regional School District Excess & Deficiency

Division of Local Services

- DLS Web Site
- Contact Gateway/IT Support
- DLS Databank Analytics & Reports
- Bureau of Local Assessment
- Bureau of Accounts

LOG IN

Enter your User Name and Password.

User Name:

Password:

Password is case-sensitive.
System times out after 30 minutes without use. Login again to continue.

[Forgot password](#)
[Forgot user name](#)

How to Become an Authorized User?
DLS Gateway is restricted to elected and appointed municipal officials. To learn more about how to become an authorized user, please [click here](#).

©2017 Commonwealth of Massachusetts

Web Resources Contact Us Site Policies

**DLS Gateway
login page**



Information Resources – DLS Gateway

Gateway Database

There is an abundance of historical data within the Gateway database that is annually pulled from prior years and works in conjunction with the community's current data to determine whether the community can shift the tax burden in excess of 150%, or all the way up to 175%.

Key Points:

- Review DLS forms each year to determine residential factor.
- Protects RO and CIP classes from taking on too much of the tax burden compared to the prior year.

Information Resources – DLS Gateway

LA4 and LA7 Forms

When the LA4 values are finalized, Assessors need to review the LA7.

Definitions:

The LA4 is a report in the DLS Gateway system that displays total values grouped by the State Use Code and grand totals for the major property classes.

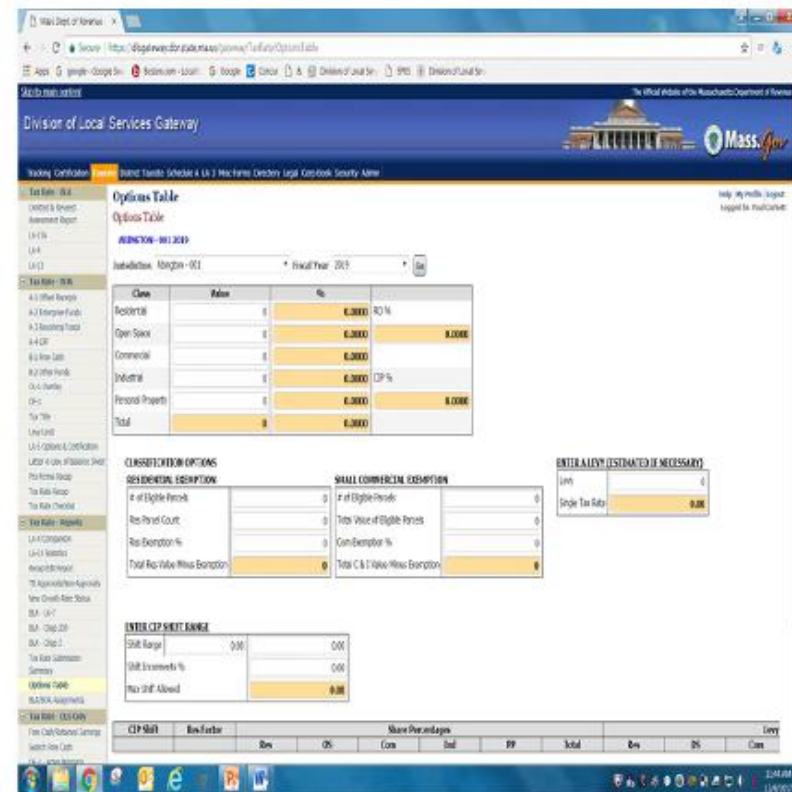
The LA7 is a report in the DLS Gateway system that calculates the Minimum Residential Factor (MRF) and shows the community's tax shifting limits.

Information Resources – DLS Gateway

Options Table

The Options Table is a planning tool used to calculate various options to shift the tax burden.

- Linked to historical data and calculates tax shifts using assessors input.
- Independent of calculations of other tax rate forms.
- Designed to test “what if” scenarios.



The screenshot displays the 'Options Table' interface within the Division of Local Services Gateway. The interface includes a sidebar with navigation links, a main content area with the 'Options Table' title, and several input fields and tables for calculating tax shifts.

Options Table

Assessment: 001.0000

Installation: Abington - 001

Fiscal Year: 2003

Class	Value	%
Residential	0	0.0000
Open Space	0	0.0000
Commercial	0	0.0000
Industrial	0	0.0000
Personal Property	0	0.0000
Total	0	0.0000

CLASSIFICATION OPTIONS

RESIDENTIAL DESCRIPTION

of Eligible Parcels: 0

Res. Parcel Count: 0

Res. Exemption %: 0

Total Res. Value Minus Exemption: 0

SMALL COMMERCIAL DESCRIPTION

of Eligible Parcels: 0

Total Value of Eligible Parcels: 0

Com. Exemption %: 0

Total C & T Value Minus Exemption: 0

ENTER CIP SHIFT RANGE

Shift Range: 0.00

Shift Increment %: 0.00

Max Shift Allowed: 0.00

ENTER A LEVY (ESTIMATED IF NECESSARY)

