



OFFICE OF THE STATE AUDITOR  
**SUZANNE M. BUMP**  
COMMONWEALTH OF MASSACHUSETTS

Financial Impact Review

**FIVE-YEAR STATUTORY  
FISCAL IMPACT REPORT**

Calendar Years 2016 Through 2020

MARCH 23, 2022

**Division of Local Mandates,  
Office of the State Auditor Suzanne M. Bump**



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**SUZANNE M. BUMP**  
COMMONWEALTH OF MASSACHUSETTS

March 23, 2022

Senator John J. Cronin, Chairman  
Joint Committee on Municipalities and Regional Government  
State House, Room 504  
Boston, MA 02133

Representative Paul F. Tucker, Vice Chair  
Joint Committee on Municipalities and Regional Government  
State House, Room 473G  
Boston, MA 02133

Dear Colleagues:

It is my privilege to submit this five-year statutory fiscal impact report for calendar years 2016 through 2020. This study was undertaken pursuant to Section 6B of Chapter 11 of the Massachusetts General Laws, which provides that the Office of the State Auditor's Division of Local Mandates (DLM) shall conduct a review every five years of laws that have "a significant financial impact upon the municipalities of the Commonwealth."

I hope this report will assist you in enhancing state law, policies, and procedures that affect the resources and revenues of our cities and towns. Thank you for your continued support of our shared effort to make government work better. Please do not hesitate to reach out to my office with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne M. Bump".

Suzanne M. Bump  
Auditor of the Commonwealth

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# LIST OF ABBREVIATIONS

ARPA	American Rescue Plan Act
COVID-19	2019 coronavirus
DCF	Department of Children and Families
DESE	Department of Elementary and Secondary Education
DLM	Division of Local Mandates
FY	fiscal year
M.G.L.	Massachusetts General Laws
MPTC	Municipal Police Training Committee
OSA	Office of the State Auditor
PILOT	payment in lieu of taxes
POST	Peace Officers Standards and Training
RSD	regional school district
SRO	school resource officer



## ABOUT THE DIVISION OF LOCAL MANDATES

The Division of Local Mandates (DLM) was established by Proposition 2½, an initiative to limit property tax increases, in order to determine the financial impacts of proposed or existing state laws, regulations, and rules on cities and towns. Proposition 2½ limits a city or town's authority to raise real estate and personal property taxes.

The Local Mandate Law, c. 29, § 27C of the Massachusetts General Laws (M.G.L.), generally provides that post-1980 laws, regulations, or rules that impose new service or cost obligations on cities, towns, regional school districts, or educational collaboratives and meet certain thresholds shall be effective only if locally accepted or fully funded by the Commonwealth. Any protected party aggrieved by such a law, regulation, or rule may petition DLM for a determination of whether the law, regulation, or rule constitutes a mandate and to make a cost determination of the state funding necessary to sustain a mandate. That determination is shared with the Executive and Legislative branches of the government for their consideration.

In 1984, the Massachusetts General Court expanded DLM's powers of review by authorizing DLM to examine any state law or regulation that has a significant local cost impact, regardless of whether it satisfies the more technical standards under the Local Mandate Law. This statute is codified as M.G.L. c. 11, § 6B. As a result of this law, DLM releases reports known as "municipal impact studies" or "6B reports," which examine various aspects of state law that may impact municipalities.

Through these functions, DLM works to ensure that state policy is sensitive to local fiscal realities so that cities and towns can maintain autonomy in setting municipal budget priorities.

# EXECUTIVE SUMMARY

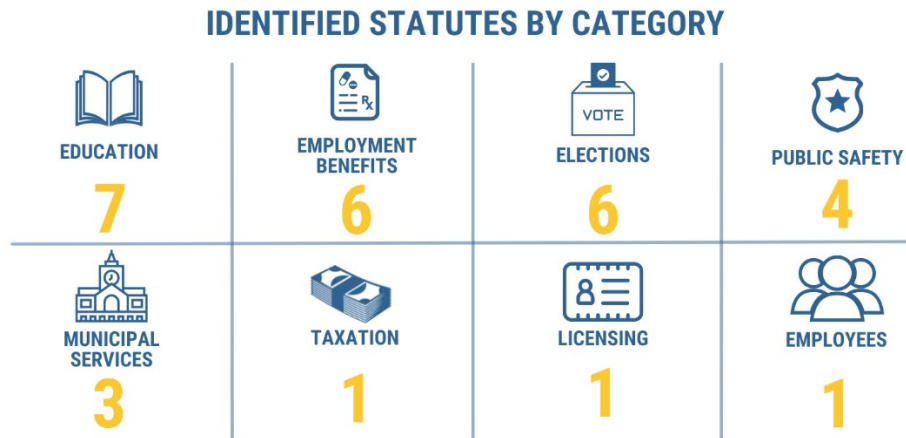
The Commonwealth of Massachusetts continues to pass laws that require significant resources from cities and towns for implementation. These measures are in large part financed by local property taxes as state aid lags behind increasing local assessments. There were several major pieces of legislation signed into law during the period between 2016 and 2020, in addition to legislation with more modest goals and/or effects. Notable legislation included the Municipal Modernization Act, an expansion of the public records law, and criminal justice and policing reforms. This period also saw the passage of the Student Opportunity Act, which promises to increase aid for public education, particularly in school districts with lower incomes, large English-learner enrollments, and higher-cost special-education needs. Moreover, the 2019 coronavirus (COVID-19) pandemic brought special legislation that allowed for flexibility in municipal governance. As a result, voting opportunities expanded, resulting in new costs that were offset, at least in part, by important federal and state reimbursements.

This report is prepared to fulfill the requirement that the Division of Local Mandates (DLM) “shall review every five years those laws and administrative regulations which have a significant financial impact upon cities or towns” in Massachusetts.<sup>1</sup> During this period, DLM reviewed 1,629 pieces of enacted legislation and identified 29 statutes which have a substantial impact on municipal budgets and operations. The 29 statutes are categorized in Figure 1 by subject matter. These statutes, which are outlined in this report, were signed into law during the covered period, which included a continued national economic expansion and ended during the COVID-19 pandemic. As shown in the discussion of the Commonwealth’s financial climate, demands for municipal services have risen during this period. Local taxes and other revenues also have risen faster than state aid.

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<sup>1</sup> M.G.L. c. 11, § 6B. See Appendix A for full text.

**Figure 1—Identified Statutes for the 2016–2020 Five-Year Statutory Fiscal Impact Report, By Category**



## MUNICIPAL IMPACT REPORTS

Following the authority granted under M.G.L. c. 11, § 6B, DLM explored various policy concerns having a significant financial impact on municipalities that did not rise to the level of a mandate that required state support. DLM measured the extent of these concerns and issued reports making recommendations related to water infrastructure, regional schools, educational services for children in foster care, municipal police training and accountability, and payments in lieu of taxes (PILOTs). The research consisted of significant analysis of data, stakeholder discussions, meetings with members of the Legislature and their staff, and surveys of municipalities.

These reports have had an impact on ongoing policy discussions and have contributed to higher funding in a number of areas. For example, the report on municipal police training won two national awards for its contribution to the discussion of policing reform and certification in Massachusetts.<sup>2</sup> Another municipal impact report, which focused on the disproportionate impact of the State-Owned Land PILOT on western Massachusetts cities and towns, contributed to a significant increase in funding for the program shortly after its release. A detailed summary of the municipal impact reports that DLM published between 2016 and 2020, as well as actions taken since their publication, is set forth below.

<sup>2</sup> Massachusetts Office of the State Auditor, Division of Local Mandates. (2021, April 28). “Bump’s office receives national award for police reform efforts.” <https://www.mass.gov/news/bumps-office-receives-national-award-for-police-reform-efforts>; Massachusetts Office of the State Auditor, Division of Local Mandates. (2021, August 2). “Bump’s office recognized by National Conference of State Legislatures for study on police training and accountability.” <https://www.mass.gov/news/bumps-office-recognized-by-national-conference-of-state-legislatures-for-study-on-police-training-and-accountability>

## **Costs, Regulation, and Financing of Massachusetts Water Infrastructure: Implications for Municipal Budgets (January 2017)**

In 2016, DLM surveyed municipalities about the cost impacts of state and federal regulations on their water infrastructure systems. This report was a result of municipalities' responses, finding that there are billions of dollars in significant financial investments needed for clean drinking water delivery, wastewater treatment and handling, and stormwater management.

Some of the major recommendations that resulted in state action include:

- **Increase water infrastructure grant funding.**
  - There has been consistent funding for the Municipal Vulnerability Preparedness program and engineering grants since the release of the report.
- **Convene a statewide summit on the impacts of climate change on water infrastructure.**
  - The Baker-Polito administration held a climate resiliency summit in September 2017.

### **OUTCOME:**

- **Consistent funding for Municipal Vulnerability Preparedness (MVP) program**
- **Climate Resiliency Summit held in September 2017**



## Supporting Student and Community Success: Updating the Structure and Finance of Massachusetts Regional School Districts (October 2017)

DLM conducted a study examining regional school districts (RSDs) across the Commonwealth and the financial challenges they face because of their unique governance structure. DLM found that RSDs suffer from budget constraints not seen by other public school districts, especially when they cover smaller student populations despite operating in large geographic areas. Some of the largest financial challenges come from student transportation and enrollment-based assessments imposed on member communities.

Some of the major recommendations that resulted in legislative action include:

- **Increase funding for regional student transportation.**
  - Although the Commonwealth has not yet fully reimbursed regional transportation expenses, state reimbursements have increased in the last few fiscal years (FYs)—from \$59.1 million in FY 2016 to \$82.3 million in FY 2021.<sup>3</sup>
- **Implement recommendations from the Foundation Budget Review Commission.**
  - The Student Opportunity Act, which was signed into law in November 2019, fully implements the recommendations made by the Foundation Budget Review Commission in its 2015 report.<sup>4</sup> This sweeping education act will provide relief to RSDs for years to come, especially for the areas of special education and transportation.
- **Examine and act on issues specifically related to RSDs.**
  - Rural School Aid was introduced in the FY 2019 state budget, which provides supplemental aid to school districts with low student density and promotes efforts to incentivize regionalization and collaboration.<sup>5</sup> The Student Opportunity Act also established a Rural Schools Commission that would examine rural and regional school districts with declining student populations.<sup>6</sup>

## OUTCOME:

- **Increased funding for Regional School District (RSD) Transportation**
- **Student Opportunity Act signed into law in November 2019**
- **Rural School Aid introduced in FY 2019 state budget**

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<sup>3</sup> Massachusetts Department of Secondary and Elementary Education. (2021, October 27). *Transportation*. <https://www.doe.mass.edu/finance/transportation/>

<sup>4</sup> St. 2019, c. 132. <https://malegislature.gov/Laws/SessionLaws/Acts/2019/Chapter132>; Massachusetts Department of Secondary and Elementary Education. (2021, May 18). *Student Opportunity Act (SOA) Plans*. <https://www.doe.mass.edu/commissioner/spec-advisories/soa.html>

<sup>5</sup> General Court of Massachusetts. (2018). *FY 2019 Final Budget* (see line item 7061-9813). <https://malegislature.gov/Budget/FY2019/FinalBudget>

<sup>6</sup> St. 2019, c. 132, § 22. <https://malegislature.gov/Laws/SessionLaws/Acts/2019/Chapter132>

## Educational Services for Students in Foster Care and State Care (April 2019)

In 2019, DLM examined how a myriad of state and federal laws, regulations, and funding requirements established a complex system for providing quality education to students in foster care. DLM found that school districts expend significant financial resources to fulfill these requirements (such as transportation arrangements) and that district officials devote considerable time and effort to ensure students in foster care are receiving appropriate services.

