



# ***Municipal Empowerment Act***

## ***Rural Supports***

### ***Healey-Driscoll Administration***

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## **Rural Support**

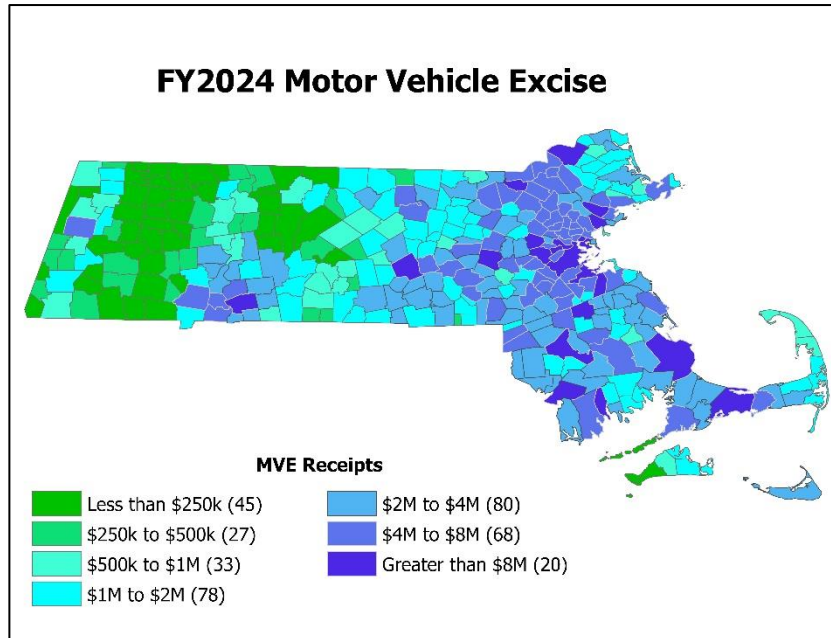
Each of the 181 rural communities across the state contributes to the story of Massachusetts, but they also face their own economic challenges and barriers. Since day one, the Healey-Driscoll Administration has been committed to developing policies and making investments that reflect the unique needs of the state's rural communities – and this bill is no different. Many of the provisions in the Municipal Empowerment Act were specifically designed to address the unique needs elevated by rural leaders during the Fall listening sessions. For example, allowing for the **creation of regional boards of assessors** and **state central valuation of telecoms and utilities** are expected to be particularly impactful for rural communities, where staffing such functions for a single municipality can be particularly difficult and inefficient. Similarly, with more disperse populations and fewer transportation options than in their urban counterparts, **permanently allowing for hybrid public meetings** is also expected to be particularly important for supporting civic engagement in rural communities.

## **Bill Highlights**

Below is additional detail on provisions of the Municipal Empowerment Act that were designed with a particular eye toward supporting our rural communities.

- **Allowing the creation of Regional Boards of Assessors:** The bill will allow municipalities to create Regional Boards of Assessors to help streamline duties and reduce significant staffing challenges cited by many local leaders, particularly those in rural communities.
- **Establishing central valuation of telecom and utility property:** The assessment of certain types of personal property is currently complicated for cities and towns, requiring the hiring of costly valuation experts. The Department of Revenue's Division of Local Services (DLS) already centrally values telephone and oil/natural gas pipelines, so extending this to all telecom and to utility companies would result in a more efficient and cost-effective process for both municipalities and industry.
- **Making permanent COVID-era public meeting flexibility:** Local governments were allowed to permit hybrid meetings during the pandemic – flexibility that proved popular with residents and beneficial for democratic participation, especially in rural communities where populations are more spread out and public transportation options are more limited. The Municipal Empowerment Act will make this popular Covid-era flexibility permanent.
- **Codifying the ability to amortize emergency deficit spending** will also help smaller communities manage emergency-related deficit spending from, for example, severe flooding.

Additionally, the creation of a **new up to 5% Motor Vehicle Excise local surcharge option** will be a powerful revenue-generating tool for rural communities, many of which realize minimal benefits from local meals and lodging taxes. The MVE tax is the largest local receipt for most municipalities, generating more than \$1B in local revenue in FY24 in communities across the Commonwealth. Currently, the average MVE bill is \$164. In communities where this local surcharge is adopted at 5 percent, that average bill would only increase by \$8.20 (5 percent of the total bill). While certain communities benefit more than others from local meals and lodging taxes, the new local option MVE surcharge could generate up to an estimated \$52 million in new local revenue and benefit every community in Massachusetts.



These provisions complement other investments targeted at supporting rural communities in the H.1 budget recommendation, including proposing to use voter-approved Fair Share surtax revenues to unlock **\$1.5 billion in Chapter 90 over the next 5 years, enabling \$300 million in annual Chapter 90 funds, a 50 percent increase over the traditional \$200 million.** This long-term funding increase will also allow the funding distribution formula to be updated, ensuring all cities and towns see a significant increase but recognizing that construction inflation in recent years has particularly eroded the buying power of smaller and rural communities that need extra support to complete road projects. H. 1 also proposes to transfer \$15 million into the newly established **Disaster Relief and Resiliency fund**, a valuable resource to help municipalities recover from major storms— particularly smaller, more rural communities.