

## Mayor Menino's Task Force Continues Its Review of Non-profits' PILOT and Community Service Contributions

*Next Public Meeting Scheduled for June 11, 2009*

Boston Mayor Menino's Payment in Lieu of Taxes (PILOT) Task Force will hold its fourth meeting on June 11, 2009. This meeting, to be held in Room 608 at Boston City Hall at 2:30 p.m., and all future planned meetings, will be open to the public. The next meeting's agenda is expected to focus on the community service component of college, university and health care institutions' contributions to the City. We also understand that the task force has reached out to municipalities throughout the Northeast and Mid-Atlantic regions for information about their PILOT programs.

An earlier Ropes & Gray [alert](#) described the background to the formation of the task force. The Boston Municipal Research Bureau has described the task force's challenge as being able to:

- Set a standard level of contributions
- Develop a standard methodology for valuing community partnerships made by tax-exempt institutions
- Propose a structure for a consolidated program and payment negotiation system
- Clarify the costs associated with providing city services to tax-exempt institutions and
- If necessary, provide recommendations on legislative changes.

The task force held initial, non-public meetings on February 28 and March 27, 2009. Minutes of those meetings, and a third, public meeting on April 27, at which representatives of several non-profit groups and associations made presentations, are [now available](#).

In connection with the task force's work, the Assessing Department of the City of Boston prepared two [fact sheets](#), reflecting its knowledge of taxable and tax-exempt property held by certain institutions and those landholders' fiscal year 2009 PILOT and community service contributions, and a [white paper](#) entitled "Exempt Property Analysis: Educational and Medical Institutions: Fiscal Year 2009" containing detailed information from the Assessing Department's records.

### Contact Ropes & Gray

Ropes & Gray continues to monitor closely developments in this area. As we noted in the earlier alert, given the strain on state and local budgets due to the current economic environment, we anticipate that cities and towns throughout the Commonwealth are likely to seek to increase existing or initiate new PILOT agreements with non-profit institutions, to seek other non-monetary means of support, as well as to pursue aggressively real estate taxation of for-profit uses of otherwise tax-exempt real estate to the extent permitted by law.

Ropes & Gray regularly advises its non-profit clients on tax matters, including real estate tax issues and the negotiation of PILOT agreements. We are experienced in structuring real property ownership and use arrangements to preserve the

charitable exemption from real estate taxes and would be pleased to advise on any existing or proposed arrangements. We are also available to answer any questions relating to Massachusetts municipalities' practice and policy to date regarding PILOT agreements. If you have any questions concerning PILOT or real estate tax issues and their potential effect on your institution, or if you have other related questions, please do not hesitate to contact your Ropes & Gray advisor or any of the attorneys listed below.

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