Some of the major recommendations that resulted in state action include:

- **Increase collaboration between Department of Children and Families (DCF) field offices and school districts.**
  - Since the release of the report, there have been increased training sessions between the Department of Elementary and Secondary Education (DESE), DCF, and local educators.
- **Examine and take action on issues related to school transportation expenses.**
  - DCF and DESE cooperated in securing partial federal reimbursement for transportation expenses related to children in foster care. A special legislative commission on student transportation also released its final report in December 2020, bringing existing issues to light.<sup>7</sup>

### OUTCOME:

- **Increased training involving DESE, DCF staff and local educators**
- **Partial federal reimbursement secured by DCF and DESE for transporting students in foster care to school**

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<sup>7</sup> Special Commission on Improving Efficiencies Relative to Student Transportation. (2020, December 10). *Final Report*. <https://malegislature.gov/Bills/191/SD3131>

## Municipal Police In-Service Training: Funding and Cooperation across the Commonwealth (November 2019)

DLM released a study that examined how state laws concerning municipal police training affect local government budgets. In its study, DLM found that the Commonwealth did not provide sufficient opportunities to allow officers to meet state-mandated training requirements via the Municipal Police Training Committee (MPTC) and had no mechanism to hold officers and municipalities accountable for noncompliance.

A comprehensive police accountability bill that was signed into law in December 2020 fulfilled some of the major recommendations made by DLM. They include:

- **Establish a Peace Officers Standards and Training (POST) system.**
  - Governor Baker signed a police accountability bill into law in December 2020, with the core of the bill consisting of the establishment of the POST Commission.<sup>8</sup> The POST Commission will serve as the main entity responsible to ensure compliance with training goals and standards of professional conduct. The commission will also work with MPTC on various matters, including establishing minimum standards for officer certification.<sup>9</sup>
- **Improve accountability by tracking compliance with training requirements and improving guidance to municipal police departments.**
  - The police accountability act contains a provision that establishes a database within the POST Commission's Division of Police Certification containing officers' training records.<sup>10</sup> A separate provision establishes a separate database within the Division of Police Standards detailing various types of officer conduct complaints, including data about whether an officer failed to follow training requirements.<sup>11</sup> The act also establishes punishments for officers who fail to complete training.<sup>12</sup>

## OUTCOME:

- **POST Commission established by police accountability bill signed into law in December 2020**
- **Training databases and disciplinary actions included in police accountability bill provisions**

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<sup>8</sup> St. 2020, c. 253, § 30. <https://malegislature.gov/Laws/SessionLaws/Acts/2020/Chapter253>

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

## The Impact of the State-Owned Land PILOT and Solar Taxation Policies on Municipalities (December 2020)

DLM examined whether municipalities receive adequate compensation for hosting tax-exempt state lands and solar facilities, particularly through two state programs that involve payments in lieu of taxes (PILOTs). DLM found that the state-owned land PILOT reimbursement formula is underfunded and advantages cities and towns whose property values are rapidly growing at the expense of communities with stagnant growth. DLM also found that the Appellate Tax Board's interpretation of a tax exemption that previously applied only to residential solar panel installations extended to commercial entities, leading to confusion among municipal officials on how to tax solar facilities.

Some of the major recommendations made by DLM that were fulfilled by legislative action include:

- **Strengthen the state-owned land PILOT program by increasing its appropriation.**
  - The Legislature's FY 2022 budget increased funding for the state-owned land PILOT from \$31 million to \$35 million, a \$4 million increase.<sup>13</sup>
- **Clarify the solar property tax exemption.**
  - Governor Baker signed an expansive climate bill into law in March 2021, which included a provision that clarified the exemption.<sup>14</sup> The provision now allows residential and commercial solar facilities to seek the exemption based on specific parameters of energy capacity and output. The provision also protects existing solar PILOT agreements and encourages PILOT agreements for entities that do not qualify for the exemption.<sup>15</sup>

## OUTCOME:

- **Increased funding to \$35 million for State-Owned Land PILOT reimbursements**
- **Solar tax exemption and solar PILOT agreements clarified in climate bill signed into law in March 2021**

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<sup>13</sup> Department of Revenue, Division of Local Services. (2021, November 8). *Municipal Cherry Sheet, Receipts & Charges*. [https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=CherrySheets.CSbyProgMunis.cs\\_prog\\_munis](https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=CherrySheets.CSbyProgMunis.cs_prog_munis); General Court of Massachusetts. (2021). *FY 2022 Final Budget* (see line item 1233-2400). <https://malegislature.gov/Budget/FY2022/FinalBudget>

<sup>14</sup> St. 2021, c. 8 § 61. <https://malegislature.gov/Laws/SessionLaws/Acts/2021/Chapter8>

<sup>15</sup> *Id.*

# MANDATE DETERMINATIONS

Among the most important duties of the Division of Local Mandates is advising the Auditor on decisions related to unfunded mandate petitions. The requirements for what constitutes a mandate have been refined since the passage of Proposition 2 ½ through actions of the Supreme Judicial Court and the Legislature. The following determinations show a range of issues and what may and may not constitute a mandate, even when laws require additional expenditure by municipalities.<sup>16</sup>

## Early Voting Law (M.G.L. 54, § 25B and 950 C.M.R. 47.00 *et seq.*) Mandate Determination: February 2017

In the fall of 2016, the City of Woburn and the Town of Oxford sent DLM petitions related to the implementation of the Early Voting Law in the 2016 general election.<sup>17</sup> In response to those petitions, DLM surveyed local election officials on the cost of implementing the law.<sup>18</sup> DLM found some aspects of the law to be a mandate, such as the expense of establishing a location for early voting with sufficient staffing and privacy.<sup>19</sup> DLM also found some aspects of the law did not involve a mandate that required state support because they were incidental administrative expenses, such as the advertisement of early voting hours and locations in newspapers, or an ongoing requirement to administer elections that precluded including salaried staff costs in the mandate.<sup>20</sup> As a result of the determination, DLM certified early voting expenses for the 2016 presidential election, the 2018 general election, and the 2020 presidential primary election.<sup>21</sup> When vote-by-mail and in-person early voting opportunities were expanded during the COVID-19 pandemic, DLM captured additional expenses for the 2020 election season for the state primary and general election.<sup>22</sup>

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<sup>16</sup> Note: Additional mandate determinations dating back to 2006 can be accessed online. See also Massachusetts Office of the State Auditor, Division of Local Mandates. (2020). *All Local Mandate Determinations*. <https://www.mass.gov/lists/all-local-mandate-determinations>

<sup>17</sup> M.G.L. 54, § 25B and 950 C.M.R. 47.00 *et seq.*; Massachusetts Office of the State Auditor, Division of Local Mandates. (2017, February 14). *Financial Impact of Early Voting in the City of Woburn and the Town of Oxford*. <https://www.mass.gov/decision/financial-impact-of-early-voting-in-the-city-of-woburn-and-the-town-of-oxford>

<sup>18</sup> *Id.*

<sup>19</sup> Massachusetts Office of the State Auditor, Division of Local Mandates. (2017, February 14). *Financial Impact of Early Voting in the City of Woburn and the Town of Oxford*. <https://www.mass.gov/decision/financial-impact-of-early-voting-in-the-city-of-woburn-and-the-town-of-oxford>

<sup>20</sup> *Id.*

<sup>21</sup> St. 2017, c. 110; Massachusetts Office of the State Auditor. (2018, January 8). *Certification of Mandated Early Voting Costs in the 2016 Election*. <https://www.mass.gov/decision/certification-of-mandated-early-voting-costs-in-the-2016-election>; Massachusetts Office of the State Auditor, Division of Local Mandates. (2021). *Election Mandate Determinations and Certifications*. <https://www.mass.gov/lists/election-mandate-determinations-and-certifications>

<sup>22</sup> Massachusetts Office of the State Auditor, Division of Local Mandates. (2021, March 3). *Auditor Bump Asks Municipalities to Report Spending Related to 2020 Elections*. <https://www.mass.gov/news/auditor-bump-asks-municipalities-to-report-spending-related-to-2020-elections>

**Figure 2 — Early Voting Funding, 2016 to 2020<sup>23</sup>**

	<b>State Reimbursement</b>
<b>2016 General Election</b>	\$1,063,978.14
<b>2018 General Election</b>	\$1,144,156.22
<b>2020 Presidential Primary</b>	\$ 727,169.37
<b>2020 State Primary and General Election</b>	\$2,702,365.86
<b>TOTAL:</b>	<b>\$5,637,669.59</b>

## **Educator Evaluations (M.G.L. c. 71, § 38)**

### **Mandate Determination: October 2017**

DLM received a petition from the Framingham School Committee, indicating that legal requirements for educator evaluations have imposed a significant financial burden on the Framingham Public School system.<sup>24</sup> DLM determined that these evaluations were not an unfunded mandate that required state support, as they are exempt from the Local Mandate Law under the Education Reform Act of 1993 as well as Article 115 to the Massachusetts Constitution.<sup>25</sup> Recognizing that there are substantial costs for the required evaluation process, the determination highlighted that the Commonwealth has a commitment to reimburse school districts for expenses associated with evaluations since 1985.<sup>26</sup>

## **Work-Related Injury Presumptions for Firefighters (St. 2018, c. 148)**

### **Mandate Determination: February 2019**

DLM received a petition from the Town of Halifax, indicating that amendments to work-related injury benefits for firefighters, particularly changes to the types of cancers presumed to be sustained in the line of duty and paid leave determinations, will increase pension, wage, and medical expenses for municipalities.<sup>27</sup> DLM determined that, although the changes to work-related injury presumptions have the potential to increase costs for the treatment of cancer in firefighters, the amendments are not an unfunded mandate that required state support.<sup>28</sup> Laws governing benefits and conditions of municipal employment are exempt from the Local Mandate Law under Article 115 of the Amendments to the Massachusetts Constitution.<sup>29</sup>

<sup>23</sup> Massachusetts Office of the State Auditor, Division of Local Mandates. (2021). *Election Mandate Determinations and Certifications*. <https://www.mass.gov/lists/election-mandate-determinations-and-certifications>

<sup>24</sup> M.G.L. c. 71, § 38; Massachusetts Office of the State Auditor. (2017, October 17). *Financial Impacts of Educator Evaluations on the Framingham Public Schools*. <https://www.mass.gov/decision/financial-impacts-of-educator-evaluations-on-the-framingham-public-schools>.

