



TAX RECAPITULATION

PURPOSE

To ensure the Town timely and appropriately charges taxes to property owners in support of the annual budget, this policy sets forth the roles, responsibilities, and deadlines associated with the tax recapitulation (i.e., “tax recap”) process. A timely and accurate annual tax recap helps ensure the Town complies with state statutes, prevents workflow disruptions in its financial offices, and avoids any temporary borrowing costs associated with cash shortfalls.

APPLICABILITY

This policy applies to the Select Board and Town Administrator in their policymaking and management responsibilities and to the Board of Assessors in its role as principal overseer of the tax recap process. It also applies to the related job duties of the Town Accountant, Principal Assessor, Treasurer/Collector, and Town Clerk.

BACKGROUND

The property tax levy is Carlisle’s largest source of revenue, which therefore makes the tax recap a vital component of the Town’s fiscal operations. The Assessing Department oversees two (2) core phases: property valuation and tax rate setting. However, the full process begins with Town Meeting, involves many other local officials, and requires careful management, teamwork, and cooperation.

The tax recap forms and schedules present the Town’s annual budget plan for the fiscal year. They summarize all appropriations made by town meeting since the previous year’s tax rate was set and identify all non-property-tax revenue sources, such as state aid, local receipts, and reserves. The difference between these sources and the total budgeted appropriations must be raised through the property tax levy.

By completing the tax recap and submitting it to the Division of Local Services (DLS) for approval, the Town establishes its property tax levy and sets the tax rate for the year. The Town may issue actual tax bills only after DLS reviews the recap and approves the tax rate.

POLICY

At the Town Administrator’s direction, Carlisle’s financial team will annually complete the tax recap process no later than November 30th. The Treasurer/Collector will print and mail the actual tax bills no later than December 31st. The Town Administrator will develop a realistic plan and timetable to meet these deadlines and keep the Select Board apprised of progress.

A. Preparation and Town Meeting

A successful tax recap process starts with a balanced annual budget, valid funding sources, and proper town meeting actions, which will be accomplished as follows:

- The Select Board, through the Town Administrator and Town Counsel, will assure the production of a properly written town meeting warrant that will allow town meeting voters, under the Town Moderator's oversight, to properly authorize annual budget appropriations funded by specific revenue sources (e.g., raise and appropriate, free cash, stabilization).
- The Select Board will ensure that the proposed tax levy does not exceed the Maximum Allowable Levy (calculated annually by the D.O.R).
- The Town Accountant, Town Administrator, and Select Board will verify that the proposed budget is balanced.
- The Town Accountant will prepare a schedule of funds available for appropriation by town meeting.
- The Treasurer/Collector and Town Counsel or Bond Counsel will ensure any debt issuance authorizations are proper.
- The Select Board will ensure that any proposal for a general override, debt exclusion, or capital exclusion is properly presented in the town meeting warrant and, if passed, put to a town-wide referendum.

Whereas the budget is typically adopted at the spring town meeting, all appropriations and borrowings approved at this or additional future town meetings prior to the be included in the current tax recap process.

All Town Meeting approved appropriations and borrowings shall be included within the D.O.R. tax recap prior to the annual Tax Classification Hearing

B. Recording Legislative Actions

To allow time for any required corrective measures, the following tasks will be completed within two (2) weeks after town meeting:

- The Town Clerk will certify all appropriations approved since the last tax rate was set.
- The Town Accountant will reconcile all votes and authorized amounts.
- The Town Clerk, with the Town Accountant's assistance, will enter all town meeting appropriation votes by article into the DLS Gateway system (page 4 of the tax recap).
- From the certified town meeting authorizations, the Town Accountant will complete the following Gateway forms:
 - enterprise estimated revenues and appropriations (Schedule A-2)
 - enterprise receipts and appropriations (Schedule A-2)
 - free cash used (Form B-1)
 - available funds used (Form B-2)
- When applicable, the Treasurer/Collector will prepare the debt exclusion report, including any use of reserved bond premiums (Form DE-1), and report any reserved bond premium amounts used as funding sources (Form B-2).
- When applicable, the Town Accountant will include free cash voted to reduce the current tax rate on page 2 of the tax recap.

C. Tax Recap Entries done after the Fiscal Year-end Closing

Within two (2) weeks of closing the books for the fiscal year, the Town Accountant will do the following to complete the tax recap:

- Document and report all deficits or other expenditures that must be funded, including debt and snow and ice (page 2 of the tax recap)
- Record the actual amounts received for each type of local receipt (page 3, column (a) of the tax recap and column (a) section 1 on Schedule A-2)
- Enter estimated local receipts using the revenue projections from the final budget approved at town meeting (page 3, column (b) of the recap and column (b) section 1 on Schedule A-2)
- Enter the actual community preservation fund revenues for the prior fiscal year (Form A-4)

D. Property Value Certification

Assessors must value all taxable real and personal property and must classify each property into one (1) of four (4) classes (residential, open space, commercial/industrial, or personal) based on use as of January 1. To do this, the Principal Assessor will:

- Complete both the Omitted & Revised Assessment Report & the LA-13A prior to the submission of the LA-13 as omitted & revised assessments from the previous fiscal year will impact the final New Growth figure for the current fiscal year
- Complete the property sales report (Form LA-3) for all sales over \$1,000 and submit it to DLS for approval.
- Analyze market conditions and set final property values in compliance with DLS certification standards.
- Report the total assessed valuation for real and personal property by class (Form LA-4, which is transferred to page 1 of the tax recap).
- Report fiscal year tax base growth used to determine the levy limit under Proposition 2½ (Form LA-13, which is transferred to the Levy Limit Worksheet).

The Director of Assessing will submit the above forms to DLS for review and certification.

E. Tax Classification Hearing

After DLS has certified property values, the Select Board will hold a public hearing to decide tax policy. At the Tax Classification hearing, the Select Board will vote on four tax options that will determine the distribution of the local tax levy between property classes.

Prior to this hearing, the following must be done:

- Principal Assessor will analyze the Overlay Account balance with the Board of Assessors and recommend the additional allocation necessary for the current fiscal year.
- The Principal Assessor and Town Accountant will complete the Overlay Form (OL-1).
- Principal Assessor will prepare and present the financial analysis of the various tax classification options to the Select Board at the hearing.

The Select Board will vote on the four tax classification options. These options are:

- Selection of a Minimum Residential Factor
- Granting of an Open Space Discount
- Granting of a Residential Exemption
- Granting of a Small Business Exemption

The Select Board will also acknowledge excess levy capacity (Form LA-5) prior to the conclusion of the Tax Classification Hearing.

The Town Clerk attests to notice having been given to taxpayers regarding the public hearing (Form LA-5).

F. Review and Submittal to DLS

The Board of Assessors, working through the Director of Assessing, is responsible for submitting all forms and supporting documents to DLS for tax rate approval. To do this:

- The Principal Assessor and Town Accountant will review all schedules, verify signatures, and verify that all proper documents are attached.
- The Town Accountant will ensure that all budget authorizations are represented and clearly reconcile to the amounts reported in the tax recap schedules.

G. Tax Commitment Creation

After DLS notifies the Town that the tax rate has been approved, the Principal Assessor will create a tax commitment list and warrant duly signed by the Board of Assessors and refer it to the Treasurer/Collector to generate the tax bills.

EFFECTIVE DATE

This policy was adopted in June 2024