

February 2009

Mayor Appoints PILOT Task Force

Payments-In-Lieu of Taxes to be re-examined

Citing the desire to create equity in payments-in-lieu of taxes (PILOTs) among tax-exempt institutions, Mayor Menino appointed a PILOT Task Force to examine the current payment system. Stephen Kidder, former Commissioner of the state Department of Revenue is the Chair. The Task Force will review the current disparities in what institutions contribute to the City and make recommendations to create more equitable agreements in the future. The goal is to strengthen the partnership between Boston and its non-profits institutions. Recognizing the critical role of public-private partnerships, the Mayor has challenged the task force to complete the following objectives:

- Set a standard level of contributions
- Develop a standard methodology for valuing the community partnerships made by tax-exempt institutions.
- Propose a structure for a consolidated program and payment negotiation system, which will allow the City and its tax-exempt institutions to structure longer term, sustainable partnerships focused on improving services for Boston's residents.
- Clarify the costs associated with providing city services to tax-exempt institutions.
- If necessary, provide recommendations on legislative changes needed at the City or state level.

Click [here](#) for the members of this task force.

Tax-Exempt Property At-A-Glance

- 53% of land in Boston is tax-exempt
- 78% of tax-exempt land is owned by government entities
- 22% of tax-exempt land is owned by private entities
- Tax-exempt property total value = \$36B

FY09 Budgeted PILOT Payments

Category	Amount	% of Total
Massport	\$16.1M	50%
Health Care	4.5M	14%
Colleges & Univ.	8.2M	25%
All Other	3.7M	11%
Total	\$32.5M	100%

In preparation for this review, the Assessing Department collected property and other information from the educational and medical institutions that enabled the City to establish more realistic property values for each institution. These are the values the task force will review in relation to the current PILOT payments made by exempt institutions and services provided.