<sup>25</sup> *Id.*; St. 1993, c. 71, § 67; art. 115 of the Amendments to the Massachusetts Constitution.

<sup>26</sup> St. 1985, c. 188, § 14.

<sup>27</sup> St. 2018, c. 148, amending M.G.L. c. 32, § 94B and M.G.L. c. 41, § 111F; Massachusetts Office of the State Auditor. (2019, February 6). *The Financial Impacts of Work-Related Injury Presumptions for Firefighters under Chapter 148 of the Acts of 2018 on Halifax*. <https://www.mass.gov/decision/the-financial-impacts-of-work-related-injury-presumptions-for-firefighters-under-chapter>.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*; Art. 115 of the Amendments to the Massachusetts Constitution.



## LEGISLATIVE RECOMMENDATIONS

In order to continue its analysis and advocacy, the Office of the State Auditor has made four legislative recommendations that would allow DLM to better pursue its mission of advising the Commonwealth of the financial impacts of state action on municipalities. The first legislative proposal standardizes the process of accounting for the costs of early voting and suggests combining early voting review with the biennial survey for uniform polling hours conducted by DLM since the mid-1980s. The second proposal creates electronic backpacks for foster children containing their educational records, making it easier for certain parties to access this information and speed up the process of integrating students into new schools. The third legislative proposal offers changes to the state-owned-land PILOT program, consistent with the recommendations from DLM's municipal impact report on the subject. The fourth proposal adds DLM to the list of entities receiving municipal impact statements from executive agencies promulgating new rules and regulations, allowing DLM to have a broader reach in conducting policy reviews and producing these five-year reports. These recommendations are summarized in more detail in Appendix B.

# OVERVIEW OF THE FINANCIAL CLIMATE FOR MUNICIPALITIES IN MASSACHUSETTS

Communities across Massachusetts receive most of their revenue from the municipal tax levy,<sup>30</sup> state aid,<sup>31</sup> and local receipts.<sup>32</sup> In the last 10 fiscal years, municipal revenues increased by \$9.18 billion, or 42%.<sup>33</sup> Between fiscal years (FYs) 2019 and 2020, municipal revenue grew by \$1.2 billion, or 4.1%.<sup>34</sup> However, revenue trends highlight that cities and towns continue to be reliant on higher property tax levies and increased local receipts to fund their operations.<sup>35</sup> Tax levies accounted for 55.33% of total municipal revenue in FY 2010, and state aid accounted for 22.23% of total revenue.<sup>36</sup> By FY 2020, tax levies had increased and accounted for 58.41% of total municipal revenue, while the state aid share had decreased and accounted for 19.12% of total municipal revenue.<sup>37</sup> Between FY 2010 and FY 2020, tax levies and local receipts increased by 50.2% and 35.3%, respectively, but state aid only increased by 22.3%, as seen in Figure 3.<sup>38</sup>

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<sup>30</sup> The tax levy consists of tax revenues that communities raise from real and personal property taxes.

<sup>31</sup> State aid (also sometimes referred to as local or intergovernmental aid) consists of funds allocated by the Commonwealth to municipalities to pay for local services. State aid includes, but is not limited to, Chapter 70 (education) funding, school transportation funding, charter-school tuition reimbursement, unrestricted general government aid, veterans' benefits, state-owned-land reimbursements, urban revitalization funding, and funding for public libraries. The Division of Local Services (DLS) also includes, as part of state aid, reimbursements for school project costs by the Massachusetts School Building Authority, which are listed in municipalities' tax recapitulations instead of their Cherry Sheets (the recap of local aid and receipts performed by DLS). For the purposes of this report, we are using the Division of Local Services' definition of state aid, which includes Massachusetts School Building Authority reimbursements. This definition does not include state assessments to municipalities, which we address separately in this narrative.

<sup>32</sup> Local receipts are non-property-tax revenues that are generated by municipalities. Local receipts include, but are not limited to, motor-vehicle excise taxes, investment income, occupancy taxes, fees, rentals, and charges.

<sup>33</sup> Based on total revenues between fiscal years 2010 and 2020. See also Department of Revenue, Division of Local Services (2021). *Revenue by source*. <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=RevenueBySource.RBS.RevbySourceMAIN>.

<sup>34</sup> *Id.*

<sup>35</sup> DLM previously identified this trend in our 2016 statutory fiscal impact report. See Massachusetts Office of the State Auditor, Division of Local Mandates (2016, April 6). *Five-year statutory fiscal impact report*, at 3.

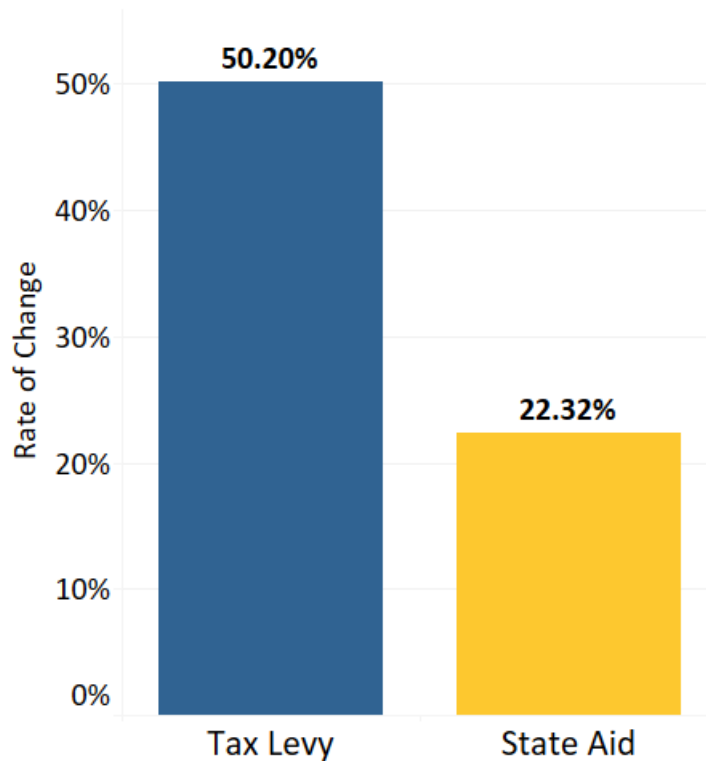
<sup>36</sup> Department of Revenue, Division of Local Services (2021). *Revenue by source*.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*



**Figure 3—Changes in Tax Levy and State Aid Revenues<sup>39</sup>**



State aid revenues do not show the entire picture of the actual funding that municipalities receive from the Commonwealth. Cities and towns are also charged assessments by the Commonwealth for certain services and programs.<sup>40</sup> In FY 2020, municipalities received \$5.9 billion in state aid, but were charged \$1.1 billion in assessments.<sup>41</sup> What municipalities actually received was \$4.8 billion in net state aid, representing 16.1% of total municipal revenue. State assessments increased by \$497 million, or 82%, between FY 2010 and FY 2020.<sup>42</sup> Considering these charges, state aid net of assessments increased by 13.7% during the same period.<sup>43</sup> Figure 4 provides a closer look at how these revenues changed in the last decade.

<sup>39</sup> Department of Revenue, Division of Local Services. (2021). *Revenue by source*.

<https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=RevenueBySource.RBS.RevbySourceMAIN>

<sup>40</sup> State assessments include, but are not limited to, retired teachers' health insurance, mosquito control projects, Massachusetts Bay Transportation Authority regional transportation, sending tuition for charter schools, and certain special education services.

<sup>41</sup> Division of Local Services. (2021, July 19). *Municipal Cherry Sheet Estimates*. Retrieved from

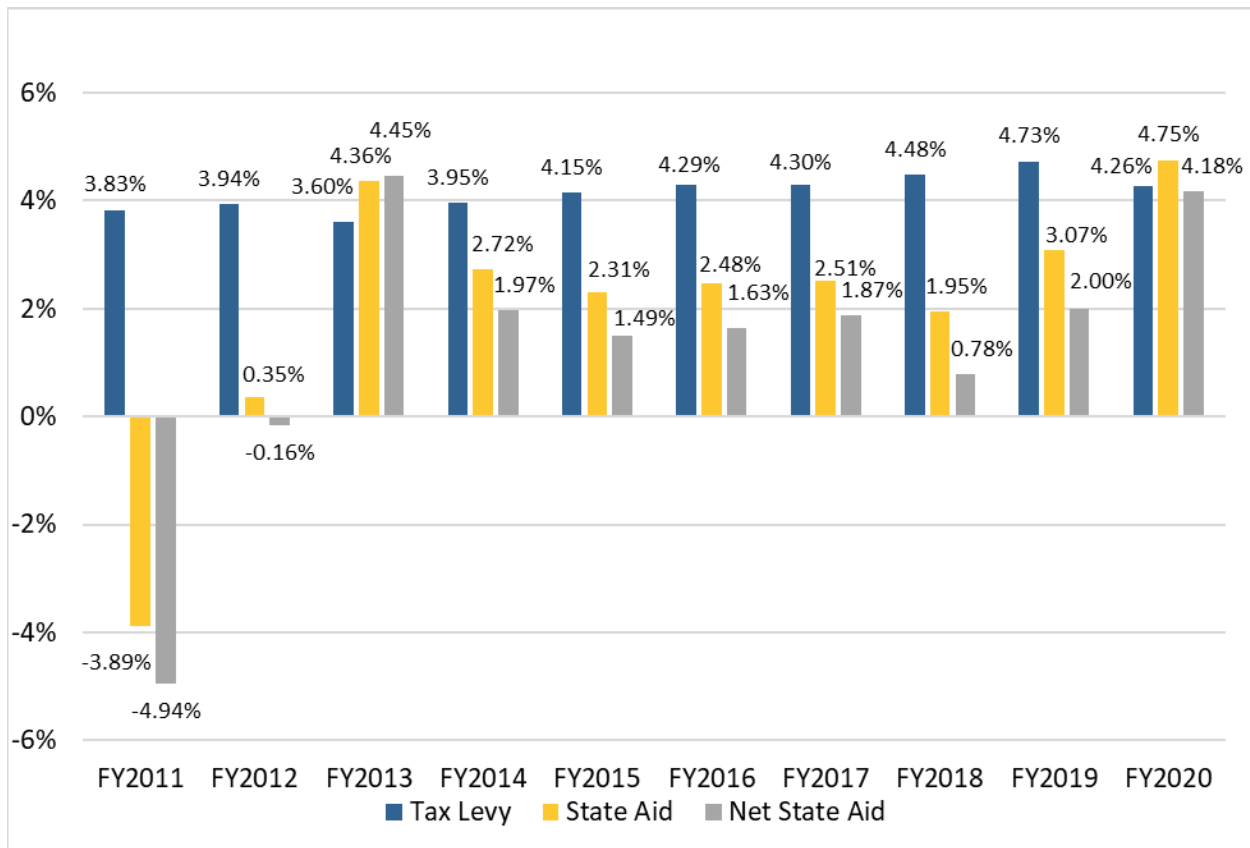
<https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=CherrySheets.CSbyProgMunis.MuniBudgFinal>

