

# OFFICE OF THE TOWN ADMINISTRATOR

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## MEMORANDUM

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**DATE:** June 1, 2018  
**TO:** Town Council  
**FROM:** Jeffrey D. Nutting, Town Administrator  
**RE:** Accounting for Cable Fees (PEG)

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The Massachusetts Department of Revenue is now requiring the Town establish a revolving account for PEG funds received from Comcast and Verizon.

The Council can then vote to allocate the funds to the Cable Access Corporation either annually or semi-annually. Please find attached a resolution to meet the requirement which will take effect on July 1, 2018.

Please feel free to call with questions.

CC: Christopher Sandini, Finance Director  
Peter Fasciano, Executive Director Franklin TV  
Ken Norman, Franklin Community Cable Access Committee

## Energy PILOTs

Communities receiving “payment in lieu of taxes” (PILOTs) under G.L. c. 59, § 38H(b) must follow the requirements discussed in IGR 17-26 for tax agreements regarding power plants of generation and wholesale generation companies, which include solar generation facilities that provide electricity to the grid. Note Section III-C which states:

Agreements should fix values or formulas for determining values (rather than fixing tax payments). Values should be representative of the future full and fair cash values of the plant or facility for the term of the agreement. If formulas are used to determine values, the formula must permit the determination of value before the tax rate is set for the fiscal year because agreement values must be used to calculate the municipality’s levy ceiling and minimum residential factor and to set the tax rate for the fiscal year. Payments resulting from the values at the applicable tax rate for the fiscal years are treated as property taxes for Proposition 2½ and tax classification purposes. The payments are subject to the municipality’s levy limit.

This payment cannot be reported on page 3 of the Tax Rate Recap (or Pro Forma Recap) as general fund estimated receipts. The negotiated payments must be translated into assessed value and applied as indicated in IGR 17-26.

For more detailed information on the matter, please contact your Field Advisor at the Bureau of Local Assessment.



## PEG Access

After the passage of Chapter 352 of the Acts of 2014 regarding options for accounting for Cable Television PEG Access revenues and the issuance of IGR 16-102 explaining them, the Bureau received numerous calls and e-mails from communities as to their current accounting treatment of these funds. In response, the Bureau extended the date announced in IGR 16-102 twice in order to facilitate local decisions about the most appropriate accounting treatment for these revenues to provide for completion of any transition from a community’s current accounting treatment to the new treatment.

The Bureau will give communities until the close of fiscal year 2019 or June 30, 2019 to consider the available accounting options and take all necessary actions to implement it. However, no further extension will be authorized. All accounts treated otherwise at the end of fiscal year 2019 will be closed to the General Fund as part of the June 30, 2019 free cash certification. Any inconsistent statements in Section I of IGR 16-101 or other prior written publications or statements are superseded.

## Snow and Ice

Chapter 10, § 58 of the Acts of 2015 authorized cities and towns by local decision to amortize their FY2015 snow and ice removal account deficit over three fiscal years.

**TOWN OF FRANKLIN**

**RESOLUTION NO: 18-26**

**PEG ACCESS AND CABLE RELATED FUND ACCEPTANCE**

**PURPOSE:** To see if the Town will accept General Laws Chapter 44, Section 53F¾, which establishes a special revenue fund known as the PEG Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, the fund to begin operation for fiscal year 2019, which begins on July 1, 2018 or take any other action relative thereto.

**MOTION:** Be it Moved/ordered that the Town accept General Laws Chapter 44, Section 53F¾, which establishes a special revenue fund known as the PEG Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, the fund to begin operation for fiscal year 2019, which begins on July 1, 2018.

**DATED:** \_\_\_\_\_, 2018

**VOTED:**

**UNANIMOUS** \_\_\_\_\_

**YES** \_\_\_\_\_ **NO** \_\_\_\_\_

**A True Record Attest:**

**ABSTAIN** \_\_\_\_\_

**ABSENT** \_\_\_\_\_

**Teresa M. Burr  
Town Clerk**

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**Glenn Jones, Clerk  
Franklin Town Council**