

# PILOT Payment in Lieu of Taxes (Article 34)

Property taxes pay for the cost of town services – everything from employee salaries and public schools to plowing the roads in winter and keeping the lights on at the Town House.

Private Nonprofits do not pay property taxes – their share of the costs is levied upon the tax-paying citizens of Southborough. And, Municipal budgets and taxes are only going one way – UP!

**Isn't it reasonable to expect private nonprofit schools to be good citizens of their community and contribute fairly to the cost of town services they, their staff, students, faculty and families use?**



**Private schools purchase residential property, claim the property as non-profit, and it is removed from the tax rolls.**

But the costs don't disappear. SOMEONE still needs to cover the property taxes for that address.

**SOUTHBOROUGH TAXPAYERS PAY FOR THIS**

## What services are paid for by our property taxes?

### Public Schools

Children from private school residential housing attend N/S Public Schools and participate in town recreational activities (2019 est. >\$450,000)

### Fire Department

- Emergency and non-emergency calls to private schools
- Regular Fire Department inspections of private schools

### Police Department

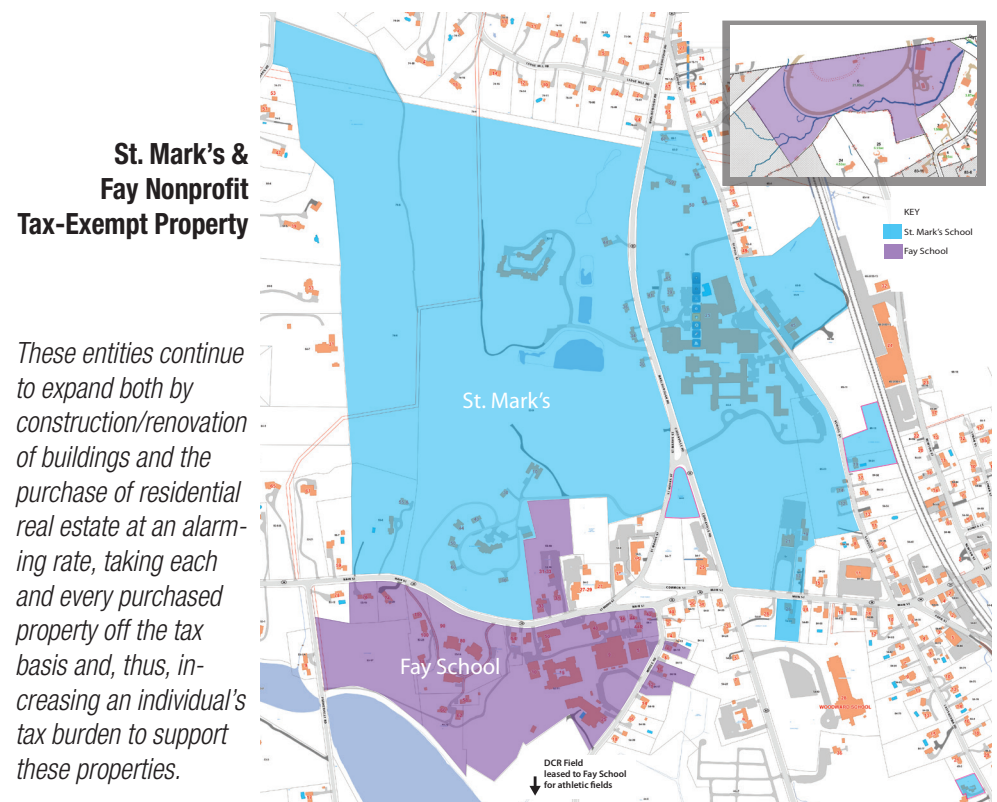
- Emergency and non-emergency calls to private schools (2019 est. Fire and Police >\$110,000)

### Other Town Services

and town employees used by private schools include Building Department, Zoning Department, Planning Board, and more.

**SOUTHBOROUGH TAXPAYERS PAY FOR THIS**

Let's take a look at how much property they actually own...



*These entities continue to expand both by construction/renovation of buildings and the purchase of residential real estate at an alarming rate, taking each and every purchased property off the tax basis and, thus, increasing an individual's tax burden to support these properties.*

# Total Contributions to the Town of Southborough by Three of Our Large Nonprofits

	Fay	St. Mark's	NECC
FY 2021	\$10,000	\$50,050	\$104,072
FY 2020	\$10,000	\$48,500	\$104,072
FY 2019	\$10,000	\$49,000	\$104,072
FY 2018	\$10,000	\$45,000	\$92,072
FY 2017	\$10,000	\$45,000	\$92,072
FY 2016	\$10,000	\$80,000	\$92,072
FY 2015	\$10,000	\$10,000	\$92,072
FY 2014	\$10,000	\$40,000	\$80,668
FY 2013	\$10,000	\$55,000	\$80,668
FY 2012	\$10,000	\$35,000	\$80,668
FY 2011	\$10,000	\$35,000	\$80,668

## St. Marks

Fair Market value as of 12/31/20 as determined by St. Mark's = **\$106,000,000**

## Fay School

Fair Market value as of 6/30/20 as determined by Fay School = **\$83,390,183**

## New England Center for Children

Fair Market value as of 3/21/21 as determined by NECC = **\$37,407,254**

## Harvard

Fair Market value as of 1/1/21 as determined by Harvard = **\$25,179,500**

## 2011 Recommendation

The last time the town of Southborough PILOT Committee met was more than a decade ago. **Based on property owned at the time, in 2011 this committee proposed these payments:**

St. Marks:  
**\$300,000** annually

Fay School:  
**\$200,000** annually

NECC:  
Status Quo

◀ **And how far have we come?**

## How much do YOU pay in property taxes?

Did you know?

A house assessed at \$625,000 in Southborough (at 2022 tax rate of \$16.28) would owe **\$10,175** in taxes.

In 2021 Fay School (>\$83,000,000 in real estate) contributed **\$10,000** to Southborough

In fact, the **average** property tax in Southborough for 2021 was \$10,709

Source: Highest And Lowest Property Tax Rates In Greater Boston, [lmacchiarealty.com](http://lmacchiarealty.com)

**2022 Southborough tax rate = \$16.28 per thousand \$**

**New assessment late this year will take into account the current drastic upswing in the real estate market and will make your taxes jump significantly!**

## How does Southborough stack up?

### FY2018 Contributions

Phillips Academy	\$395,752*
Groton Academy	\$125,000
Milton Academy	\$120,000**
NECC	\$92,072
St. Mark's	\$45,000
Fay School	\$10,000

\* Phillips Academy's PILOT payment **increases each year** by the same percentage as the town property tax rate, not to exceed 3.6%.

\*\* **ALL residential property** owned by Milton Academy is taxed at current, standard property tax rates.

**Isn't it reasonable to expect private nonprofit schools to be good citizens of their community and contribute fairly to the cost of town services they, their staff, students, faculty and families use?**

**A standing committee for PILOT would provide the resources to fully examine the issue and offer suggestions for the best of ALL citizens of Southborough**



**VOTE YES**

**ON ARTICLE 34**