



## PILOT TASK FORCE

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Date: May 17, 2013

To: PILOT Task Force Members

From: PILOT Staff Team

Subject: PILOT Task Force Report

With this memo, each of you has received a second draft report for your consideration. This draft report has been developed by the staff team based on task force member comments made at the April 26, 2013, meeting. The second draft has been modified in the following areas from the first draft:

- The first five pages have been rewritten to place more emphasis on the policy goals of tax-exemptions, to describe the limited revenue base of Wisconsin municipalities in general and the City of Madison in particular, and to reflect the important partnership between the city and non-profit organizations in ensuring assistance to Madison residents in need. The limited ability of certain non-profit organizations to devote revenues to anything other than services is also given greater emphasis.
- The section related to Wisconsin court decisions on tax exemptions has been expanded to include the policy goals of tax-exemptions in supporting and reinforcing the important role played by non-profit community service organizations.
- The section on current PILOT agreements has been modified to reflect Pres House's position on its student housing tax-exemption and its decision to preserve that position by seeking relief through state law.
- A new section has been added near the end of the report referencing other approaches for voluntary contributions, including an allocation of costs based on building square footage.
- The Conclusions and Recommendations section has been modified to further emphasize the role of non-profits in serving city residents and highlight the limited revenue impact from any voluntary PILOT program. The final recommendation has been clarified to emphasize that the next step in this process should be to develop more information on a possible voluntary PILOT program for tax-exempt organizations that have a focus on regional populations and which do not receive direct financial assistance from the city.

We look forward to further discussion on the report of the task force and its recommendations.

Please feel free to contact David Schmiedicke or Sally Miley with questions on this draft report.