
STATE-OWNED LAND PROGRAM under M.G.L. c. 58, §§ 13-17 FREQUENTLY ASKED QUESTIONS (FAQS)

Frequently asked questions (FAQs) published by the Division of Local Services (DLS) within the Department of Revenue provide general information about Massachusetts municipal tax and finance laws and DLS policies and procedures in effect when published. They do not answer all questions or address complex issues about their topics. FAQs are not public written statements of the Department. They are informational only as described in [830 CMR 62C.3.1\(10\)\(c\)](#), and do not supersede, alter or otherwise change any Massachusetts General Law, Department public written statement or other source of law.

1. What is the State-Owned Land (SOL) Program?

The Commissioner of Revenue, through the Bureau of Local Assessment (BLA) of the Division of Local Services, determines the fair cash value of certain tax-exempt state-owned land (SOL) to be used to determine the Cherry Sheet Payment in Lieu of Tax (PILOT) distributed to the city or town each year. Criteria for reimbursement under the SOL PILOT program generally depends upon three factors: taxable status at the time of state acquisition, land use, and the particular state agency owning or “holding” the land [G.L. c. 58, § 13-17](#). All state-owned lands are being used for public purposes and as such are exempt from local taxation.

2. How is SOL Valued?

Before the Municipal Modernization Act, St. 2016, c. 218, the value of SOL in each community was individually determined every four years after a hearing and appeal process. Starting in FY19, the process for valuing SOL changed. Under the new process, BLA determined a base year SOL valuation for each community as of January 1, 2017. After a hearing and appeal process, base year SOL valuations were finalized and then used to determine the FY 2019 PILOT payments distributed to participating cities and towns. Going forward under this process, the base year valuations are adjusted every two years by a percentage equal to the change in a city or town’s equalized cash value (EQV). SOL valuations are also updated annually to include the value of any SOL acquisitions and/or dispositions in a community. The January 1 SOL valuation (updated by any acquisition and dispositions) will be used to determine a community’s share of the SOL PILOT appropriation in the state budget for the fiscal year starting the next following July 1st.

3. What is “EQV”?

EQV is the fair cash value of all property in a city or town subject to local taxation as of January first as determined by the Commissioner of Revenue. [G.L. c. 58, § 9-10C](#). EQVs are used in determining aid or reimbursements to cities and towns under a variety of programs, including the Chapter 70 school aid program, public library grants and school construction projects. Certain Cherry Sheet assessment programs also use EQV to determine assessments such as county tax, Boston Metropolitan district, mosquito control projects and air pollution control projects. EQVs are also used to determine the second and third rounds of Community Preservation Act state matching funds and in calculating a community’s

debt limit under [G.L. c. 44, § 10](#). EQV is determined every two years. The EQV determination process includes a public hearing and appeal component.

4. Why would a community's SOL reimbursement amounts increase/decrease?

A community's SOL PILOT payment is based upon the value of a city or town's SOL compared with the value of all SOL. If a community's SOL value is one percent of the total value of all SOL, then the community's PILOT payment will be one percent of the annual appropriation included in the state budget for PILOT payments for all SOL. Therefore, even if a community's SOL value is unchanged, its PILOT distribution may still change because of changes in SOL values in other communities. (This is the same as under the previous law.)

5. When will my community's PILOT reflect the recent land bought or sold by the state?

BLA is notified quarterly of acquisitions, deletions and agency transfers by the Department of Capital Asset Management & Maintenance (DCAMM). All newly reported and outstanding acquisitions are uploaded to the Gateway State-Owned Land module by BLA. If a community has acquisitions / dispositions, its local assessing office will be asked to supply additional information to BLA to verify eligibility by March 1. Final SOL valuations, including acquisitions, deletions and transfers, will be determined by the commissioner by June 1.

6. Can my community appeal the value issued?

There is no appeal of the commissioner's determination under the new SOL procedure. Therefore, communities should be aware of the appeal process for determining its EQV because, as previously indicated, a community's EQV will form the basis of the adjustment factor for its SOL valuation. Proposed EQV valuations are issued every two years by the Bureau of Local Assessment. Notification of informal hearings and appeal dates are issued at that time.