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*; Department of Revenue, Division of Local Services. (2021). *Revenue by source*.

<https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=RevenueBySource.RBS.RevbySourceMAIN>

**Figure 4—Change in Municipal Revenue, FY 2011 to FY 2020<sup>44</sup>**



Municipal spending is on the rise as well, particularly for education and public safety, the two largest categories of municipal expenditures.<sup>45</sup> Legal requirements imposed by the state, such as minimum levels of school district spending under the Education Reform Act of 1993,<sup>46</sup> account for some of the increases in municipal expenditures.<sup>47</sup> Between FY 2010 and FY 2019, total municipal spending increased by 37.6%, or \$6.72 billion.<sup>48</sup> During this period, education spending increased by 33.2%, or \$2.8 billion, while public safety spending increased by 40.1%, or \$1 billion.<sup>49</sup> In FY 2019, education accounted for 46.8% of total statewide municipal spending, and public safety accounted for 14.6% of total statewide municipal spending, as seen in Figure 5.<sup>50</sup>

<sup>44</sup> Department of Revenue, Division of Local Services. (2021). *Revenue by source*. <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=RevenueBySource.RBS.RevbySourceMAIN>; Division of Local Services. (2021, July 19). *Municipal Cherry Sheet Estimates*. Retrieved from <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=CherrySheets.CSbyProgMunis.MuniBudgFinal>

<sup>45</sup> Department of Revenue, Division of Local Services (2021). *General fund - Expenditures*. [https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=ScheduleA.GenFund\\_MAIN](https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=ScheduleA.GenFund_MAIN).

<sup>46</sup> St. 1993, c. 71, § 67.

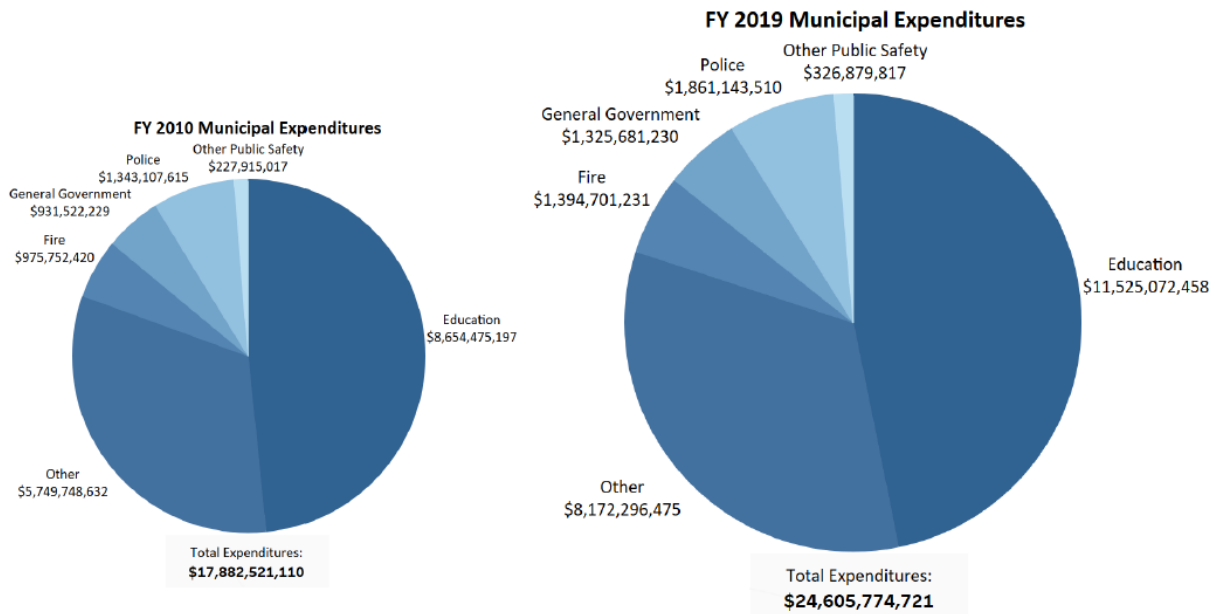
<sup>47</sup> Between FY 2010 and FY 2019, the minimum local contribution required for school district spending increased by 19%, or \$996,736,825. See also Massachusetts Department of Elementary and Secondary Education. (2021, September 30). *Chapter 70 District Profile*. Retrieved from <https://www.doe.mass.edu/finance/chapter70/profile.xlsx>

<sup>48</sup> Department of Revenue, Division of Local Services (2021). *General fund - Expenditures*.

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

**Figure 5—Selected Municipal Expenditures,  
FY 2010 vs. FY 2019<sup>51</sup>**



Alongside these increases are the changes to municipal assessed property values, which impact the tax levies of cities and towns.<sup>52</sup> The Great Recession and subsequent economic decline in the late 2000s led to decreased property values, but values have recovered to pre-recession levels and are growing rapidly, particularly in the eastern part of the state. Between FY 2010 and FY 2013, assessed values declined by 3.3%, or \$30.6 billion.<sup>53</sup> The total municipal assessed value reached its lowest level of the 2010s in FY 2013 (approximately \$904 billion), due in part to time delays in determining assessments.<sup>54</sup> However, values recovered by FY 2016, when the total municipal assessed value reached its highest level since FY 2008. As seen in Figure 6, municipal assessed values continued to rise each year after that and reached \$1.31 trillion by FY 2020—a 44.9%, or \$405.9 billion, increase since FY 2013.<sup>55</sup>

<sup>51</sup> Department of Revenue, Division of Local Services (2021). *General fund - Expenditures*. [https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=ScheduleA.GenFund\\_MAIN](https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=ScheduleA.GenFund_MAIN).

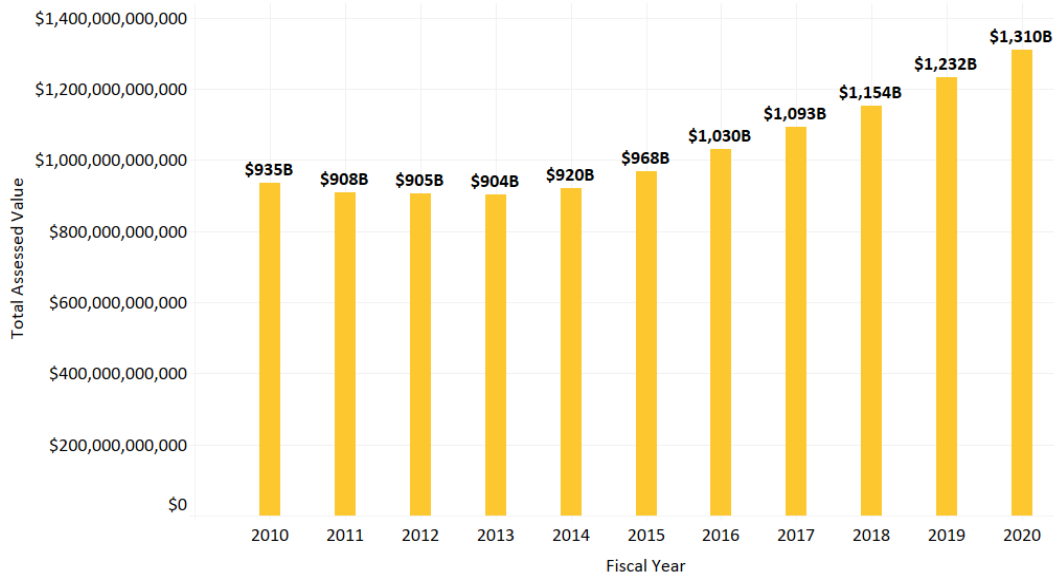
<sup>52</sup> Department of Revenue, Division of Local Services (2021). *Assessed values by class*. <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=PropertyTaxInformation.AssessedValuesbyClass.assessedvaluesbyclass>

<sup>53</sup> *Id.*

<sup>54</sup> *Id.* Assessed property values for FY2013 were determined from data from calendar year 2011 and were determined as of January 1, 2012.

<sup>55</sup> *Id.*

**Figure 6 – Municipal Assessed Property Values, FY 2010 to FY 2020<sup>56</sup>**



Other events have affected the financial climate of Massachusetts. First, the 2019 coronavirus (COVID-19) pandemic, which hit the state in early 2020, ignited another economic recession, forced individuals into unemployment, and slowed down growth in state aid. The state increased Chapter 70 education aid to localities by over \$97 million in FY 2021, yet this was a much smaller increase in funding than in the previous fiscal year (an increase of over \$258 million).<sup>57</sup> Unrestricted general government aid, on the other hand, was funded at the same level as FY 2020.<sup>58</sup> The presence of federal funding, particularly from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as well as other grants and resources, has aided municipalities and has offset costs that abruptly appeared in the early months of the pandemic.<sup>59</sup> State and local budgets will receive a significant boost in federal revenue from the American Rescue Plan Act (ARPA), which was signed into law in March 2021.<sup>60</sup> The Commonwealth will receive \$5.3 billion in ARPA funding, while municipalities and counties will receive nearly \$2 billion and \$1.34 billion, respectively.<sup>61</sup> It will be years until the impact of ARPA

<sup>56</sup> Department of Revenue, Division of Local Services. (2021). *Assessed values by class*. <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=PropertyTaxInformation.AssessedValuesbyClass.assessedvaluesbyclass>.

