HOUSE DOCKET, NO. 2038 FILED ON: 1/20/2011

HOUSE . . . . . No. 2552

The Commonwealth of Massachusetts

PRESENTED BY:

Michael J. Moran

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 relating to payments in lieu of taxes.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Michael J. Moran	*18th Suffolk*
Chris Walsh	*6th Middlesex*
Carolyn C. Dykema	*8th Middlesex*

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By Mr. Moran of Boston, a petition (accompanied by bill, House, No. 2552) of Michael J. Moran, Chris Walsh and Carolyn C. Dykema for legislation to authorize cities and towns to negotiate certain payments in lieu of taxes from charitable organizations. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relating to payments in lieu of taxes.

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. Clause 3 of Section 5 of Chapter 59 of the General Laws is hereby amended by adding the following paragraph:

(f) In any city or town that accepts the provisions of this paragraph by a vote of the local legislative body, that city or town shall be authorized to negotiate payments in lieu of taxes (PILOTS) with local charitable organizations. It is recommended that the following criteria serve as guidelines for the negotiations:

(1) Base PILOT contributions shall be a percentage of the organization's assessed property value, with an exemption of the first $15 million of assessed property value, which is equal to the percentage of the city or town's budget that is spent on police, fire, snow removal and other essential services, but in no case exceeding 25% of assessed property value.

(2) Except in extraordinary circumstances, a credit limited to no more than 50% of the PILOT payment may be provided to charitable organizations based on the community benefits they provide. Community benefits may include, but are not limited to, scholarships, community access to the organization's facilities, job training initiatives, free medical care, and community education.

(3) This formula may be phased in over an appropriate time period to avoid unduly and unexpectedly burdening nonprofit institutions.

(4) Charitable organizations should receive a credit for the real estate taxes paid on properties that would ordinarily qualify for a tax exemption based on use.