



Legislation Details (With Text)

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**Title:** Report of Payment in Lieu of Taxes (PILOT) Task Force

**Sponsors:** Paul R. Soglin

**Indexes:**

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**Attachments:** 1. PILOT Task Force Report -- July 2013.pdf, 2. Summary of PILOT Task Force Report for BOE -- 7-29-13.pdf, 3. 5-22-2013 PILOT Meeting Minutes.pdf, 4. 4-26-2013 PILOT Meeting Minutes.pdf, 5. 2-27-2013 PILOT Meeting Minutes.pdf, 6. 1-15-2013 PILOT Meeting Minutes.pdf, 7. 12-4-2012 PILOT Meeting Minutes.pdf, 8. 10-24-2012 PILOT Meeting Minutes.pdf, 9. 10-3-2012 PILOT Meeting Minutes.pdf, 10. 8-29-2012 PILOT Meeting Minutes.pdf

Date	Ver.	Action By	Action	Result
8/6/2013	1	COMMON COUNCIL	RECOMMEND TO COUNCIL TO GRANT UNDER SUSPENSION OF MGO 2.055 - REPORT OF OFFICER	Pass
7/29/2013	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ACCEPT - REPORT OF OFFICER	Pass
7/16/2013	1	COMMON COUNCIL	Referred	
7/10/2013	1	Finance Department	Referred for Introduction	

**Fiscal Note**

The resolution transmits the final report of the PILOT Task Force. There is no fiscal effect.

**Title**

Report of Payment in Lieu of Taxes (PILOT) Task Force

**Body**

WHEREAS, the Common Council enacted a resolution (RES-12-0287, File #25736) on May 1, 2012, directing the Mayor to appoint 15 members of the community to a PILOT Task Force, charged with reviewing the different aspects of basic services to tax-exempt property owners and making a report within twelve months of its first meeting; and

WHEREAS, the PILOT Task Force was chaired by Roger Goodwin, a former city department manager, and met eight times between August 2012 and May 2013; and,

WHEREAS, the task force received presentations on the city budget; various state aid programs; the historical perspective of state and local finance in Wisconsin and the limited local revenue options other than the property tax; the state laws and constitutional requirements related to exemptions from property taxes, implementation of PILOT programs, and framework for PILOT payments; the mission, staffing, and cost of key city agencies and services; and PILOT programs in communities around the country; and,

WHEREAS, the task force engaged in a video teleconference discussion with the manager of the City of

Boston, Massachusetts, PILOT program and reviewed reports and studies on the issue of tax-exempt property and its impact on the tax bases of local governments; and,

WHEREAS, the task force discussed issues of tax equity and fairness regarding the financing of the cost of key city government services, such as police and fire protection, that are provided to owners of both taxable and tax-exempt properties;

WHEREAS, the task force discussed the importance of non-profit, tax-exempt entities in providing critical services to city residents and the multiple funding pressures faced by those organizations; and,

WHEREAS, the task force reviewed options and key considerations related to establishing a PILOT program and identified challenges with implementing such a program, including establishing a value for tax-exempt property, various cost allocation and administrative challenges, and the relatively small share of the city budget that would be supported by possible PILOT payment approaches; and,

WHEREAS, the task force made five specific recommendations, including:

1. Urging the State Legislature to meet its responsibilities for fully funding the cost of providing municipal services to state-owned facilities.
2. Educating the public on the long-term implications of the state's failure to fully fund shared revenues, transportation and transit aid programs, and the enactment of strict state-mandated limits on property tax levies.
3. Investigating broad-based fee revenue options.
4. Presenting more information to the public on the value and cost of city government services as well as the benefits to the community provided by tax-exempt organizations.
5. Developing and evaluating a proposal for the establishment of a voluntary PILOT program that would provide non-profits with the opportunity to contribute to the cost of city services. Such evaluation shall include the financial and non-financial ramifications for all stakeholders of such a program.

NOW, THEREFORE, BE IT RESOLVED, that the PILOT Task Force has completed its work and is submitting its report for consideration and possible future action by the Mayor and Common Council.