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# Rural Rescue Policy Issues

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Division of Local Mandates

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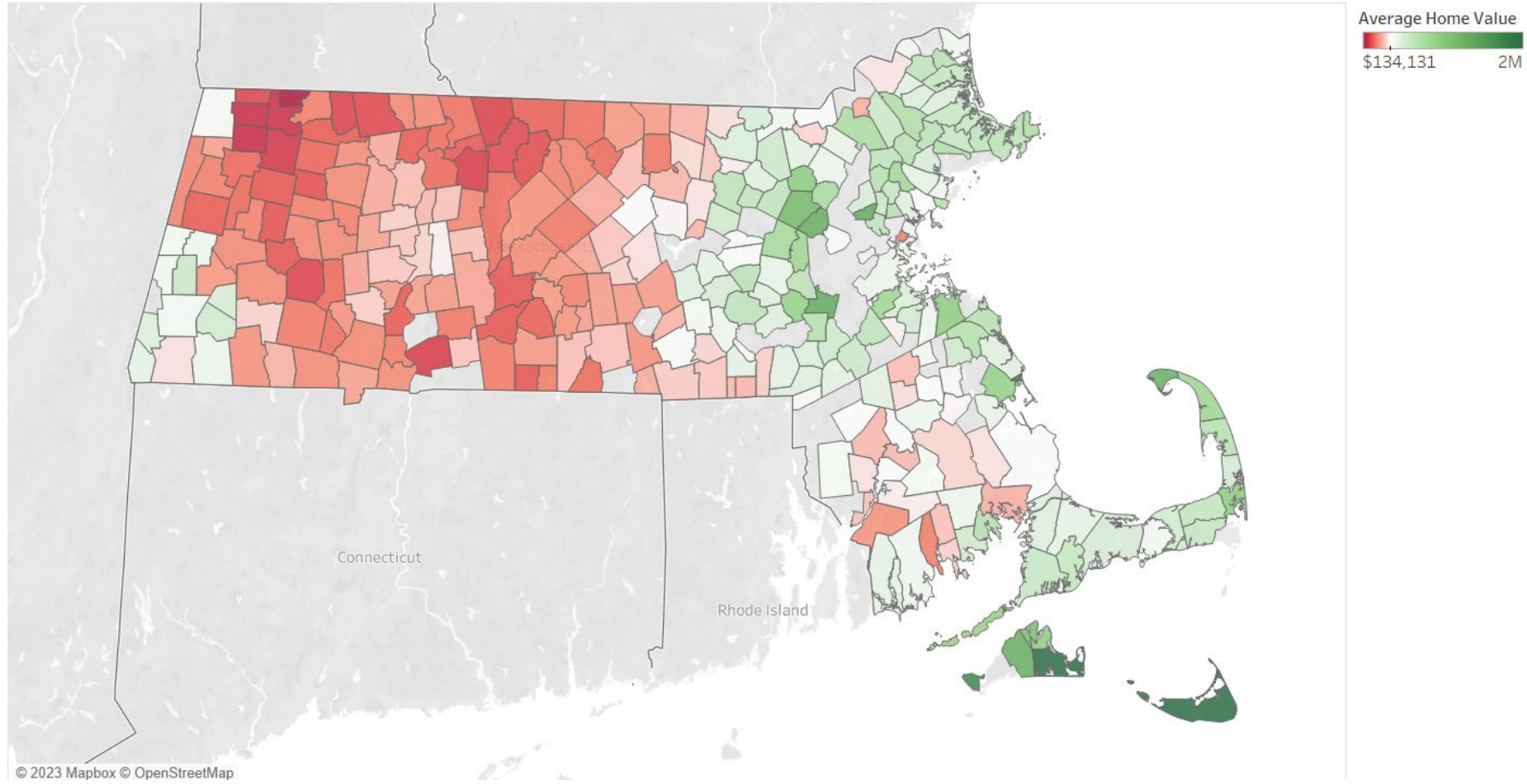
# Current Formula Structure (FY 2019 - present)

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- PILOT reimbursements dependent on property value growth and equalized valuations
- State-owned land (SOL) revalued biannually
- Some leftover effects on how SOL was valued before Municipal Modernization Act
- Payments allocated by % of total statewide value of SOL

# Property values (especially residential) are higher in Eastern MA than other regions, making PILOT payments lower in western, rural towns.

