

Offered by Councilors Breadon, Louijeune, Bok, Arroyo, Edwards, Fernandes Anderson, Flaherty, Lara, Mejia, Murphy, Worrell and Flynn



CITY OF BOSTON IN CITY COUNCIL

RESOLUTION IN SUPPORT OF H.3080/S.1874, AN ACT RELATIVE TO PAYMENTS IN LIEU OF TAXATION BY ORGANIZATIONS EXEMPT FROM THE PROPERTY TAX

WHEREAS, Payments in Lieu of Taxes (PILOTs) are payments made by property tax-exempt institutions, including hospitals, universities, and cultural institutions, to replace the loss of tax revenue resulting from property exempted from taxation; *and*

WHEREAS, In January 2009, the City of Boston created a Task Force to examine the relationship between the City and tax-exempt institutions, and in April 2010, the Task Force released a report with guidelines suggesting more standardization of PILOT agreements, specifically, that each agreement should represent, in cash or in-kind, 25 percent of the amount of taxation that would be due if properties were not tax exempt; *and*

WHEREAS, The PILOT Task Force's guidelines adopted in January 2011 for fiscal year 2012 called for voluntary payments based on an institution's tax-exempt property value in excess of \$15 million, with the eligibility for a community benefits deduction limited to 50 percent of the PILOT contribution, and the City of Boston currently recognizes 47 private institutions from the educational, medical, and cultural sectors which meet the threshold established in the PILOT guidelines; *and*

WHEREAS, An Act relative to payments in lieu of taxation by organizations exempt from the property tax (*H.3080/S.1874*) is a bill filed in the Massachusetts Legislature by Representative Erika Uytterhoeven and Senator Adam Gomez under consideration before the Joint Committee on Revenue; *and*

WHEREAS, The bill is modeled after Boston's PILOT program and would create a local option for municipalities in the Commonwealth to require tax-exempt organizations with property valued over \$15 million to contribute the equivalent of 25 percent of what the property tax would be were they not exempt, while allowing provisions for in-kind community benefit contributions in lieu of full payments; *and*

WHEREAS, While the City of Boston already has a voluntary PILOT program in place, it lacks mechanisms for enforcement and consistent compliance, with several institutions continuously failing to meet the full requested cash payment (12.5 percent of the property tax), and the proposed bill would allow the City to make payments mandatory; *and*

WHEREAS, The City of Boston's PILOT program is based on property tax at fiscal year 2010 values, whereas property taxes in fiscal year 2020 were 66.5 percent higher than in 2010, and many institutions have since expanded their footprints; *and*

WHEREAS, The proposed bill would standardize PILOT payments across the Commonwealth to be equitable and consistent, while aiding in restoring public trust in the host communities of large institutions; *NOW THEREFORE BE IT*

RESOLVED: That the Boston City Council, in meeting assembled, go on record supporting An Act relative to payments in lieu of taxation by organizations exempt from the property tax (*H.3080/S.1874*) in the 192nd Session of the Massachusetts General Court and urges the Joint Committee on Revenue to issue a favorable report; *AND BE IT FURTHER*

RESOLVED: That the Clerk of the City of Boston be, and hereby is, respectfully requested to transmit a suitably attested copy of this Resolution to the Chairs and Vice Chairs of the Joint Committee on Revenue, the Senate President, the Speaker of the House, the Chair of the Boston Delegation to the General Court, and the presenters of the proposed legislation, as well as to the Chief Financial Officer and Collector-Treasurer, Commissioner of Assessing, and Director of Strategic Partnerships for the City of Boston.

Filed in City Council: March 25, 2022