

# Untouchable turf

BY ROBERT DAVID SULLIVAN

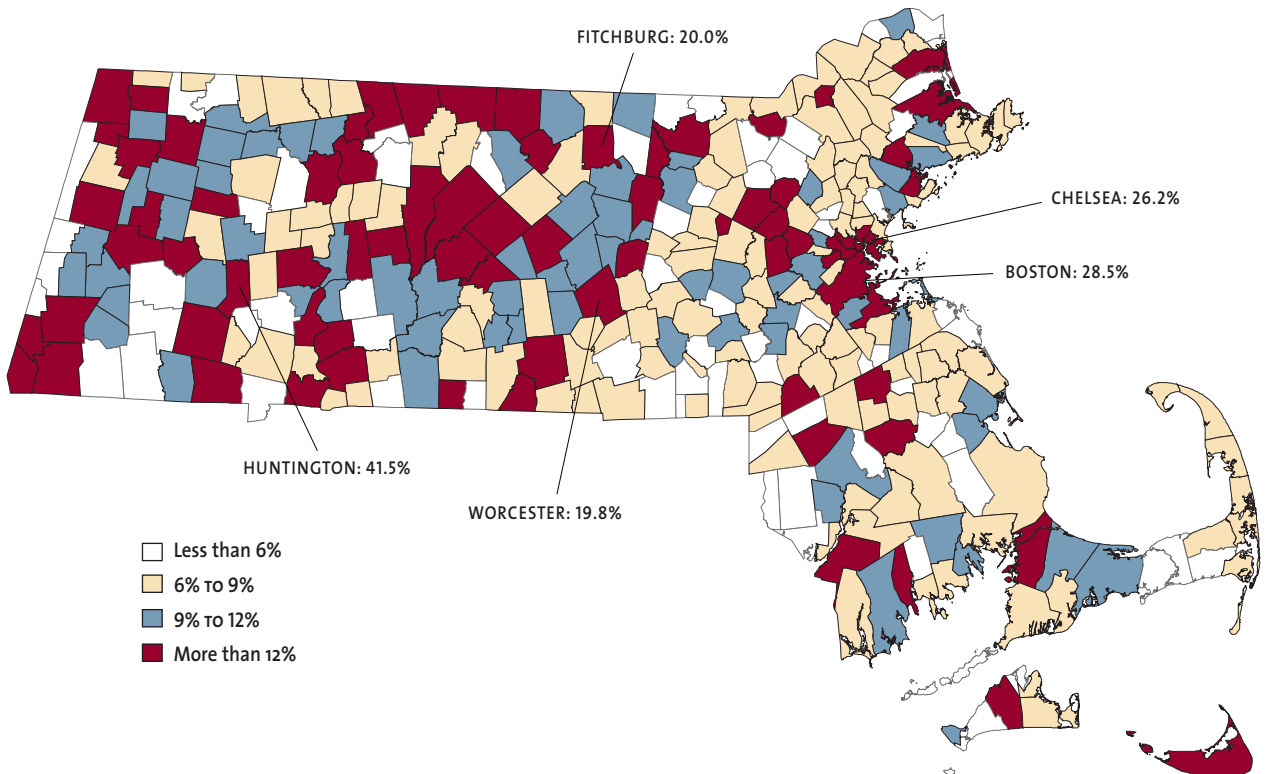
**YOU KNOW THAT** municipal governments are in dire financial straits when they start looking to tax-exempt properties—schools, hospitals, and other nonprofit institutions—for new revenue. Many colleges and universities make voluntary payments in lieu of taxes (known as PILOT agreements) to their host communities, but that doesn’t always satisfy local officials. Remarks about how much colleges benefit from municipal services have been a staple at Worcester City Council meetings this year; it can’t be a coincidence that Worcester Polytechnic Institute, long a PILOT holdout, announced in May that it would begin shelling out \$270,000 a year for its tax-exempt property.

According to the Department of Revenue, 12.3 percent of the state’s total property value is off the tax rolls, and as the map below indicates, it’s concentrated in larger cities and also in western towns with parks and other tax-exempt land owned by the state—and the state also disburses PILOT funds to these communities, though not as much as they would like. Ten of the 11 “Gateway Cities” have a

higher-than-average share of tax-exempt land, led by Fitchburg at 20 percent. Aside from the municipal government itself, the biggest holder of tax-exempt land in that city is the 227-acre Fitchburg State College. Schools, churches, and museums, in contrast to the many factories and retail establishments that have abandoned the mill towns, tend to stay where they’re first built.

Boston, not surprisingly given its academic and cultural footprint, has a higher percentage of tax-exempt land than any other city in Massachusetts: 28 percent of estimated property value, or 53 percent of the city’s total acreage. Boston reports PILOT revenue of \$31.4 million for fiscal year 2008, with almost half (\$15.6 million) from Massport. Under the current voluntary system, universities, hospitals, and other nonprofits pay the city 25 percent of what they would owe if not for their tax-exempt status. But the PILOT Task Force, formed by Mayor Tom Menino this past winter, is looking to “restructure” that formula (presumably upward) “to account for current conditions.” **CW**

VALUE OF TAX-EXEMPT LAND, AS PERCENTAGE OF TOTAL LAND VALUES, FY09



Source: Massachusetts Department of Revenue, Division of Local Services (www.mass.gov/dls)

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