<sup>57</sup> Department of Revenue, Division of Local Services (2021). *Municipal cherry sheet, receipts & charges*. [https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=CherrySheets.CSbyProgMunis.cs\\_prog\\_munis](https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=CherrySheets.CSbyProgMunis.cs_prog_munis).

<sup>58</sup> *Id.*

<sup>59</sup> Massachusetts Executive Office of Administration and Finance (2021). *About COVID-19 federal funds*. <https://www.mass.gov/info-details/about-covid-19-federal-funds>; Wagman, N. (2021, March 25). *Where's the relief? The distribution of federal funding in Massachusetts*. Massachusetts Budget & Policy Center. <https://massbudget.org/2021/03/25/wheres-the-relief-the-distribution-of-federal-funding-in-massachusetts/>

<sup>60</sup> *Id.*

<sup>61</sup> Approximately \$946 million of the \$1.34 billion in ARPA funds directed to counties were allocated to the Commonwealth's non-functional counties and will be reallocated to municipalities in those counties. It is yet to be determined when these funds will be reallocated. See also Young, C.A. (2021, June 10). *Municipal coffers beginning to fill up with ARPA aid*. State House News Service. <https://www.wvlp.com/news/massachusetts/municipal-coffers-beginning-to-fill-up-with-arpa-aid/>; Massachusetts Executive Office of Administration and Finance (2021). *About COVID-19 federal funds*. <https://www.mass.gov/info-details/about-covid-19-federal-funds>

funds is seen, as municipalities and the state have until December 2024 to determine their use and until December 2026 to expend them.<sup>62</sup>

There is no clear picture of the long-term financial effects of the pandemic during the fiscal years discussed in this report, in part because the pandemic did not impact the state until March 2020—late in the third quarter of FY 2020. However, various financial categories were affected differently by the pandemic-related recession. For example, room-occupancy and meals tax revenue dropped, while property tax revenues remained stable and residential assessed values continued to rise due to continued price increases in the housing market.<sup>63</sup> Other taxes, such as sales taxes on retail, alcohol, and recreational marijuana, did not see a significant revenue decline.<sup>64</sup>

Second, the Student Opportunity Act will provide a much-needed infusion of assistance to cities and towns by increasing state aid by \$1.5 billion over a seven-year period.<sup>65</sup> The act, signed by the Governor in 2019, will increase school spending in the most disadvantaged school districts and aims to level out disparities seen in comparison to wealthier districts.<sup>66</sup> Although the pandemic delayed the distribution of these funds, which was slated to begin in FY 2021, the Legislature acted to boost funding in FY 2022 to remain on track for full funding in upcoming years.<sup>67</sup> The timing of this state aid will be vital to districts that are facing budget constraints due to COVID-19 pandemic related causes such as reductions in student enrollment.<sup>68</sup>

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<sup>62</sup> Massachusetts Municipal Association (2021, June 2). *Treasury's ARPA guidance provides flexibility, focus on equity*. <https://www.mma.org/treasurys-arpa-guidance-provides-flexibility-focus-on-equity/>.

<sup>63</sup> Department of Revenue, Division of Local Services (2021). *Revenue by source*; Department of Revenue, Division of Local Services (2021). *Assessed values by class*; Department of Revenue, Division of Local Services (2021). *Tax Levies by Class*. <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=Dashboard.TrendAnalysisReports.TaxLevyByClass>; Massachusetts Department of Revenue (2020, June). *Monthly report of collections and refunds – June 2020*, at 14. <https://www.mass.gov/doc/june-2020-blue-book-final/download>.

<sup>64</sup> *Id.*

<sup>65</sup> Schoenberg, S. (2021, January 21). *Baker will propose implementing first year of new school funding formula*. Commonwealth Magazine. <https://commonwealthmagazine.org/education/baker-will-propose-implementing-first-year-of-new-school-funding-formula/>; Wade, C.W. (2021, February 3). *School funding a flashpoint in budget talks*. The Daily News of Newburyport. [https://www.newburyportnews.com/news/regional\\_news/school-funding-a-flashpoint-in-budget-talks/article\\_92db30a1-113b-5577-8ecc-087911d92c67.html](https://www.newburyportnews.com/news/regional_news/school-funding-a-flashpoint-in-budget-talks/article_92db30a1-113b-5577-8ecc-087911d92c67.html).

<sup>66</sup> St. 2019, c. 132. <https://malegislature.gov/Laws/SessionLaws/Acts/2019/Chapter132>.

<sup>67</sup> Schoenberg, S. (2021, January 21), *supra* n.65; Wade, C.W. (2021, February 3), *supra* n.65.

<sup>68</sup> Jochem, G, & Paris, F. (2021, June 29). *Berkshire public schools lost hundreds of students during the pandemic. Will they come back?* The Berkshire Eagle. [https://www.berkshireeagle.com/news/local/berkshire-public-schools-lost-hundreds-of-students-during-the-pandemic-will-they-come-back/article\\_dfd0f2fa-d8e1-11eb-93c7-bff6590c1e51.html](https://www.berkshireeagle.com/news/local/berkshire-public-schools-lost-hundreds-of-students-during-the-pandemic-will-they-come-back/article_dfd0f2fa-d8e1-11eb-93c7-bff6590c1e51.html).

# LAWS WITH FINANCIAL IMPACT ON CITIES AND TOWNS: CALENDAR YEARS 2016-2020

After reviewing legislation enacted during calendar years 2016 to 2020, DLM identified 29 statutes that potentially have a substantial impact on municipal budgets and operations. DLM identified the primary sections of the highlighted statutes, but this list may not be exhaustive and is subject to further analysis such as through a mandate petition or municipal impact report. The number of statutes enacted in each of these calendar years is as follows:

<b>2016</b>	<b>9</b>
<b>2017</b>	<b>2</b>
<b>2018</b>	<b>6</b>
<b>2019</b>	<b>5</b>
<b>2020</b>	<b>7</b>
<b>TOTAL</b>	<b>29</b>

The 29 statutes are detailed below, organized by type/subject matter and listed in order of their enactment within each type.

## EDUCATION

<b>Acts of 2016</b>	<b>Chapter 52, §§ 15, 63</b>
<b>An Act Relative to Substance Use, Treatment, Education and Prevention</b>	
Section 15 requires schools to develop substance abuse policies and education and to screen pupils for substance abuse.	
Section 63 requires each district to implement a verbal screening tool by the 2017–2018 school year to screen pupils for substance use disorders.	

<b>Acts of 2016</b>	<b>Chapter 255</b>
<b>An Act Relative to School Improvement Plans</b>	
Requires review and approval of school improvement plans by the superintendent, in consultation with the school committee.	

<b>Acts of 2016</b>	<b>Chapter 443</b>
<b>An Act Requiring Automated External Defibrillators in Schools</b>	
Requires schools, unless they are granted a waiver, to have at least one automated defibrillator and one person trained to use it.	

<b>Acts of 2017</b>	<b>Chapter 138, §§ 9, 27, 55</b>
<b>An Act Relative to Language Opportunity for Our Kids</b>	
<p>Section 9 amends existing law by requiring districts to file additional information with the Department of Elementary and Secondary Education (DESE) regarding English-learner programs, including a plan to evaluate the programs' effectiveness.</p> <p>Section 27 requires principals (in consultation with school councils) to include a description of the educational models and approaches offered to ensure the progress of English learners in their districts' student performance plans.</p> <p>Section 55 gives parents the choice to enroll their children in any English-learner program offered by the school district. A district or charter school is required to provide a response to a request by parents or guardians of not less than 20 students to implement a specific program.</p>	

<b>Acts of 2019</b>	<b>Chapter 41, § 36</b>
<b>An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements</b>	
Section 36 establishes a per-pupil facilities component to be included in the amount each district must pay per pupil for charter school tuition.	

<b>Acts of 2019</b>	<b>Chapter 132, §§ 5, 6, 10, 23, 28</b>
<b>An Act Relative to Educational Opportunity for Students</b>	
<p>Section 5 requires school districts to establish targets for addressing achievement disparities among student subgroups and develop an evidence-based 3-year plan to meet their targets. Districts are further required to submit their plans to DESE every three years and to annually submit relevant data to demonstrate success in addressing disparities, along with any plan amendments that are needed to improve district performance on meeting plan goals.</p> <p>Section 6 rewrites definitions for the Chapter 70 program, as well as rules for calculating foundation budgets. These changes could cause higher spending by some districts that do not receive additional aid from the adjusted formula.</p> <p>Section 10 redefines amounts that each municipality shall annually appropriate for its public schools and regional schools.</p> <p>Section 23 requires school districts to submit their first 3-year plan by April 1, 2020.</p> <p>Section 28 provides that DESE, in consultation with the principals of the five recovery high schools in the Commonwealth, shall examine the costs associated with sending students to a recovery high school and shall determine the average cost per pupil at recovery high schools.</p>	

<b>Acts of 2020</b>	<b>Chapter 133</b>
<b>An Act Regarding Breakfast after the Bell</b>	
<p>Requires public schools in needy areas to offer school breakfast in accordance with federal law, although the Commonwealth will reimburse some of the cost. Schools that are required to serve breakfast and where not less than 60% of the students are eligible for free or reduced-price meals under the National School Lunch Program shall offer all students a school breakfast after the beginning of the instructional day, starting not later than the beginning of the 2022-2023 academic year.</p>	



## ELECTIONS

<b>Acts of 2019</b>	<b>Chapter 142, §§ 89, 91</b>
<b>An Act Making Appropriations for The Fiscal Year 2019 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects</b>	
<p>Section 89 authorizes five days of early voting for the 2020 presidential primary and any municipal election held at the same time and requires municipalities to allow any qualified voter to vote during the early-voting period. Municipalities are required to provide notification of the early-voting location, and registrars must prepare voting lists for early-voting sites and lists of all voters casting early ballots and update the voter list. Municipalities are also required to accept early voting by mail.</p> <p>Section 91 requires local election officials to transmit absentee ballots to voters covered under the federal Uniformed and Overseas Citizens Absentee Voting Act for the November 2020 state election.</p>	