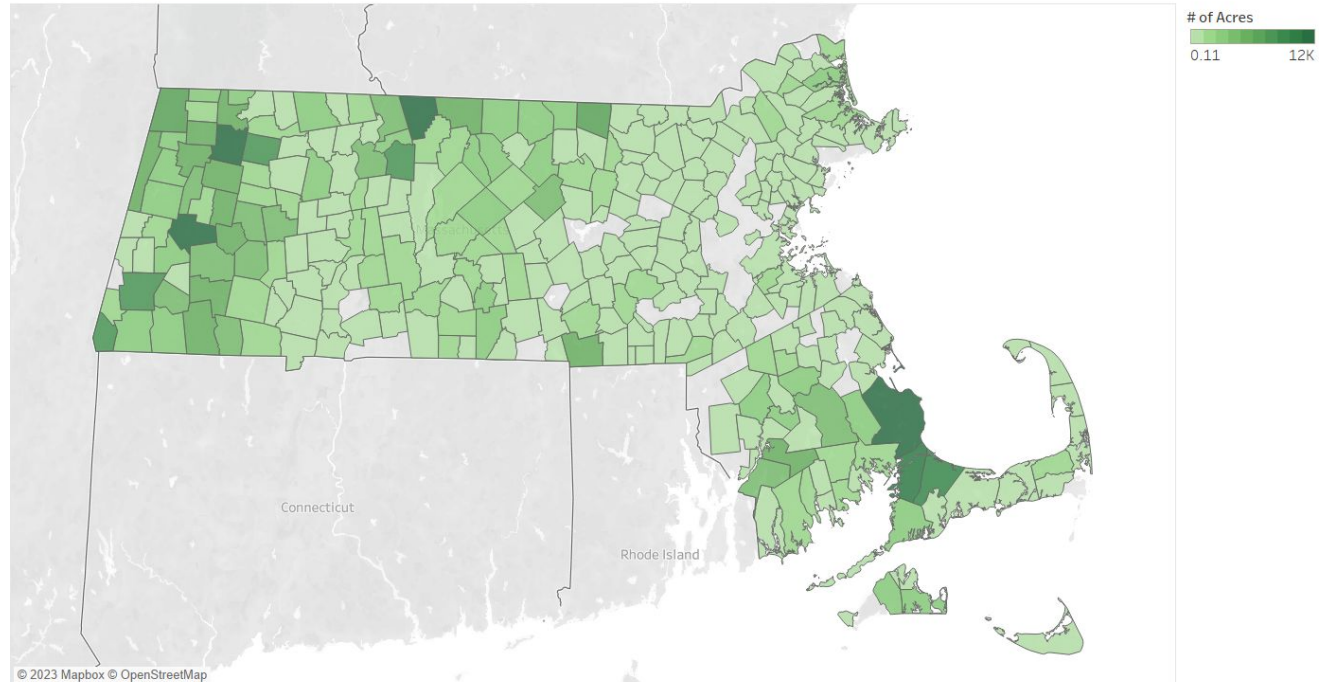
FY 2022 Average Single Family Home Value



# Where is state-owned land concentrated?

- Communities have as little as < 1 acre or as much as 12,000 acres
- Areas with state forests or beaches have highest concentration of state owned land
- Largest holdings situated in Cape & Islands and Western MA

Number of State-Owned Land Acres, FY 2024



# What counties receive higher reimbursements for their state-owned land?

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## Highest:

