

Offered by City Councilors Lydia Edwards and Annissa Essaibi-George



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A WORKING SESSION REGARDING PAYMENT IN LIEU OF TAXES AGREEMENTS WITH THE CITY OF BOSTON

- WHEREAS:* To promote fiscal stability and fairness for residential and commercial taxpayers, the City negotiates Payments in Lieu of Taxes (PILOT) agreements with forty-seven tax-exempt institutions, such as colleges and universities, cultural centers, and healthcare institutions; and
- WHEREAS:* New guidelines for the PILOT program were adopted in 2012 and phased in over five years, but between Fiscal Years 2012 and Fiscal Year 2017, compliance with program guidelines deteriorated; and
- WHEREAS:* Efforts by city staff to improve institutional compliance with the PILOT program are laudable, necessary and produced results in Fiscal Year 2018, when the program compliance improved from sixty-five percent to eighty-one percent; and
- WHEREAS:* Further attention is needed to realize the full benefits of the program, and several key issues can be addressed locally through a collaborative stakeholder process; and
- WHEREAS:* The method for real estate valuation utilized in the City of Boston's PILOT program should be clarified and values should be updated on a regular basis; and
- WHEREAS:* In 2009, the city conducted a thorough assessment of property usage by tax-exempt institutions, identifying buildings and portions of buildings that are not tax-exempt due to their use, but the city has not done a similar assessment since that time; and
- WHEREAS:* Community benefits are a critical part of the PILOT program, but there is no common definition of community benefits, nor are these benefits determined by or ratified by residents, neighborhoods or community organizations; and
- WHEREAS:* To the extent that federal tax reforms and regulations impact university endowments

or for-profit operations of tax-exempt universities, the City and Commonwealth should assess if and how such funds and operations are subject to local and state taxation; and

WHEREAS: A diverse array of stakeholders have suggested the creation of a new PILOT commission to modernize the program; and

WHEREAS: Complete and successful implementation of the PILOT program is a financial and moral obligation of the City, as the the property tax burden on Boston residents continues to increase even as the percent of tax-exempt land in the city is growing;
THEREFORE BE IT

ORDERED,

That the appropriate committee of the Boston City Council hold a working session to discuss payment in lieu of taxes agreements in the City of Boston and that the Assessing Department, Office of Strategic Partnerships, the Boston Planning and Development Agency, tax-exempt property owners or their representatives, and any other interested parties shall be invited to attend.

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