<b>Acts of 2020</b>	<b>Chapter 45</b>
<b>An Act Granting Authority to Postpone 2020 Municipal Elections in the Commonwealth and Increase Voting Options in Response to the Declaration of Emergency to Respond to COVID-19</b>	
<p>Authorizes postponement of local caucuses and elections scheduled before May 30, 2020 to a date on or before June 30, 2020, with notice to the public, and extends voter registration deadlines to 10 days before a rescheduled election, provided registrars hold a registration session that day. The legislation also authorizes early voting by mail during municipal or special state elections held on or before June 30, 2020. Local election officials shall send early-voting-by-mail ballots to those who have applied.</p>	

<b>Acts of 2020</b>	<b>Chapter 92, §§ 1, 2, 7, 8</b>
<b>An Act Relative to Municipal Governance During the COVID-19 Emergency</b>	
<p>Sections 1 &amp; 2 provide that a city or town can postpone a municipal caucus or election scheduled on or before June 30, 2020 until on or before August 1, 2020, with notice to the public.</p> <p>Section 7 provides for publication of notice before a vote to consider an adjustment to town meeting quorum requirements during the state of emergency and notification after the vote to the Attorney General.</p> <p>Section 8 provides requirements for instances when the moderator in a town meeting requests that a representative town meeting be held through remote participation, such as minimum standards for the video or telephone conference platform as well as notice and warrant requirements. Municipalities holding remote representative town meetings are required to record them and preserve the recordings for not less than 90 days.</p>	

<b>Acts of 2020</b>	<b>Chapter 115</b>
<b>An Act Relative to Voting Options in Response to COVID-19</b>	
<p>Institutes early voting by mail and in-person early voting for the September 2020 state primary and November 2020 general election and any municipal election held at the same time. Election officers and registrars shall include an application for early voting by mail with the acknowledgement notice sent to any person registering to vote or changing their voter-registration address. Early-voting ballots and materials shall be mailed to voters by the clerk as soon as they are available. Municipalities are required to provide notification of the early-voting location, and registrars must prepare voting lists for early-voting sites and lists of all voters casting early ballots.</p>	

<b>Acts of 2020</b>	<b>Chapter 227, § 99</b>
<b>An Act Making Appropriations for the Fiscal Year 2021 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements</b>	
<p>Section 99 extends provisions for early voting by mail, requiring municipalities to allow any qualified voter to vote early by mail or as prescribed therein during any annual or special municipal or state primary or election held on or before March 31, 2021. Local election officials shall send early-voting-by-mail ballots to those who have applied.</p>	

<b>Acts of 2020</b>	<b>Chapter 255</b>
<b>An Act Providing for Early Voting by Mail</b>	
Extends the provisions established by St. 2020, c. 227, § 99 and extends in-person early voting requirements for municipalities that authorize in-person voting for any annual or special municipal election held on or before March 31, 2021.	

## EMPLOYEES

<b>Acts of 2018</b>	<b>Chapter 44</b>
<b>An Act Relative to Standards of Employee Safety</b>	
Subjects municipalities and municipal employees to federal OSHA standards.	

## EMPLOYMENT BENEFITS

<b>Acts of 2016</b>	<b>Chapter 402, § 13</b>
<b>An Act Relative to Risk Management and Own Risk and Solvency Assessment</b>	
Section 13 requires a public employer self-insurance group to regularly conduct an Own Risk and Solvency Assessment and also to do so when there are unique circumstances or the insurer exhibits qualities of a troubled insurer. The public employer self-insurance group must timely file an Own Risk and Solvency Assessment summary report with the Commissioner of Insurance or be subject to daily penalties.	

<b>Acts of 2017</b>	<b>Chapter 63</b>
<b>An Act Further Regulating Employer Contributions to Health Care</b>	
Requires all governmental employers of more than 5 persons to pay a contribution for each employee who receives health insurance coverage through the division of medical assistance or subsidized insurance through the commonwealth health insurance connector authority. Repealed effective December 31, 2019.	

<b>Acts of 2018</b>	<b>Chapter 148</b>
<b>An Act Further Regulating the Disability Benefits Provided to Certain Police Officers and Firefighters</b>	
Adds breast and reproductive cancer to the types of cancers presumed to be sustained in the line of duty for public-safety personnel, and shifts the burden to government employers to prove cancer was not sustained in the line of duty.	

<b>Acts of 2018</b>	<b>Chapter 160</b>
<b>An Act Protecting the Rights of Custodial and Other Non-Teaching Employees of School Districts</b>	
Adds language requiring hiring/firing decisions by superintendents and principals to be done in accordance with collective bargaining agreements.	

<b>Acts of 2018</b>	<b>Chapter 210</b>
<b>An Act Providing Firefighters and Police Officers with the Opportunity to Enter a Smoking Cessation Program Prior to Termination</b>	
Allows police officers and firefighters to enter a smoking cessation program before termination by a municipality if the individual smokes tobacco products.	

<b>Acts of 2018</b>	<b>Chapter 217, § 1</b>
<b>An Act Relative to the Creation of the Commonwealth Technical Rescue Regions and Coordinating Council</b>	
Section 1 requires municipal fire departments to treat firefighters who are members of a regional rescue team as “on duty,” and therefore covered under firefighter illness, injury, and sickness benefit laws, while performing official team duties.	

## LICENSING

<b>Acts of 2019</b>	<b>Chapter 133, § 16</b>
<b>An Act Modernizing Tobacco Control</b>	
Section 16 requires local police departments, at the request of the commissioner of revenue or the commissioner's duly authorized agent, to enforce this section regarding seizure of untaxed electronic nicotine delivery systems in the hands of an unlicensed person.	

## MUNICIPAL SERVICES

<b>Acts of 2016</b>	<b>Chapter 121, §§ 9, 11, 14</b>
<b>An Act to Improve Public Records</b>	
Section 9 requires municipalities to designate and post the contact information of at least one employee as a records access officer, who will be required to coordinate, document, and respond to public records requests electronically unless the records are not available electronically or the requestor does not have the ability to receive or access them electronically. Records access officers are allowed to charge fees for records requests that demand more than two hours of employee time.	
Section 11 adds requirements for keeping public records safe when not in use.	
Section 14 provides that electronic record-keeping systems or database systems, to the extent feasible, must be capable of providing data in a commonly available electronic, machine-readable format and provide for information storage and retrieval methods that permit the segregation and retrieval of public records and redacting of exempt information in order to provide maximum public access.	

<b>Acts of 2016</b>	<b>Chapter 174</b>
<b>An Act Relative to Electronic Publication of Certain Legal Notices</b>	
Requires municipalities, if required to publish a legal notice in a newspaper, to publish said notice in a newspaper, and requires that the legal notice appears: (i) in a newspaper's print publication; (ii) on the newspaper's website; and (iii) on a statewide website that may be maintained as a repository for such notices; provided, however, that, if a newspaper does not maintain its own website, publication on a statewide website and reference to the statewide website in the print publication notice shall satisfy the requirement of publication on the newspaper's website.	

**An Act Modernizing Municipal Finance and Government**

Section 2 creates new recordkeeping and public-notification requirements for awarding by municipalities of construction or materials contracts, based on contract amount.

Section 6 amends and extends recordkeeping rules for procurement of a supply or service in an amount between \$10,000 and \$50,000.

Section 66 provides that the final payment on account of any bonds issued by municipalities must be made no later than June 30<sup>th</sup> of the fiscal year that the payment would have otherwise been due.

Section 77 makes cities, towns, and districts responsible for conducting their own periodic audits of their accounts, instead of petitioning the director of accounts at the Department of Revenue for an audit or for installation of an accounting system. A regional or other governmental unit created within one or more cities or towns to provide services or conveniences shall be considered a district for the purposes of conducting a periodic audit. The cost of each audit shall be a current expense of the governmental unit and shall be apportioned among the member cities and towns.

Section 81 provides that the director of accounts shall annually require the accounting officer of each city and town to submit schedules to provide for uniform returns concerning receipts, payments, public debt, and assets and liabilities, rather than the director furnishing the schedules to the city or town.

Section 108 provides a new formula for value of state-owned land that has a negative impact on certain municipalities.

Section 199 provides that the Executive Office of Public Safety and Security shall promulgate rules and regulations establishing standards for the issuance of electronic traffic citations, including the proper equipment to be maintained by each department.

## PUBLIC SAFETY

<b>Acts of 2016</b>	<b>Chapter 295</b>
<b>An Act Relative to Preservation of Evidence for Victims of Rape and Sexual Assault</b>	
<p>Requires that a governmental entity in possession of forensic evidence collected during the investigation of a rape or sexual assault shall retain that evidence, in a manner reasonably designed to preserve it without destruction or deterioration, for the length of the statute of limitations and in no case for less than 15 years. Nothing in this act is intended to amend, modify or render ineffective M.G.L. c. 278A, § 16, which provides that any governmental entity that is in possession of evidence or biological material collected for its potential evidentiary value during the investigation of a crime, the prosecution of which results in a conviction, shall retain such evidence or biological material for the period of time that a person remains in the custody of the commonwealth or under parole or probation supervision in connection with that crime, without regard to whether the evidence or biological material was introduced at trial.</p>	

**An Act Relative to Criminal Justice Reform**

Section 2 requires local law-enforcement agencies to implement an in-service training program developed by the Municipal Police Training Committee on bias-free policing and handling complaints involving persons with mental illness or developmental disabilities, among other topics.

Section 11 imposes requirements on local law-enforcement agencies and any crime laboratory operated by a police department of a municipality of more than 150,000 concerning the newly-established sexual assault evidence kit tracking system.

Section 24 provides requirements and deadlines for local law enforcement, and any crime laboratory in a municipality of more than 150,000, concerning handling of sexual assault evidence kits, provides that any kit shall be entered in the kit-tracking system, and provides that, in cases where testing results in a DNA profile, the crime laboratory shall enter the full profile into the Combined DNA Index System (CODIS) and the state DNA database.

Section 27 requires schools to have school resource officers (SROs). The police chief of a municipality shall assign an SRO that the chief believes would strive to foster an optimal learning environment and educational community. The superintendent and police chief shall enter into a written memorandum of understanding and shall establish standard operating procedures for SROs, including certain types of guidance.

Section 61 requires each police department for which the state treasurer has established a special law-enforcement trust fund to file annual reports with the state treasurer regarding all assets, monies, and proceeds from assets seized under M.G.L. c. 94C, § 47, held by such fund and regarding all expenses from said fund.

Section 195 creates a process for expungement of criminal records that local criminal-justice agencies must follow.