- Suffolk - \$4,726 / acre
- Nantucket - \$3,059 / acre
- Dukes - \$692 / acre
- Middlesex - \$310 / acre

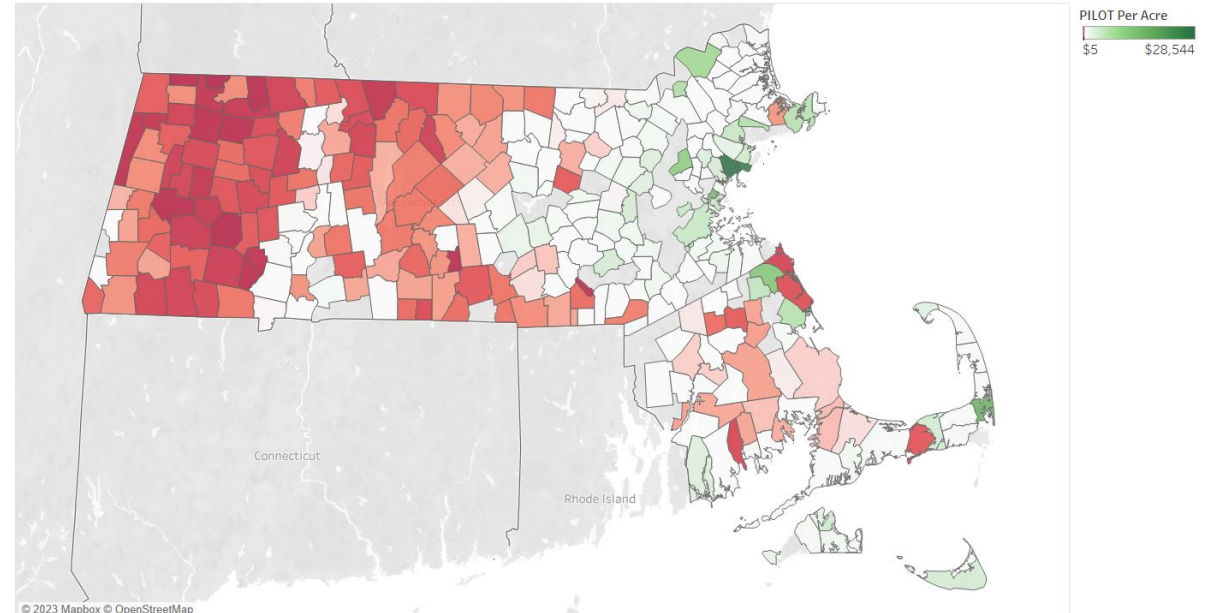
## Lowest:

- Hampshire - \$55 / acre
- Hampden - \$51 / acre
- Berkshire - \$29 / acre
- Franklin - \$28 / acre

# Varied reimbursements in cities & towns

- Projected median PILOT reimbursement in FY 2024: **\$125 / acre**
- Western communities likelier to be receiving payments below the median

FY 2024 State-Owned Land PILOT Per Acre



# Community comparison: Plymouth and Savoy

- Most of their acreage comes from state forests
  - Plymouth – Myles Standish
  - Savoy – Savoy Mountain
- PILOT payments are drastically different
  - Plymouth – \$89 / acre
  - Savoy - \$10 / acre

	Number of State-Owned Land Acres	FY 2023 PILOT Payment	Per Capita Income (2020)
Plymouth	11,885	\$ 1,054,067	\$ 44,583
Savoy	12,198	\$ 118,661	\$ 33,253

# Previous Reimbursement Formula (prior to FY 2019)

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- Based on aggregate statewide tax rate that was multiplied against municipalities' state-owned land values
- Provided estimate of “full funding” of the program
- Aggregate tax rate declines due to constraints of Prop 2½
- May continue to disadvantage communities w/ slow growth in property values



