



January 28, 2022

The Honorable Adam Hinds, Chair  
The Honorable Mark Cusack, Chair  
Joint Committee on Revenue  
State House  
Boston, MA 02133

***In Support of S.1875/H.2831, An Act to reform payments in lieu of taxes for state-owned land***

Dear Chair Hinds, Chair Cusack, and Members of the Revenue Committee,

On behalf of our organizations, we are writing to respectfully offer testimony in support of S.1875/H.2831, *An Act to reform payments in lieu of taxes for state-owned land*, sponsored by Senator Adam Hinds and Representative Natalie Blais.

Our organizations are united by a commitment to conserve the Commonwealth's natural resources for human and natural communities. We, and our member organizations, work with landowners who have the same vision for their land and want to leave valuable natural resources for future generations to use and enjoy. However, inequitable state payments in lieu of taxes (PILOT) are hindering some of our critical work.

In December 2020, the State Auditor released a report that found that Massachusetts' state-owned PILOT program is underfunded and that the current formula disadvantages communities with slowly increasing or declining property values.<sup>1</sup> The report recommends fully funding the program and revising the way payments are calculated. S.1875 and H.2831 reflect these recommendations by:

- Repealing language referencing reimbursement percentages for payments in lieu of taxes for state-owned land;
- Directing the state Treasurer to make payments in lieu of taxes for state-owned land according to the detailed formula related to each \$1,000 of land valuation multiplied by aggregate average annual rates for the prior 3 years; and
- Prohibiting reduction of such payment amounts unless land is disposed of by the state.

Inconsistent and unevenly distributed PILOTs for state-owned conservation land (such as those owned by the Department of Conservation and Recreation and the Department of Fish and Game) not only disrupt community budgets; they also can reduce a community's support for land protection and, thus, hinder agency and non-profit efforts to conserve additional ecologically valuable land needed to meet the Commonwealth's conservation and climate goals. Achieving these goals is especially important as Massachusetts works toward ambitious climate change mitigation and adaptation targets. Natural and working lands sequester and store carbon, as well as help make communities more resilient in the face of droughts, floods, and major weather events.

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<sup>1</sup> <https://www.mass.gov/report/the-impact-of-the-state-owned-land-pilot-and-solar-taxation-policies-on-municipalities>

The Nature Conservancy, The Trustees, Mass Audubon, and more than 130 other land trusts across the state work closely with cities and towns to inform and undertake strategic land protection that provides numerous benefits to residents of the Commonwealth. Many cities and towns are proud of their commitment to conservation but struggle with inconsistent PILOT payments and a formula that undervalues payments to rural towns – those that are most reliant on this revenue to meet their annual budgetary needs. Even conservation-minded landowners we work with are hesitant to convey their land to the Commonwealth due to impacts to their town budgets. And municipal governments are hesitant to identify land in their open space and recreation plans appropriate for conservation due to lack of property tax revenue. These significant long-term municipal budgeting and planning challenges are felt most by towns with a large proportion of state-owned conservation land and with low per-acre land values. Even in towns that are supportive of additional land conservation, these circumstances have hindered the ability of our organizations and partner land trusts to protect additional land. Indeed, the Auditor’s report found that “Dissatisfaction with the state-owned land PILOT program has led local officials to oppose further acquisitions of land by the state,” particularly in Western Massachusetts.<sup>2</sup>

Revising the PILOT formula to create more consistent and equitable payments across regions would help state agencies and non-profits achieve their missions and promote the protection of open space during a time when more residents of the Commonwealth than ever are using these areas for recreation and valuing conserved areas for their contribution to health and well-being.

It is critical that the PILOT program achieves its intended purpose and enables communities to continue to conserve lands that contribute to climate resilience, water supply recharge, air quality, carbon storage, recreation and well-being, and wildlife habitat. These are benefits provided to citizens across the Commonwealth and should be reflected in the payments made to municipalities.

We respectfully urge the Committee to provide a favorable report on S.1875 and H.2831; thereby moving the Commonwealth a step closer toward regional equity in the PILOT program.

Thank you for your time and consideration. Please feel free to contact Emily Myron at [emily.myron@tnc.org](mailto:emily.myron@tnc.org) or at 240-372-0792 should you have any questions.

Sincerely,

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Linda Orel  
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<sup>2</sup> <https://www.mass.gov/info-details/findings-state-owned-land-pilot-program#6.-dissatisfaction-with-sol-program-has-led-officials-to-oppose-further-acquisitions-of-state-land>