



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING TO REVIEW THE PAYMENT IN LIEU OF TAXES (PILOT) PROGRAM IN THE CITY OF BOSTON

- WHEREAS:** Boston is a city with a large number of colleges, universities, hospitals, museums, and other cultural institutions, they are a critical part of our city's economy and character, but they are also tax-exempt, and represent over half of Boston's real estate property; *and*
- WHEREAS:** Our city provides critical services such as public safety protection and snow removal to our tax-exempt, large nonprofit institutions, with our city largely reliant on property taxes for funding, and three quarters of the City's FY24 \$4.28 billion budget derived from property taxes; *and*
- WHEREAS:** The Payment In Lieu of Taxes (PILOT) program was established to allow these nonprofit institutions to make annual voluntary contributions in either funding or community benefits that would ease the financial burden of providing city services, as well as to benefit our residents; *and*
- WHEREAS:** The City adopted new guidelines on its PILOT program recommended by the PILOT Task Force in 2011, with 45 private nonprofit institutions that own property valuing more than \$15 million identified as participants, and each institution encouraged to contribute 25% of what they would be expected to pay in real estate taxes if the exempt property were taxable, while also being eligible for a community benefits deduction generally limited to 50% of the PILOT contribution; *and*
- WHEREAS:** Aside from providing funding, institutions can provide PILOT Community Benefits, which are defined services that are above and beyond an institution's existing commitments and mission, and ones that would directly benefit the wellbeing of our residents; *and*
- WHEREAS:** According to the City's report, in fiscal year 2023, 45 institutions provided \$35.7 million cash contributions, and 39 institutions submitted PILOT Community Benefits reports totalling \$219.8 million, of which \$183 million was considered eligible as PILOT benefits; *and*
- WHEREAS:** The City Council held a hearing in 2023 to discuss targeted coordination of community benefits in the PILOT program; *and*
- WHEREAS:** It is important that we continue to work with our nonprofit institutions on providing services and benefits to our residents through the PILOT program, and continue to build a better framework for delivering community benefits for nonprofit institutions; *and*

NOW THEREFORE BE IT ORDERED:

That the appropriate Committee of the Boston City Council holds a hearing to review the PILOT program and discuss how we can further strengthen this program. Representatives from the Assessing Department, participating PILOT nonprofits, community groups, as well as other relevant and interested parties shall be invited to attend.