Section 214 requires governmental entities to safely store non-investigatory sexual assault evidence kits until the statute of limitations. It further requires law-enforcement agencies to submit all previously unsubmitted kits to the state police crime laboratory or the crime laboratory of a police department in a city or town of more than 150,000 and for the laboratory to test them within 180 days of receipt and enter DNA profiles into CODIS and the state DNA database.

Section 228 requires all entities who have custody of sexual assault evidence kits to fully participate in the sexual assault evidence kit-tracking system not later than December 1, 2019 and requires local law-enforcement agencies to begin full participation in the kit-tracking system according to the secretary of public safety and security's schedule, but not later than one year after the effective date of the act.



<b>Acts of 2019</b>	<b>Chapter 122</b>
<b>An Act Requiring the Hands-Free Use of Mobile Telephones While Driving</b>	
Requires law-enforcement agencies that appear to have engaged in racial or gender profiling to collect information on all traffic stops, including the reason for the stop, for a period of one year and undertake implicit-bias training.	

<b>Acts of 2020</b>	<b>Chapter 253</b>
<b>An Act Relative to Justice, Equity and Accountability to Law Enforcement in the Commonwealth</b>	
This complex police reform bill has many provisions that may impose costs on municipalities. See Appendix C.	

## TAXATION

<b>Acts of 2016</b>	<b>Chapter 141, §§ 10, 13</b>
<b>An Act Relative to Housing, Operations, Military Service and Enrichment</b>	
Section 10 adds veterans who have a disability rating of 100% for service-connected blindness and their spouses to those eligible for a property-tax exemption.	
Section 13 amends motor vehicle excise tax exemption for a person serving abroad in the military to last for at least 180 consecutive days in a calendar year, rather than 45 days in a calendar year.	

# APPENDIX A – STATUTORY AUTHORITY OF THE DIVISION OF LOCAL MANDATES

## Municipal Impact Reports

M.G.L. c. 11, § 6B outlines the duties and powers of the Division of Local Mandates. Section 6B also authorizes DLM to examine any state law or regulation that has a significant local cost impact, regardless of whether it satisfies the more technical standards under the Local Mandate Law.

### **M.G.L. c. 11, § 6B: Division of local mandates; responsibilities and powers**

*Section 6B. The division of local mandates, as provided for in section six of this chapter, shall have the responsibility of determining to the best of its ability and in a timely manner the estimated and actual financial effects on each city and town of laws, and rules and regulations of administrative agencies of the commonwealth either proposed or in effect, as required under section twenty-seven C of chapter twenty-nine of the General Laws.*

*The division shall have the power to require the chief officer of any appropriate administrative agency of the commonwealth to supply in a timely manner any information determined by the division to be necessary in the determination of local financial effects under said section twenty-seven C. The chief officer shall convey the requested information to the division with a signed statement to the effect that the information is accurate and complete to the best of his ability.*

*The division when requested under the provisions of subsections (d) and (f) of said section twenty-seven C, shall update its determination of financial effects based on either actual cost figures or improved estimates or both.*

*The division shall review every five years those laws and administrative regulations which have a significant financial impact upon cities or towns. For the purposes of this section "Significant financial impact" is defined as requiring municipalities to expand existing services, employ additional personnel, or increase local expenditures. Said division shall determine the costs and benefits of each such law and regulation, and submit a report to the general court of each session together with its recommendation, if any, for the continuation, modification or elimination of such law or regulation.*

## Local Mandate Law

The Local Mandate Law generally provides that any post-1980 law, regulation, or rule imposing service or cost obligations on cities, towns, regional school districts, or educational collaboratives shall be effective only if locally accepted or if fully funded by the Commonwealth. Any protected party aggrieved by such a law, regulation, or rule may petition DLM for a determination of whether the law, regulation, or rule constitutes a mandate and a cost determination of the state funding necessary to sustain the mandate.

### **M.G.L. c. 29, § 27C: Certain laws, rules, etc. relating to costs or assessments effective only by vote of acceptance or appropriation; written notice requesting determination; class actions**

*Notwithstanding any special or general law to the contrary:*

- (a) Any law taking effect on or after January 1, 1981 imposing any direct service or cost obligation upon any city or town shall be effective in any city or town only if such law is accepted by vote or by the appropriation of money for such purposes, in the case of a city by the city council in accordance with its charter, and in the case of a town by a town meeting, unless the general court, at the same session in which such law is enacted, provides, by general law and by appropriation, for the assumption by the commonwealth of such cost, exclusive of incidental local administration expenses and unless the general court provides by appropriation in each successive year for such assumption.*
- (b) Any law taking effect on or after January 1, 1981 granting or increasing exemptions from local taxation shall be effective in any city or town only if the general court, at the same session in which such law is enacted, provides by general law and by appropriation for payment by the commonwealth to each city and town of any loss of taxes resulting from such exemption.*
- (c) Any administrative rule or regulation taking effect on or after January 1, 1981 which shall result in the imposition of additional costs upon any city or town shall not be effective until the general court has provided by general law and by appropriation for the assumption by the commonwealth of such cost, exclusive of incidental local administration expenses and unless the general court provides by appropriation in each successive year for such assumption.*
- (d) Any city or town, any committee of the general court, and either house of the general court by a majority vote of its members, may submit written notice to the division of local mandates, established under section 6 of chapter 11, requesting that the division determine whether the costs imposed by the commonwealth by any law, rule or regulation subject to this section have been paid in full by the commonwealth in the preceding year and, if not, the amount of any deficiency in*

*such payments. The division shall make public its determination within 60 days after such notice.*

- (e) Any city or town, or any 10 taxable inhabitants of any city or town may in a class action suit petition the superior court alleging that under subsections (a), (b) and (c) of this section with respect to a general or special law or rule or regulation of any administrative agency of the commonwealth under which any city or town is required to expend funds in anticipation of reimbursement by the commonwealth, the amount necessary for such reimbursement has not been included in the general or any special appropriation bill for any year. Any city or town, or any 10 taxable inhabitants of any city or town may in a class action suit petition the superior court alleging that under subsections (a), (b) and (c) of this section with respect to any general or special law, or rule or regulation of any administrative agency of the commonwealth which imposes additional costs on any city or town or which grants or increases exemptions from local taxation, the amount necessary to reimburse such city or town has not been included in the general or any special appropriation bill for any year. The determination of the amount of deficiency provided by the division of local mandates under subsection (d) of this section shall be prima facie evidence of the amount necessary. The superior court shall determine the amount of the deficiency, if any, and shall order that said city or town be exempt from such general or special law, or rule or regulation of any administrative agency until the commonwealth shall reimburse such city or town the amount of said deficiency or additional costs or shall repeal such exemption from local taxation.*
- (f) Any of the parties permitted to submit written notice to the division of local mandates under subsection (d) of this section may submit written notice to the division requesting that the division determine the total annual financial effect for a period of not less than 3 years of any proposed law or rule or regulation of any administrative agency of the commonwealth. The division shall make public its determination within 60 days of such notice.*
- (g) Notwithstanding subsection (a), (b) and (c), any city or town shall be allowed to accept any law, rule or regulation specified by said subsections whether or not such law, rule or regulation is funded by the commonwealth.*
- (h) This section shall apply to regional school districts and educational collaboratives organized under section 4E of chapter 40, to the same extent as it applies to cities and towns. A regional school district may accept a law, rule or regulation by vote of its school committee and an educational collaborative by vote of its board of directors.*
- (i) This section shall not apply to any costs to cities and towns or exemptions to local taxation resulting from a decision of any court of competent jurisdiction, or to any law, rule or regulation enacted or promulgated as a direct result of such a decision.*

# APPENDIX B – RECOMMENDATIONS AND PROPOSALS FOR ADDITIONAL MUNICIPAL RELIEF

The Office of the State Auditor recommends that the General Court pass the following pieces of legislation during the 2021-22 session:

## **H. 838/S. 489—An Act relative to early voting cost reimbursements**

Sponsored by Sen. Becca Rausch and Rep. Steven Ultrino, this bill would amend the existing Early Voting Law (M.G.L. c. 54, § 25B) to establish a permanent process to reimburse municipalities for expenses incurred during the early voting period, such as the cost of voting booths, privacy screens, and labor. The bill directs the State Auditor to deliver an annual report to the Secretary of the Commonwealth, outlining incremental costs to each municipality related to early voting, along with estimates for the following year. It also requires the Secretary of the Commonwealth's office to include the Auditor's cost estimates in its annual budget request and to distribute funds to municipalities accordingly.

## **H. 236—An Act creating an electronic backpack for foster children**

This bill is currently sponsored by State Auditor Suzanne Bump alongside Rep. Kay Khan and Rep. David LeBoeuf. The bill adds a new section to M.G.L. c. 71 that directs the Department of Children and Families (DCF) to develop an electronic backpack program to facilitate the educational stability of foster youth and to implement the program within one year of the bill's passage. The bill directs DCF to create an electronic backpack for each youth to serve as a repository of educational records as long as the youth remains in foster care. Any person who is able to make educational or medical decisions for each youth, including the youth's medical providers, will have access to the electronic backpack under the bill.

## **H. 2831/S. 1875—An Act to reform payments in lieu of taxes for state-owned land**

Sponsored by Sen. Adam Hinds and Rep. Natalie Blais, the bill amends M.G.L. c. 58, §§ 16-17, to require the Commonwealth to fully reimburse communities for the taxable value of state-owned land. The bill also creates a hold-harmless provision that ensures cities and towns never see a decrease in their state-owned-land reimbursement. Specifically, the bill repeals language referencing reimbursement percentages for PILOTs for state-owned land and directs the Treasurer of the Commonwealth to make PILOTs according to a detailed formula (reimbursements based on each thousand dollars of land valuation multiplied by aggregate average annual tax rates for the previous three years). The bill also prohibits reduction of the payment to a municipality unless land is disposed of by the state.

## **S. 2043—An Act relative to municipal impact statements**

The bill requires state agencies to provide statements describing proposed regulatory or administrative actions and further requires these agencies to determine the preliminary financial impact on municipalities. This bill updates the language of Executive Order 145, which was signed by Governor Dukakis in 1978, and incorporates it into a new section of the Massachusetts General Laws as a state administrative procedure (see Appendix D for the executive order). The proposed legislation adds DLM to the list of entities that are required to receive and analyze the financial impact of these statements, alongside the Local Government Advisory Committee and the Department of Housing and Community Development.