	State-Owned Land Value	Estimated Aggregate Tax Rate	Estimated Full Funding	% Change in SOL Value	% Change in Agg. Tax Rate
<b>FY 2019</b>	\$ 2,877,592,333	\$ 14.74	\$ 42,415,714	n/a	n/a
<b>FY 2020</b>	\$ 3,146,119,500	\$ 14.51	\$ 45,650,194	9.33%	-1.56%
<b>FY 2021</b>	\$ 3,168,553,800	\$ 14.29	\$ 45,278,634	0.71%	-1.52%
<b>FY 2022</b>	\$ 3,516,952,900	\$ 14.07	\$ 49,483,527	11.00%	-1.54%
<b>FY 2023</b>	\$ 3,526,847,500	\$ 13.89	\$ 48,987,912	0.28%	-1.28%
<b>FY 2024*</b>	\$ 3,936,421,300	\$ 13.68	\$ 53,850,243	11.61%	-1.51%

*\*FY 2024 based on proposed state-owned land value as of January 2023; this may slightly increase when it is finalized.*

*\*\*Revaluation years are in bold.*

# Potential Solutions

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## **Using a local tax rate:**

- Used by MWRA to give watershed payments
- May show discrepancies in communities with similar # of acres

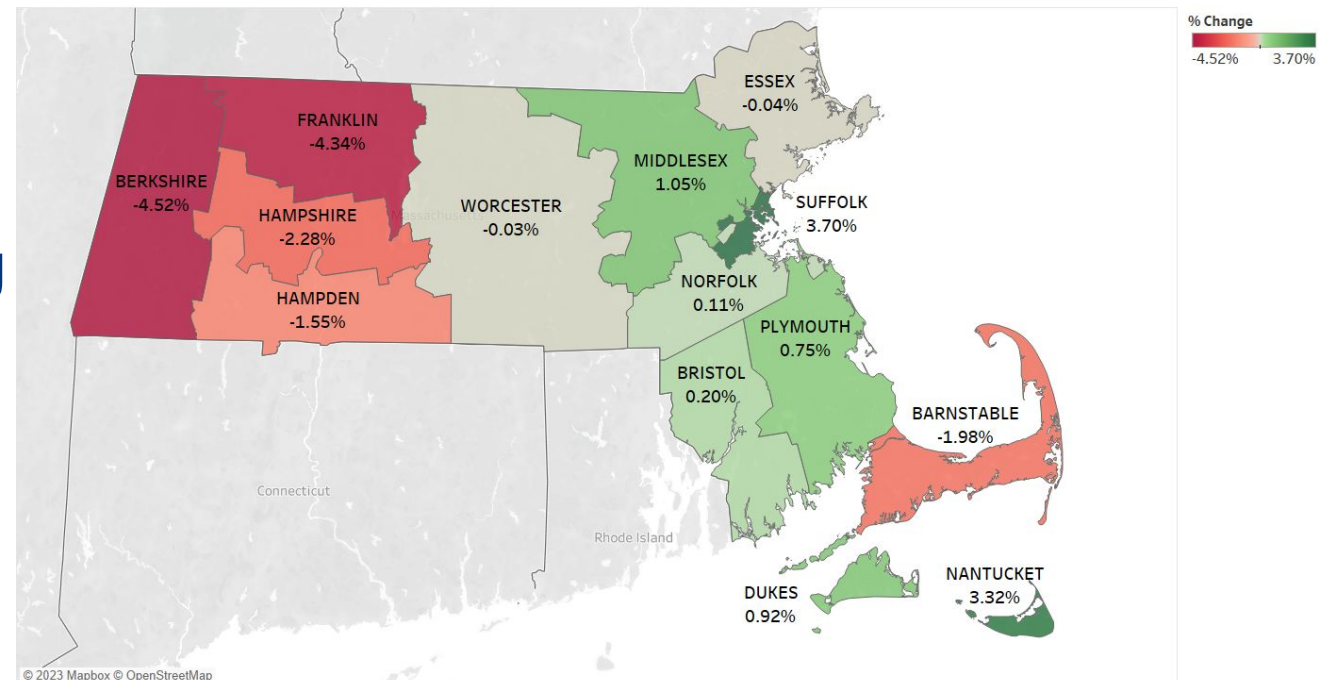
## **Carbon sequestration factor:**

- Communities w/ lower SOL values have large amounts of forested land

# Chapter 90 Roadway Funding

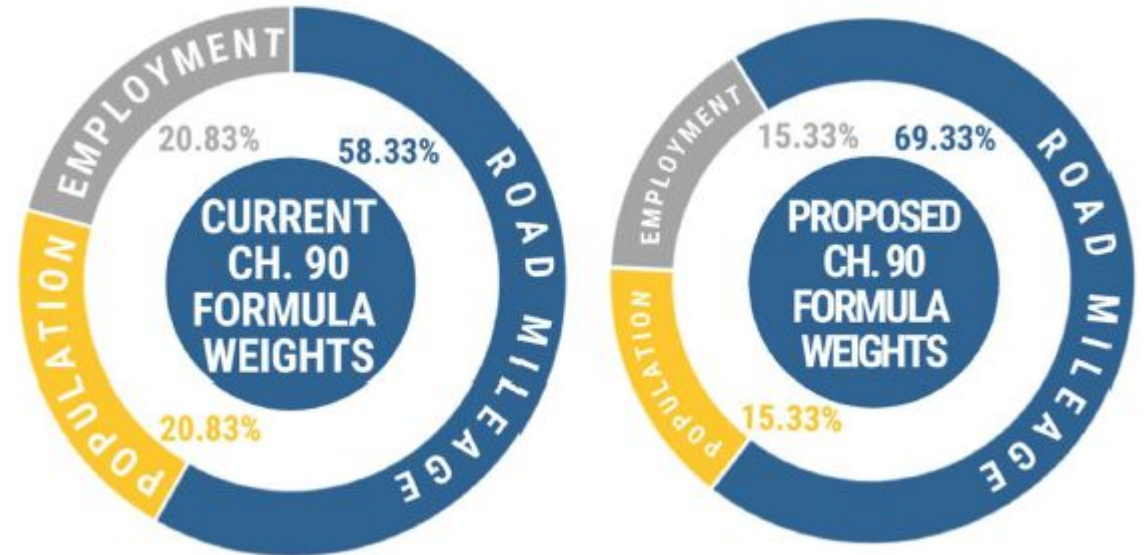
- Critically important source of state aid to municipalities for roads, sidewalks, water crossings
- Appropriation stuck at \$200 million annually since FY 2012; hurt by rising costs and inflation
- Popular with municipalities because of flexibility
- MMA and DLM research identified need for over \$500 million per year

