

INSTRUCTIONS FOR COMPLETING SMART GROWTH SCHOOL COST REIMBURSEMENT REPORT

The “[Smart Growth School Cost Reimbursement Report](#)” is used by eligible municipalities to request or waive a Chapter 40S smart growth school cost reimbursement. The report is an excel workbook consisting of three spreadsheets. The instructions for completing each part of the report are found below. **Supporting documentation should be retained by local officials for at least 5 years in the event of an audit.**

PART 1 – REIMBURSEMENT REQUEST/WAIVER (Completed by Local Reporting Officer)

Municipality – Enter municipality name.

Smart Growth Zoning Date – Insert the date smart growth zoning took effect in the municipality and the base fiscal year, the fiscal year before the zoning change occurred.

Reimbursement Waiver Check-off – Indicate whether the municipality is waiving a Chapter 40S reimbursement by clicking the check box. See Section I-B-1 of [Informational Guideline Release IGR2024-01, Smart Growth School Cost Reimbursements](#), for the waiver procedure and documentation.

Local Reporting Officer Certification – Enter the name, title, phone number and e-mail address of the local reporting officer submitting the report.

PART 2 - SMART GROWTH ADDRESS LIST AND ADDITIONAL PROPERTY TAX REVENUE CALCULATION (Completed by Assessors)

This section is completed by the assessors to calculate the additional property taxes attributable to smart growth development on each smart growth parcel shown in the address list distributed by the Executive Office of Housing and Livable Communities (EOHLC) and to report those amounts to the local reporting officer.

The **Additional Property Tax Revenues** for a smart growth parcel under G.L. c. 40S is calculated by multiplying the portion of the parcel’s **Prior Fiscal Year’s Assessed Valuation** that is attributable to the smart growth development (**Smart Growth Valuation**) by the **Prior Fiscal Year’s Tax Rate**. The **Smart Growth Valuation** is measured by (1) adjusting the **Base Year Assessed Valuation** of the parcel for general market value changes from the prior fiscal year and (2) subtracting the **Prior Fiscal Year’s Adjusted Valuation** from the **prior fiscal year’s Assessed Valuation** of the parcel. Therefore, the smart growth valuation and additional taxes must be calculated and reported on a parcel-by-parcel basis.

General Instructions and Definitions

For instructional purposes, examples are provided in the “Sample Entries” spreadsheet.

Assessed Valuation means the valuation used to determine the actual tax obligation for the fiscal year. It equals the committed valuation less any abated valuation plus any omitted or revised valuation.

Base Year means the fiscal year before the zoning change impacted the assessed valuation of parcels within the zoning district. *For example*, if the municipality adopted smart growth zoning in May 2022, the base year is FY2023 because the zoning change occurred after the January 1, 2022 assessment date for that year and before the January 1, 2023 assessment date for FY2024.

Base Year Parcel Division – In many cases, the smart growth development project will result in the creation of multiple new sub-parcels from the base year parcel due to a lot split, subdivision or condominium. In order to calculate the **Smart Growth Valuation** and **Additional Property Tax Revenues** in those cases, the assessors must sub-total the **Assessed Valuation** of the sub-parcels and report that sub-total on the same line as the **Base Year Assessed Valuation** and **Base Year Class Code** for the original base year parcel. The sub-totaled **Prior Fiscal Year’s Assessed Valuation** is then used to compute the **Smart Growth Valuation**.

Mixed Use Developments – If a smart growth development project resulted in the original base year parcel being used for more than one major usage classification (Residential, Open Space, Commercial or Industrial) and the municipality had multiple tax rates for the prior fiscal year, the assessors must allocate the **Smart Growth Valuation** to each class. The **Smart Growth Valuation** for each class is computed by applying the percentage of the **Prior Fiscal Year’s Assessed Valuation** of the parcel (or sub-parcels) devoted to that use. The assessors must then report the **Smart Growth Valuation** allocated to each use on a separate line and use the allocated valuations to compute the **Additional Property Tax Revenues**.

Example 1 – A parcel of vacant land was developed as an apartment building, with commercial use on the ground floor. For FY2025 reimbursement purposes, the assessors determined that the **Smart Growth Valuation** of the parcel is \$1,000,000. For FY2024, 95% of the assessed valuation of the parcel is classified as Class One, Residential and 5% as Class Three, Commercial. The **Smart Growth Valuation** allocated to and reported as Class One is \$950,000 and Class Three is \$50,000.

Instructions for Completing Columns

Parcel ID – Insert the map, block and lot number or other unique number used by the assessors to identify the parcel in the Prior Fiscal Year’s real estate tax commitment.

