



MANS&C

The Massachusetts Association of Nonprofit Schools and Colleges

LEGISLATIVE REPORT

MANS&C Stops Attempt to Tax Nonprofits



MANS&C Legislative Counsel John J. Spillane has played a major role in stopping a stealthy attempt to require nonprofits to pay property taxes when purchasing formerly taxable property.

The issue was a last-minute amendment tacked onto Gov. Baker's Economic Development bill during debate on the House floor. The amendment – which never had a public hearing – stipulated that nonprofit and

educational institutions that purchase taxable property would have to pay those taxes on a declining scale for four years after purchase.

The amendment and bill won approval in the House but – as a result of Spillane's opposition and resistance from other nonprofit organizations – the amendment was stripped from the bill by the Senate.

In the first year the amendment would have required institutions to pay 100 per cent of the existing property tax; in the second year, 75 per cent; in the third year, 50 per cent; and in the fourth year, 25 per cent.

Under state law, nonprofit institutions are exempt from paying property taxes. Instead, nonprofit schools, colleges and universities offer a wide range of free or low-cost services to their communities and are major local employers and economic engines.

Nonprofit organizations statewide protested that the amendment would, "significantly impede the operations of nonprofits, harm their fiscal solvency and threaten access to essential programs for residents across the state," according to the State House News Service.

Like many bills of this kind, the amendment had its roots in a local controversy.

It was sponsored by State Rep. David M. Nangle, a Lowell Democrat, as a result of the public outcry when the University of Massachusetts Lowell purchased a 230-unit apartment complex on the Merrimack River with plans to turn it into student housing. The move took the development off the city tax rolls, reducing the annual tax revenue by about \$231,000 at current rates.

Despite the Senate action on the amendment, Nangle is undeterred. He has stated that he will introduce a revised bill that would be limited to larger nonprofits when the new legislative session gets underway in January.

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Meet Senator Rodrigues



State Sen. Michael J. Rodrigues is chairman of the Joint Committee on Revenue, which oversees matters involving federal financial assistance, state fees, the raising of revenue for the commonwealth by taxation and certain matters relating to the local property tax.

He also serves as vice chair of the Joint Committee on Public Service.

A Democrat from Westport, Sen. Rodrigues was first elected to the Senate in 2010 after serving as State Representative for the Eighth Bristol District for 14 years. He has held a number of leadership positions through the years and currently serves as assistant majority whip.

Sen. Rodrigues graduated from the University of Massachusetts Dartmouth and is the president and treasurer of ABC Floor Covering in Westport. He also is a member of numerous civic organizations, including the Westport Lions Club, the Westport Democratic Town Committee, the National Conference of State Legislators and the Portuguese American Leadership Council of the United States.

His district includes Westport, Fall River, Freetown, Lakeville, Rochester, Somerset and Swansea.

For more information about Sen. Rodrigues, go to <http://www.michaelrodrigues.org/Index.html> or <https://malegislature.gov/People/Profile/MJR0>.

LEGISLATIVE REPORT

The property tax issue has been stewing for months in Lowell after local officials asked nonprofits to make voluntary payments to the city, but only a small number responded. Their contribution totaled about \$17,000.

In addition to property tax-exemption, local communities also are trying to find ways to circumvent the Dover Amendment. This Massachusetts law limits local zoning control over nonprofit building and renovation projects.

Worcester officials have been examining ways to limit the siting of homes for people with disabilities, or drug and alcohol addictions. City Solicitor David M. Moore has said that in this situation, both the Dover Amendment and a number of state and federal anti-discrimination regulations would need to be repealed.



MANS&C Announces Upcoming Board Meetings

The MANS&C Executive Board will hold luncheon meetings from 12 to 2 p.m. on the following dates:

Wednesday, January 4, 2017
at Chapel Hill - Chauncy Hall in Waltham

Monday, March 6, 2017

Wednesday, May 3, 2017

Locations for the March and May meetings, as well as for the Annual Meeting in June, will be announced at a later date. MANS&C members are welcome to attend. Please RSVP to Julaine McInnis at jmcinnis@ursulineacademy.net or 781-493-7707.

PRESIDENT'S LETTER



I want to draw your attention to the Legislative Report in this issue of the MANS&C Newsletter because it underscores two important points: the value of having MANS&C represent our institutions at the State House and the need for our institutions to maintain a good working relationship with local officials.

While the Presidential election was commanding the news, MANS&C Legislative Counsel

John J. Spillane helped stop a stealthy attempt to make nonprofit institutions, including our schools, colleges and universities, pay taxes for four years on newly purchased property that had been subject to taxation.

It was a last-minute amendment tacked onto a popular measure – the Governor's Economic Development bill – during debate on the House floor. Even though the amendment never had a public hearing, it was a legal maneuver under the House rules.

The amended bill quickly passed. But thanks to John and other nonprofit associations who stepped up in opposition, the amendment was gone when it reached the Senate.

It sprang from a situation involving the University of Massachusetts Lowell, but this amendment was the proverbial camel's nose under the tent. If successful it would have set a precedent with disturbing implications for nonprofit schools, colleges and universities.

As our local communities grapple with tight budgets, more measures like this are on the way. Most of us do not have the resources to follow the activity every day on Beacon Hill. Join MANS&C and our highly respected and very effective Legislative Counsel John J. Spillane can do that for you.

You also can help prevent these issues from escalating into legislation by creating a Community Impact Statement and developing a good working relationship with your local officials and residents. Together, you can create workable solutions that are mutually beneficial for our institutions and our communities.

MANS&C stands ready to be your voice on Beacon Hill and to help you in any way possible in these challenging times.

Best Regards,
Julaine McInnis
MANS&C President

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