



Bulletin

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FY2015 BUDGET ISSUES AND OTHER RELATED MATTERS

TO: City/Town/Regional School District Officials
FROM: Gerard D. Perry, Director of Accounts
DATE: March 2014
SUBJECT: FY2015 Budget Issues and Other Related Matters

This *Bulletin* addresses several issues that cities, towns, regional school and other districts should consider for FY2015 revenue and expenditure budgeting and other related matters.

New or modified information from last year's letter

Energy PILOTs

Communities receiving "payment in lieu of taxes" (PILOTs) pursuant to the provisions of G.L. c. 59, §38H(b) must follow the requirements spelled out in IGR 98-403 for tax agreements regarding power plants of generation and wholesale generation companies, which include solar generation facilities that provide electricity to the grid. Note Part I. C. which indicates that:

Agreements should fix values or formulas for determining values (rather than fixing tax payments). These values should be representative of the future full and fair cash values of the plant for the term of the agreement and payments resulting from them will be treated as property taxes for Proposition 2½ and tax classification purposes. The payments are subject to the municipality's levy limit, and the values will be used to calculate its levy ceiling and minimum residential factor. (emphasis added)