Address – Insert the street address (number and street) of the parcel.

Unit Number – If applicable, insert the unit number of the parcel.

Occupancy Permit Date – Insert the date the occupancy permit was issued under G.L. c. 40R zoning for the parcel. The list must include all parcels for which an occupancy permit was issued as of June 30 of the prior fiscal year, i.e., all parcels shown on the address list provided by the EOHLC.

Base Year Class Code – Insert the usage class of the parcel for the base year, coded in accordance with the *Property Type Classification Codes* (April 2019) issued by the Bureau of Local Assessment.

Base Year Assessed Valuation – Insert the assessed valuation of the parcel for the base year.

- **Vacant Parcels** – For parcels assessed as vacant land in the base year, list the base year assessed valuation.
- **Developed Parcels** – For parcels with buildings or other improvements assessed in the base year that were demolished and replaced with smart growth development, list the base year assessed valuation of the land only. These parcels are considered vacant for reporting purposes to ensure that any increase in the valuation of the parcel due to development will be reported as **Smart Growth Valuation**.

Prior Fiscal Year's Assessed Valuation – Insert the assessed valuation of the parcel.

Class Code – Insert the Prior Fiscal Year's usage class of the parcel, coded in accordance with the *Property Type Classification Codes*.

Revaluation/Interim Year Adjustment Percentage(s) – List the percentage change in the **Base Year Assessed Valuation** attributable to revaluation or interim year adjustments made for Prior Fiscal Year's, and prior fiscal years back to the base fiscal year, for the parcel's **Base Year Class Code**, as reported on the Forms LA-13, "Tax Base Growth Reports" submitted for the year. If an adjustment percentage must be reported for more than one fiscal year, each year's percentage should be reported on a separate line.

- For parcels with any Class 1 residential code for the base year, list the Total Residential adjustment percentage reported on the LA-13 Forms.
- For all other parcels, list the applicable base year adjustment percentage reported on the LA-13 Forms.

Example 2 – The base year is FY2022 and the parcel was classified as developable residential land in that year. The assessors reported revaluation/interim year adjustments of + 10% in FY2023 and - 3% in FY2024 for the Total Residential class on their LA-13 Forms for those years. For FY2025 reimbursement purposes, the assessors should report the percentages on 2 separate lines as follows:

+10%
-3%

Adjusted Valuation – Determine the Prior Fiscal Year's Adjusted Valuation by adjusting the Base Year Assessed Valuation by the percentage shown in Revaluation/Interim Year Adjustment Percentage(s). In order to determine the Prior Fiscal Year's Adjusted Valuation where an adjustment percentage is reported for multiple years, the assessors must calculate separately the Adjusted Valuation for each fiscal year, using the adjusted valuation calculated for the prior year.

Example 3 – The percentages reported in Example 2 were for a parcel assessed for \$100,000 in FY2022. The FY2023 Adjusted Valuation is \$110,000 (FY2022 Assessed Valuation of \$100,000 x 1.10). The FY2024 Adjusted Valuation is \$106,700 (FY2023

Adjusted Valuation of \$110,000 x .97). The adjusted valuations for each year are reported on the same line as the adjustment percentage for that year:

+10%	110,000
-3%	106,700

Smart Growth Valuation – Determine the Smart Growth Valuation by subtracting the Prior Fiscal Year's Adjusted Valuation of the parcel from the Prior Fiscal Year's Assessed Valuation of the parcel.

Tax Rate – Insert the Prior Fiscal Year's tax rate for the class of the parcel for each fiscal year.

Additional Property Tax Revenues – Determine the additional property tax revenues by dividing the **Smart Growth Valuation** by 1000 and multiplying the result by the **Prior Fiscal Year's Tax Rate**.

PART 3 - ADDITIONAL MOTOR VEHICLE EXCISE REVENUE (Completed by Assessors)

This section is completed by the assessors to calculate the additional motor vehicle excises generated by each smart growth parcel shown in the address list distributed by the EOHLC and to report those amounts to the local reporting officer.

General Instructions

Multiple Excise Bills - If the list received from the Registry of Motor Vehicles (RMV) shows more than one excise assessed during the Prior Fiscal Year on vehicles garaged at the address of the parcel, the assessors must list each verified excise on a separate line. This should include all excise bill runs issued July 1-June 30 of the prior fiscal year.

Instructions for Completing Columns

The information may be entered or extracted from the collector's RMV runs. At a minimum, the information should include:

- Excise bill number
- Owner address
- Unit number (if applicable)
- Zip code
- Excise bill date
- Owner name
- Model year
- Vehicle make
- RMV value
- Excise tax amount