Chapter 90 Apportionment: Percent Change from FY 2012 to FY 2024



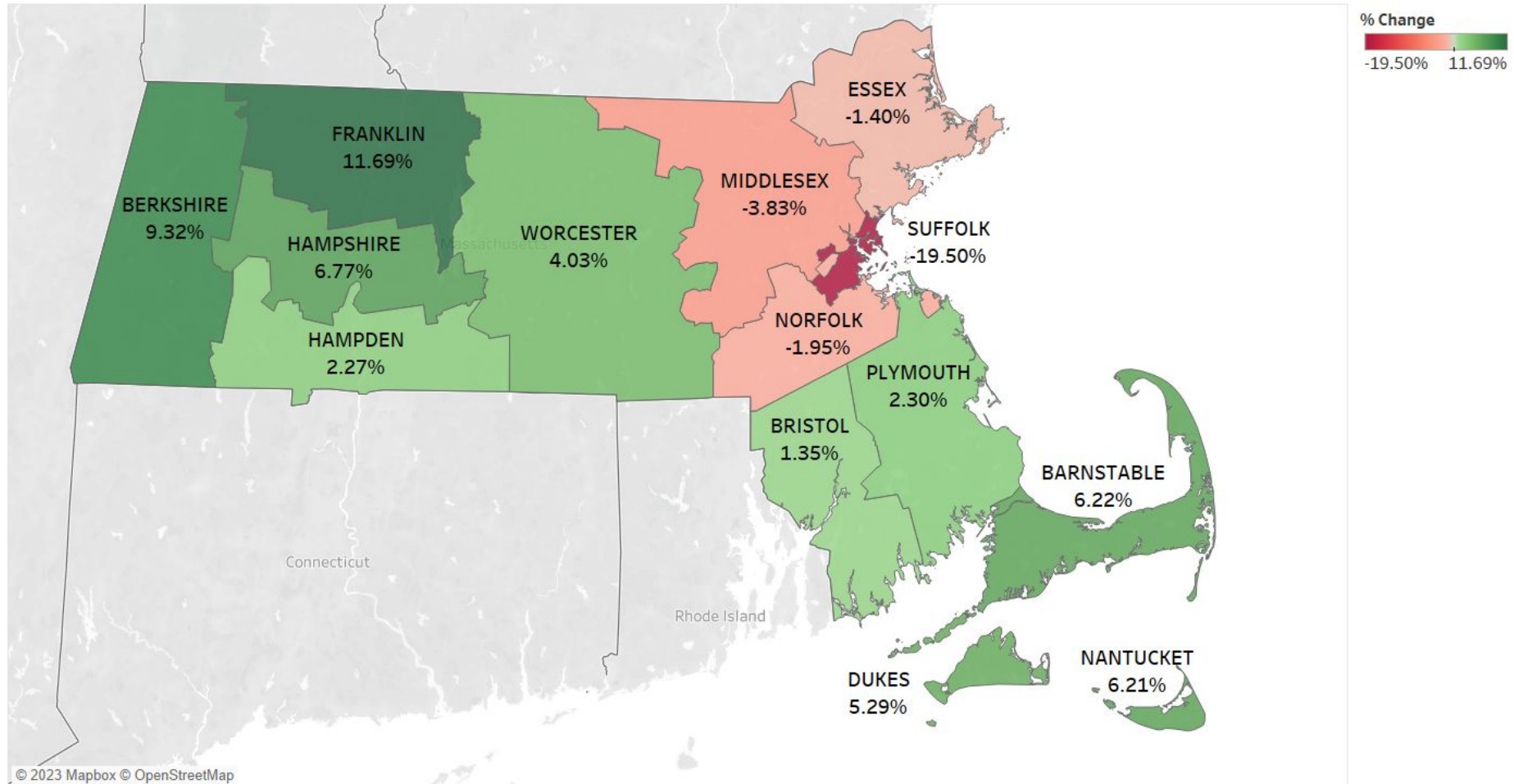
# Legislative solutions to Chapter 90

- Bill by Rep. Pignatelli (H. 3409) would change the weight of factor contributing to Ch. 90 allocations
- Current formula benefits cities w/ high populations & levels of employment
- Proposed formula heavily favors communities w/ high road mileage



