

Payment in Lieu of Taxes advisory task force

ORDINANCE NO. 2021-10

Division 19. Section 2-309.15

PILOT Advisory Task Force

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Overview meeting

- Roll call
- Short review ordinance creating Payment in Lieu of Taxes (PILOT) task force
- Short review Mass General Law regarding exempt Real Property
- Overview exempt Real Property owners valued over \$15M
- Example Boston guidelines
- Vote to elect chair of PILOT task force
- Next meeting?

PILOT Task Force 'Goals'

- review PILOT agreements made with entities/institutions owning tax exempt property valued at \$15 million dollars or more
- Review tax exempt property valued at \$15 million dollars or more
- make recommendations for a more equitable and consistent PILOT program compensating the city for lost revenue tax exempt property; and
- reducing the subsidy of service provision to tax exempt properties by owners of taxable properties

PILOT Task Force Form

- 7 members
- Meet quarterly
- Within one year of appointment of a quorum of members make formal recommendations:

Make recommendations on:

1. Standard level of contributions in programs and payments to be met;
2. a methodology for valuing community benefits;
3. the valuation and revaluation of property owned by tax exempt institutions;
4. guidelines for the provisions to be included in PILOT agreements; and
5. legislative changes needed at the state and local levels.

Exempt Real Property G.L. c.59, §5

Properties that may qualify for exemption from local property taxes include:

- Public land (federal or state owned land)
- Owned by charitable organizations (for example Non-profit private schools, colleges, universities, hospitals, museums and cultural facilities) and used for its charitable purpose
- Fraternal organizations
- Veterans organizations
- Religious organizations

**PROPERTIES QUALIFYING FOR EXEMPTION FROM LOCAL PROPERTY TAXES
ARE UNDER NO OBLIGATION TO MAKE ANY RE TAX PAYMENTS**

Entities/institutions owning tax exempt property valued at or over \$15 million

Entity/institution	Property owned together valued at or over \$15 million	PILOT Agreement	Other agreements	Payment fiscal year 2023
Tufts	458 million	None	No current agreements	450,000 25,000
CHA	86 million	None	None	None
Partners Healthcare System	223 million	None	Community service understanding	1,107,068
Visiting Nurse at Highland	16 million	None	None	None
Visiting Nurse Communities	17 million	None	None	None
Catholic Church	81 million	None	None	None

Example: PILOT Guidelines Boston

Rough PILOT guidelines City of Boston:

- participation in the PILOT program is voluntarily
- All institutions that own tax-exempt property valued in excess of \$15 million should be asked to participate
- PILOT contributions should be 25% of 'RE taxes if not tax exempt'
- Institutions should receive up to 50% PILOT deduction for qualifying community programs

Boston PILOT program results fiscal year 2023:

(PILOT) Program as of October 27, 2023. Collectively the institutions contributed 76% towards the PILOT requested.

CATEGORY	REQUESTED PILOT	COMMUNITY BENEFITS CREDITS	CASH CONTRIBUTIONS	% PILOT REQUEST MET
Educational	\$69,335,346	\$31,962,386	\$15,065,528	68%
Medical	\$54,874,283	\$29,115,129	\$20,167,316	91%
Cultural	\$4,375,494	\$1,054,898	\$489,562	35%
Total	\$128,585,124	\$62,132,413	\$35,722,406	76%

PILOT Task Force

- Elect Chair
- Determine next meeting