

## Legislation Text

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**File #:** 150224, **Version:** 0

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Calling on the Nutter Administration to pursue PILOTs (payments in lieu of taxes) or voluntary contributions from large nonprofit institutions to address the City's school funding crisis.

WHEREAS, Nonprofit institutions play a vital role in the City of Philadelphia's economy, including mega-nonprofits that provide education and healthcare; and

WHEREAS, Nonprofit institutions, mega-nonprofits in particular, own a significant portion of the City's total property assessment; and

WHEREAS, Mega-nonprofits are currently afforded tax-exempt status resulting in exemptions from the payment of tens of millions of dollars that would otherwise be due to the School District, thereby placing additional burdens on Philadelphia's remaining taxpayers; and

WHEREAS, The Nutter Administration recently proposed a property tax increase to fund a \$105 million request from the School District; and

WHEREAS, The City's General Fund Budget and local taxes are used to support essential services which are provided to mega-nonprofits; and

WHEREAS, Mega-nonprofits that are currently afforded tax exempt status but do not qualify as "institutions of purely public charity" under applicable legal precedent should forfeit their tax exemptions. In lieu of such forfeiture, and in settlement of any potential legal challenges to its exemption, the mega-nonprofit shall instead remit PILOTs (payments in lieu of taxes) or voluntary contributions; and

WHEREAS, Mayor Edward G. Rendell signed an amendment to Executive Order # 1-94 on May 10, 1995 establishing a Voluntary Contribution Program; and

WHEREAS, PILOTs or voluntary contributions could generate tens of millions of dollars for the School District to address its current fiscal crisis; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Calls upon the Nutter Administration to pursue PILOTs (payments in lieu of taxes) or voluntary contributions from large nonprofit institutions to address the City's school funding crisis.