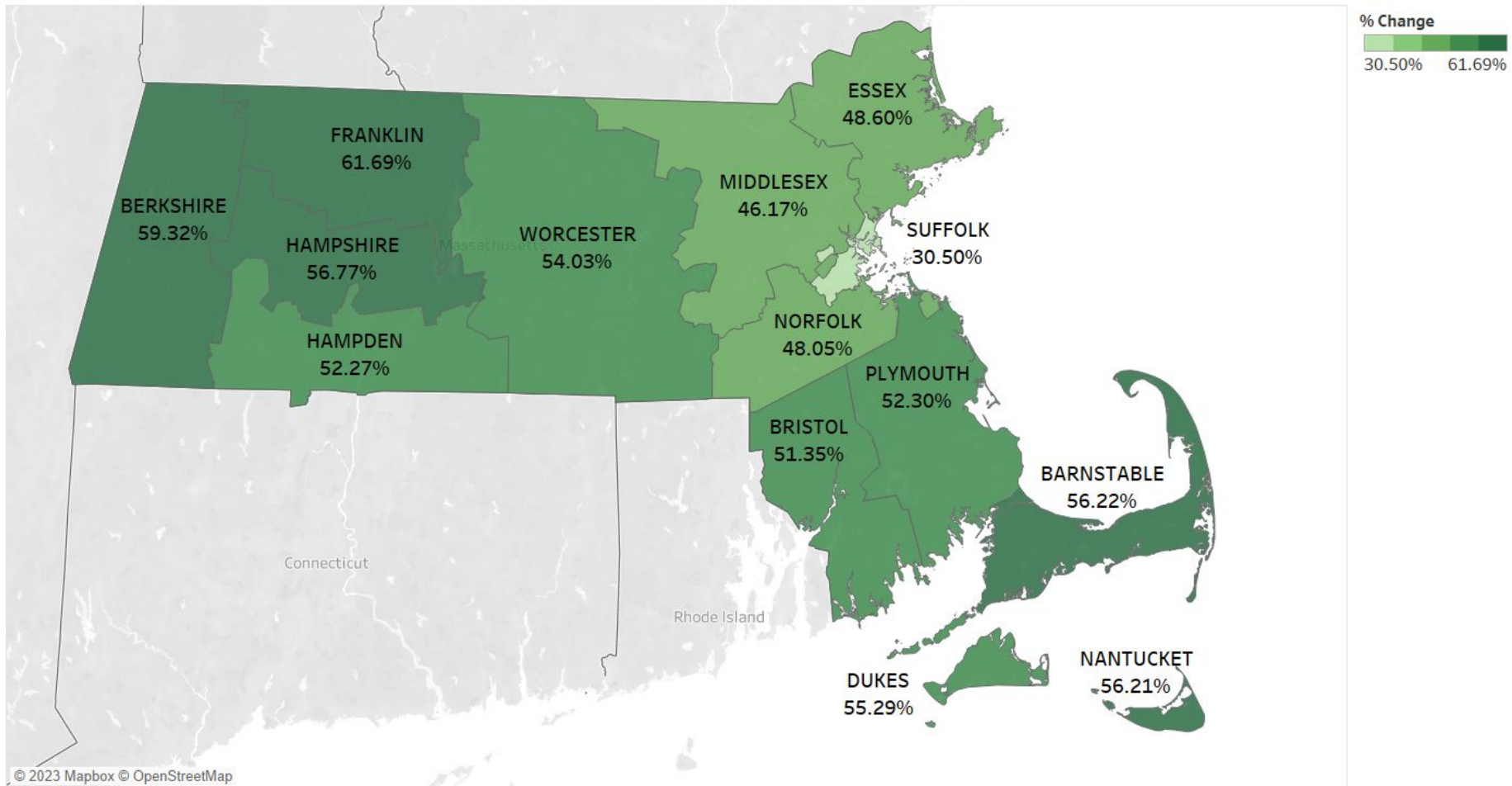
# A change to the formula with level funding would shift funds away from population centers...

Chapter 90 Apportionment: Change from FY 2024 to Proposed Formula at \$200M



# ...but a \$300 million allocation would see increases for all, with rural communities benefitting the most.

Chapter 90 Apportionment: Change from FY 2024 to Proposed Formula at \$300M



## In recent news...

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- Senate transportation bond bill (S. 2375) proposes a level, \$200M allocation of Chapter 90
- Includes additional \$25M distributed based on roadway miles and a factor for population density, favoring small towns

# Municipal & Public Safety Building Authority

- A 2021 DLM survey found high need for municipal and public safety building repair, renovation or construction across Western Massachusetts
  - Identified tens of millions of dollars required per year
  - Members of the Legislature have offered bold bills with structured, dedicated funding sources, for example ...
    - S. 1303 (Sen. Kennedy)
    - S. 1489 (Sen. Comerford)
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