In Support of Article 44, Resolution re House Bill 2584
Payments in lieu of taxation by organizations exempt from the property tax

Last year Amherst College gave the town of Amherst an unrestricted donation of $130,000, its largest gift in recent years.

This may seem like a magnanimous gesture, and in a sense it is, since the College did not have to give the town anything. However, consider these statistics:

1. Amherst College reports an endowment valued at $2.2 billion, ranking it among the top 1% of the wealthiest colleges and universities in the country.
2. Amherst College’s endowment per student is $1.2 million, placing it in the top ten nationally.
3. The Amherst College president’s salary was reported in 2011 to be $589,000, ranking it 11th nationwide in presidential compensation per student.
4. The Amherst College main campus carries a tax-exempt appraisal of $367 million.
5. If this Amherst College property were taxed at the regular residential rate of $20.97, its annual assessment would be $7.7 million. By the Kulik Bill formula the assessment is 25% of that, or $1.9 million.
6. Compare these voluntary payments from other leading institutions:
   a. In 2012 Brown University agreed to give Providence $31 million over 11 years.
   b. Boston University contributes more than $6 million per year in PILOT payments
   c. Yale University gives New Haven roughly $8 million per year in voluntary payments
   d. Williams College, has made an average of $900,000 in annual contributions to Williamstown over the past decade. It recently agreed to fund a $5 million endowment for Mt. Greylock School District capital projects. In 2006 it started a similar fund for Williamstown Elementary School that is now valued at $1.5 million.
7. Last month Town Meeting voted to give Amherst College $190,000 in CPA funds to invest in improvements to its Evergreens property, making the Town of Amherst a net donor to the college this year.

All told, Amherst College’s contributions to the town may appear meager, but that should not be surprising. If real estate taxes were voluntary, how many of us would be willing to give 2% of the value of our property to the town each year?

Relying on altruism doesn’t work. Massachusetts communities need a legislative tool that enables the fair and equitable recovery of service costs from tax-exempt entities.

The Massachusetts Municipal Association, whose leadership has included John Musante and Paul Bockelman, supports, and in fact helped to write, the Kulik bill (H. 2584).

Please vote yes on Article 44.
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Compiled by Jeff Lee, Precinct 7