

# Betterments, DIFs & User Fees – Funding Public Infrastructure Projects



Barnstable County  
Assessors Association

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# Betterments, DIFs & User Fees

There are four basic ways to fund public sanitary sewer construction:

- Grants/Sewer Relief Fund (SRF)
- Betterments
- District Improvement Financing (DIF)
- User Fees



# Assessment Process

The Board with authority to impose the Betterment must adopt an order for construction of the improvement that:

- describes the area to be benefited by the particular project
- states that betterments or special assessments will be levied for the improvement.
- Municipal sewer betterments require Town Meeting approval.





# Lien Process

A Betterment is secured by a lien on the property benefited.

- To create a lien which will bind subsequent purchasers and mortgagees, the Assessing Board must record an "Order" at Registry of Deeds
- Order and list of ways must be recorded "forthwith." G.L. c. 83, § 27.



# Lien Process

A Betterment is secured by a lien on the property benefited.

- The list of owners of each parcel to be assessed (as of prior January 1 for tax purposes) should also be recorded.
- The property owner is not personally liable for the assessment.



# Nature of the Lien

- The Lien cannot be subordinated to a bank or third party.
- The Lien is effective upon recording.
- Once committed to the tax bill the Lien is coterminous with the real estate taxes.



# What's the Assessor's Role?

Assessors have four basic duties:

- Commit list of assessments to Collector.
- Apportion the assessments.
- Process abatements and issue abatement certificate only when notified to do so by Assessing Board.
- Issue special warrant for prepayment.





# Deferrals

The Assessing Board (not the Board of Assessors) may permit the deferral of betterments and special assessments for elderly property owners in the same manner as property taxes are deferred.

Only property owners who are eligible for a deferral of their property taxes under G.L. c. 59, § 5, Clause 41A may defer assessments.





# District Improvement Financing

Pursuant to Chapter 40Q, a municipality may designate development districts provided that the total area of all development districts shall not exceed 25 per cent of the total area of the municipality.



# District Improvement Financing

- In a DIF, the Assessor certifies the original assessed value of all the properties in the district.
- Each subsequent year, the Assessor certifies the portion of new growth attributable to the investments in the district.
- The associated tax revenue from the new growth is earmarked to fund public debt in the district.



# Sewer User Fees

The construction of a new public sanitary sewer system can also be funded entirely through Sewer User Fees.

The Town or District would bond to pay for the construction and then add the debt service to the usage charges.



# Questions & Answers

*Thank you!*

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