SENATE DOCKET, NO. 1651 FILED ON: 1/21/2011

SENATE . . . . . No. 790

The Commonwealth of Massachusetts

PRESENTED BY:

Patricia D. Jehlen

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act to increase transparency of public charities.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Patricia D. Jehlen	☐ *[District]* ☐
James J. Dwyer	*30th Middlesex*
James B. Eldridge	☐ *[District]* ☐
Jason M. Lewis	*31st Middlesex*
Mark C. Montigny	☐ *[District]* ☐
Denise Provost	*27th Middlesex*
Angelo J. Puppolo, Jr.	*12th Hampden*
Angelo M. Scaccia	*14th Suffolk*
Joyce A. Spiliotis	*12th Essex*
Chris Walsh	*6th Middlesex*

SENATE DOCKET, NO. 1651 FILED ON: 1/21/2011

SENATE . . . . . No. 790

By Ms. Jehlen, a petition (accompanied by bill, Senate, No. 790) of Patricia D. Jehlen, James J. Dwyer, James B. Eldridge, Jason M. Lewis and other members of the General Court for legislation to increase transparency of public charities. The Judiciary.

The Commonwealth of Massachusetts

An Act to increase transparency of public charities.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 8F of chapter 12 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by adding after the first paragraph the following paragraph:

"For public charities that are private colleges and universities operating in the Commonwealth, and including all related organizations, the report must additionally include the names of all employees and all consultants who earned more than or were paid more than $250,000 during the preceding fiscal year and the amounts earned and/or paid to each such employee and/or consultant. The report must also include the names of all service providers that were paid a total of $150,000 or more during the preceding fiscal year and the amounts paid to each service provider along with a brief description of the services provided. The report must also include a statement of all direct or indirect donations made to the public charity by any service provider that was paid a total of $150,000 or more by the public charity. Public charities that are employers that require employees to disclose to them the income received from third parties must attach such disclosures to the report. Public charities that are employers but do not require such disclosure from their employees must include in the report the names of all employees who were paid a total of $150,000 or more from third parties, the identity of all such third parties, the amount paid by each, and a brief description of the reason for each such payment. Public charities that own more than $10 million in investments and/or real property must attach a list of all such investments and/or real property and the value of each such investment and/or real property at the end of the reporting period. Effective January 1, 2013, the report must include a statement of all federal, state and local taxes that would have been paid during the reporting period if the public charity was not otherwise tax exempt. The Attorney General shall issue regulations that define the methodology by which the calculations of what taxes would have been paid shall be made. For the purposes of this paragraph, a private college or university is defined as an educational institution situated within the commonwealth which by virtue of law or charter is a nonprofit educational institution empowered to provide a program of

education beyond the high school level, and which does not include any such institution operated by the commonwealth or its subdivisions.

SECTION 2. Chapter 12 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by adding after section 8F the following section:

8FF Annual Reports of Certain Individuals Serving as a Trustee or on the Board of Directors of a Public Charity

Every trustee and/or director serving in the governing board of a public charity that is a private college or university operating in the Commonwealth or a related organization shall annually at a time determined by the director, file with the division a written report concerning the preceding fiscal year of the public charity. Such report shall be filed on forms prescribed by the director and shall contain such financial and other information as the director may require. The report shall be signed by the trustee and/or director of the public charity and verified under oath. There shall be no filing fee for the filing of reports required by this section.

Among the information disclosed on the report must be the details of any economic and/or business transactions between the public charity and the trustee and/or director, or his/her immediate family, entities controlled by the trustee and/or director or by members of his/her immediate family, entities where the trustee and/or director or members of his/her immediate family is or was employed or with whom a consulting arrangement existed during the reporting year. Failure to file reports required by this section shall be subject to the penalties and promises set forth in section 8F. For the purposes of this paragraph, the term “immediate family” shall mean the trustee and/or director, her or his spouse, their parents, children, brothers and sisters.

This section shall not apply to any property held for any religious purpose by any public charity, incorporated or unincorporated.