# APPENDIX C – CHAPTER 253 OF THE ACTS OF 2020

## An Act Relative to Justice, Equity and Accountability in Law Enforcement in the Commonwealth

This legislation includes the following provisions that may have a substantial financial impact on municipalities:

- **Section 23**— Adds §§ 116H, 116I, 116J, and 116K to M.G.L. c. 6, requiring the Municipal Police Training Committee (MPTC) to develop in-service training for school resource officers (SROs), a program within recruit basic training on appropriate interactions with persons with autism and those with intellectual and developmental disabilities, basic and in-service training programs on the regulation of physical force, and a course on mental wellness and suicide prevention, two hours annually. § 116K specifically requires all law-enforcement officers to annually attend and complete the course on mental wellness and suicide prevention. All of these programs are likely to impose costs on municipalities for officer time and backfill.
- **Section 26**— Adds § 220 to M.G.L. c. 6, requiring law-enforcement agencies to document each facial recognition search performed and provide such documentation quarterly to the Executive Office of Public Safety and Security (EOPSS).
- **Section 30**—Adds new M.G.L. c. 6E creating the Massachusetts Peace Officer Standards and Training (POST) Commission, which contains the following notable sections:
  - Section 5 requires all law-enforcement agencies to be certified by the POST Commission. The Division of Police Certification within the POST Commission in consultation with the MPTC, and subject to approval of the POST Commission, shall establish minimum certification standards for all law-enforcement agencies. Law-enforcement agencies are required to remain in compliance with c. 6E and all rules and regulations promulgated by the POST Commission.
  - Section 8 requires the head of a law-enforcement agency to transmit any complaint that the agency receives within two business days to the Division of Police Standards within the POST Commission and to transmit a report to that division if an officer resigns during an agency investigation or before the imposition of agency discipline.
  - Section 14(e) requires a police department that has advance notice of a mass demonstration to attempt to communicate with event organizers, make plans to avoid and de-escalate potential conflicts, and designate an officer in charge of de-escalation planning and communication about the plans within the department. This section also provides that if a law-enforcement officer uses, or orders the use of, tear gas, any other chemical weapon, rubber pellets, or a dog

against a crowd, the officer's appointing law-enforcement agency shall file a report with the POST Commission detailing all measures that were taken to de-escalate tensions and avoid the necessity of using tear gas, etc.

- Section 15(c) provides that a law-enforcement agency shall implement a policy and procedure for personnel to report abuse by other personnel without fear of or actual retaliation.
- **Section 42**—Amends M.G.L. c. 19, § 25 to require the Center for Police Training in Crisis Intervention (renamed the Center for Responsive Training in Crisis Intervention) to promote the use and adequate resourcing of trained community-based crisis response resources to assist residents when an exclusive police response is not best suited to the concerns or is inappropriate or unnecessary, and to provide training on best practices (including efforts to prioritize de-escalation tactics and techniques in crisis response situations), on institutional and structural racism and implicit bias, and on best practices for responding to mass gatherings or protests that will emphasize de-escalation and minimizing the necessity for use of force.
- **Section 79**—Requires the chief of police of a municipality to establish operating procedures for school resource officers (SROs) as well as a memorandum of understanding with the local school superintendent. This section clarifies that assignment of SROs is at the discretion of the superintendent.
- **Section 90**—Adds new § 85BB to M.G.L. c. 231, imposing treble damages, or imprisonment for not more than two years, on any police officer who submits a false or fraudulent claim of hours worked for payment. This section could result in costs to cities and towns related to litigation of these issues.
- **Section 94**— Limits the issuance of no-knock warrants to instances where the life of the police officer or someone else would be at risk if the officer were to announce his/her presence. Prohibits the use of no-knock warrants where minors or seniors are reasonably believed to be in the home, unless there is a credible risk of imminent harm to such minors or seniors. Allows an officer to enter without knocking to prevent a credible risk of imminent harm. This section, if violated, could result in civil actions against police departments, which may impose costs on municipalities.
- **Section 99**—Requires every law enforcement agency to report the comprehensive disciplinary record for each law-enforcement officer currently employed to the POST Commission. Requires the POST Commission to provide each law-enforcement agency a list of officers currently employed in the Commonwealth and requires an agency to report the comprehensive disciplinary record for each law-enforcement officer previously employed by said agency to the POST Commission. There may be costs to municipalities associated with this recordkeeping and information sharing.
- **Section 109**— Requires SRO certification by December 31, 2021. There will likely be costs associated with training and certification of SROs.



- **Section 118**—Requires the MPTC to promulgate regulations requiring law enforcement agencies to participate in critical incident stress management and peer support programs to address police officer mental wellness and suicide prevention as well as critical incident stress and the effect on public safety. This provision could impose costs on agencies to send officers to these programs or run these programs themselves.

# APPENDIX D – EXECUTIVE ORDER 145

## Consultation with Cities and Towns on Administrative Mandates

Executive Order 145, quoted below, requires state agencies to consider the impact of policy and regulatory changes on cities and towns and to submit a local impact statement to the Local Government Advisory Commission and the Department of Community Affairs before promulgating regulatory changes.

*WHEREAS, municipal officials must be able to consider statewide agency policy and regulatory actions which have significant financial, procedural, or organizational impact on local governments in order to effectively provide services to their citizens; and*

*WHEREAS, state agencies ought to consider the impact on local governments of policy and regulatory mandates which include significant financial, procedural, or organizational obligations in order to make informed, credible decisions regarding the application of such policies and regulations; and*

*WHEREAS, the Governor recognizes that state-local cooperation in the formulation of the Commonwealth's administrative policies and regulations affecting local governments is essential to the successful implementation of viable policies and regulations; and*

*WHEREAS, affirmative steps are necessary to ensure that municipal officials are fully informed of proposed agency policies and regulations which affect local governments, prior to their promulgation; and*

*WHEREAS, state administrative mandates may place significant additional financial burdens on municipalities;*

*NOW, THEREFORE, I, Michael S. Dukakis, Governor of the Commonwealth by virtue of the authority vested in me as supreme executive magistrate, do hereby order as follows.*

### *SECTION I: DECLARATION OF POLICY*

*Agencies shall take no action (as defined in Section II) without having followed the consultation procedures as set forth in Section III to inform and thereafter receive advice from local governments of the potential impact on local governments of the proposed action.*

## SECTION II: DEFINITION

*Agency is defined as any agency, department, board, commission, authority or other instrumentality of the Commonwealth.*

*Action is defined as (a) the adoption, repeal or amendment of any rule or regulation subject to the Mass. Administrative Procedure Act (hereinafter called A.P.A.), M.G.L. Chapter 30A; (b) any administrative action that either places additional expenditure, procedural, or organizational requirements on local governments or limits the discretionary powers of local officials or agencies on a statewide basis. Enforcement of duly enacted laws and regulations is not within the scope of this executive order.*

*The Local Government Advisory Committee established pursuant to Executive Order No. 123 (1976) is hereinafter called L.G.A.C. The Department of Community Affairs is hereinafter called D.C.A.*

## SECTION III: PROCEDURES

- 1. In the case of action subject to the A.P.A., at least 14 calendar days prior to the initiation of compliance with the A.P.A., agencies shall initiate the procedures set forth below. In the case of actions not subject to the A.P.A., agencies shall initiate said procedures at least 45 calendar days prior to the proposed implementation of said action.*
- 2. Agencies shall provide L.G.A.C. and D.C.A. with a brief statement describing the proposed action which emphasizes the responsible agency officials' best judgement of those elements which might impact on local governments including, when feasible, preliminary cost estimates.*
- 3. Within 21 calendar days of receipt of said notice, either L.G.A.C. or D.C.A. shall notify the originating agency as to whether or not it believes the proposed action presents potential for significant impact. Failure to so notify within 21 calendar days shall be deemed to constitute a judgement of no significant impact.*
- 4. Any such notice shall set forth the aspects of the proposed action which the L.G.A.C. or the D.C.A., as the case may be, believes present potential for significant impact.*
- 5. Within 14 calendar days of the receipt of a notice under Section III 3,4, the originating agency shall convene a meeting of representatives of the agency, L.G.A.C., and D.C.A. to review and discuss the potentially significant impact of the proposed action.*

## SECTION IV: EMERGENCY ACTION

*Agencies may initiate emergency actions under relevant sections of the Administrative Procedure Act without prior compliance with this order, provided that compliance shall be initiated as soon as practicable following the emergency action and in any event to making any emergency action permanent.*

*SECTION V: DETERMINATION OF SIGNIFICANT IMPACT*

*In determining whether the proposed action may present potential for significant impact, agencies, L.G.A.C., and the D.C.A. shall consider the extent to which the proposed action might require municipalities:*

- a) to significantly expand existing services;*
- b) to employ additional personnel;*
- c) to significantly alter administrative and work procedures;*
- d) to realign organizational structures;*
- e) to increase disbursements which are not reimbursed by the federal or state government; or*
- f) to limit the discretion exercised by local officials.*

*Each agency head, or a designee of the agency head, shall have responsibility within that agency for reviewing proposed administrative policies and regulations to ensure compliance with this order.*

*SECTION VI: EFFECTIVE DATE*

*This order shall take effect on November 20, 1978, provided, however, that it shall not apply to any action subject to the A.P.A. for which compliance with the A.P.A. is initiated prior to November 20, 1978.*

*SECTION VII*

*This order shall continue in effect until amended, superseded or terminated by subsequent Executive Order.*

*Given at the Executive Chamber in Boston this twenty-first day of October, in the year of Our Lord one thousand nine hundred and seventy eight and of the independence of the United States of America, two hundred and second.*

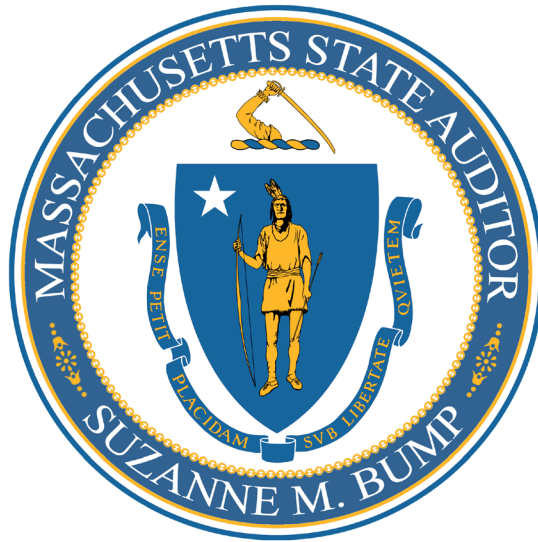
*MICHAEL S. DUKAKIS*

*GOVERNOR*

*Commonwealth of Massachusetts*

*Paul Guzzi*

*Secretary of the Commonwealth*



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