Levy: 0

Single Tax Rate: 0.00

CIP Shift

Class	Value	Shift	Rate	PP	Total
Residential	0	0.00	0.00	0.00	0.00
Open Space	0	0.00	0.00	0.00	0.00
Commercial	0	0.00	0.00	0.00	0.00
Industrial	0	0.00	0.00	0.00	0.00
Personal Property	0	0.00	0.00	0.00	0.00
Total	0	0.00	0.00	0.00	0.00



Information Resources – DLS Gateway

Options Table – Other Features

CLASSIFICATION OPTIONS

RESIDENTIAL EXEMPTION

# of Eligible Parcels	<input type="text" value="0"/>
Res Parcel Count	<input type="text" value="0"/>
Res Exemption %	<input type="text" value="0"/>
Total Res Value Minus Exemption	0

SMALL COMMERCIAL EXEMPTION

# of Eligible Parcels	<input type="text" value="0"/>
Total Value of Eligible Parcels	<input type="text" value="0"/>
Com Exemption %	<input type="text" value="0"/>
Total C & I Value Minus Exemption	0

Information Resources – DLS Gateway

Options Table - Note

It is important to practice with the Options Table while preparing for the Classification Hearing, to know the possibilities for shifting the tax levy.

Just log into Gateway, input different values on the LA4 and see how the maximum shift allowed changes in the Options Table. If a community has significant fluctuations in the percent share of the tax levy by class, the Assessors need to be aware of what the pending shift will allow.

Lesson Recap

Reference Materials	There are many reference materials available to the Assessors on the Division of Local Services (DLS) web page.
Municipal Databank	The Municipal Databank section contains spreadsheets with historical data that can be downloaded and provide valuable information for the community.
Historical Data	There is an abundance of historical data within the Gateway database that is annually pulled from prior years and works in conjunction with the community's current data to determine whether the community can shift the tax burden in excess of 150%, or all the way up to 175%.
Options Table	The Options Table is a planning tool in the Gateway system designed to test "What if" scenarios for tax allocation options.

Where can the assessors find the “Property Type Classification Codes” booklet? 1 of 2

Incorrect

That’s incorrect. The DLS Home Page has the “Property Type Classification Codes” booklet.

☒ DLS Website

Municipal Databank

☐ Gateway

Community website

Continue

The principal of “full and fair cash value” was established to address what issue?

1 of 2

Correct

That is correct. In the 1970s, as a result of court cases pertaining to the equity of assessments, the core principal of “full and fair cash value” for tax assessments was established.

Classification

Tax rates

Tax levy

☒ Equity of Assessments

Continue

Successful Assessment Completion**Congratulations!**

You have successfully completed the learning assessment.

**Request Module Credit**

By clicking the Module Credit button, I acknowledge and confirm that I successfully completed the following module:

- **Module 4 - Property Tax Classification**



Click the **Credit** button to receive credit for completing this module.

Module Credit

Final Questions Answers 95%

- 1 state use code
- 2 False
- 3 Residential vacant land
- 4 Square feet
- 5 Type of ownership
- 6 48 hours
- 7 3
- 8 None of above
- 9 85%
- 10 True
- 11 All of above
- 12 1
- 13 Residential factor
- 14 30%
- 15 RO class original percent tax share
- 16 25%
- 17 True
- 18 Average residential parcels
- 19 10 people
- 20 NOT LA4... Boooo

Directory

Introduction to Assessment Administration

DOR's Course 101, *Introduction to Assessment Administration: Law, Procedures and Valuation*, is required of all newly elected or appointed assessors.

Click the links below to access the course modules and learning assessments. You do not need to complete the entire course at once and you can view the material in any order. Gateway will automatically update your Course 101 Status as you progress through the course and send you a confirmation email when you have completed the entire course. The learning assessment link is only available for those learning modules that you have completed.

Module	Module Name	Module Content		Learning Assessment	
		Launch Link	Completed	Launch Link	Completed
0	101 Introduction	Take Module	7/27/2023	--	7/27/2023
1	Assessment Administration	Take Module	7/29/2023	--	7/29/2023
2	Mass Appraisal	Take Module	7/31/2023	--	7/31/2023
3	Proposition 2 1/2	Take Module	8/7/2023	--	8/8/2023
4	Property Tax Classification	Take Module	8/9/2023	--	8/9/2023
5	Setting The Tax Rate	Take Module	--	--	--
6	Property Tax Abatements	Take Module	--	--	--
7	Property Tax Exemptions	Take Module	--	--	--
8	Personal Property	Take Module	--	--	--
9	Motor Vehicle Excise	Take Module	--	--	--