

By Mr. Piro of Somerville, petition of Mass. Fair Share, Vincent J. Piro, John J. Finnegan, Raymond L. Flynn, John A. Businger and Barney Frank for legislation to restrict the use of charitable tax exempt property for public purposes. Taxation.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Seventy-Eight.

**AN ACT TO RESTRICT THE USE OF CHARITABLE TAX EXEMPT PROPERTY TO PUBLIC PURPOSES.**

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Clause Third of Section 5 of Chapter 59 of the  
2 General Laws is hereby amended by striking out subsection (b) as  
3 appearing in Section 1 of Chapter 219 of the Acts of 1970, and  
4 inserting in place thereof the following subsection: —

5 (b) A corporation coming within the foregoing description of a  
6 charitable organization or a trust established by a declaration of  
7 trust executed in the Commonwealth and coming within said  
8 description of a charitable organization shall not be exempt for  
9 any year in which it omits to bring in to the assessors the list,  
10 statement and affidavit required by Section 29 and a certified copy  
11 of the report for such year required by Section 8F of Chapter 12 to  
12 be filed with the Division of Public Charities of the Department of  
13 the Attorney General, nor shall it be granted exemption for any  
14 year in which it fails to notify the assessors of a change in its charter  
15 or by-laws as required by Section 29, nor shall it be granted an  
16 exemption for any part of its property which is used either directly  
17 or by contract for commercial or profit making activities or for  
18 activities whose benefits and purposes are other than the literary,  
19 educational, benevolent, charitable or scientific purposes for  
20 which such organizations or trusts were established.

1 SECTION 2. Chapter 59 is hereby further amended by

2 inserting after Section 5 the following new section: —

3 *Section 5B.* Any person of a city or town aggrieved by a  
4 determination of the board of assessors as to the eligibility or non-  
5 eligibility of a corporation or trust for the exemption granted  
6 pursuant to the Third Clause of Section 5 may appeal therefrom by  
7 filing a petition with the clerk of the Appellate Tax Board in  
8 accordance with the provisions of Section 7 of Chapter 58A within  
9 three months of said determination. As used in this section, the  
10 term “person” shall include: (a) the corporation or trust applying  
11 for the exemption; (b) an individual, corporation or trust engaged  
12 in a business activity in direct competition with an activity  
13 conducted by the charitable corporation or trust; or (c) ten  
14 taxpayers of the city or town in which the property of the  
15 charitable organization is located.

1 SECTION 3. Section 29 of Chapter 59 of the General Laws is  
2 hereby amended by striking out the third sentence and inserting in  
3 its place the following sentences: —

4 It shall also require all persons, except corporations making  
5 returns to the Commissioner of Insurance as required by Section  
6 38 of Chapter 176, to bring in to the assessors before a date therein  
7 specified, which shall not be later than March first following,  
8 unless the assessors for cause shown extend the time to April first,  
9 true lists, similarly itemized, of all real and personal estate held by  
10 them respectively for literary, temperance, benevolent, charitable  
11 or scientific purposes on January first preceding, or at the election  
12 of any such corporation on the last day of its fiscal year last  
13 preceding said January first, together with a statement of receipts  
14 and expenditures for said purposes during the preceding year, a  
15 schedule of salaries and other payments, including payments in  
16 kind, to its officers and staff, and an affidavit stating that the  
17 property so listed, or some specific portion thereof, is being used  
18 for said exempt purposes, certified copies of any changes in the  
19 charter or by-laws or the corporation or trust, any additional  
20 information required by the Commissioner of Corporations and  
21 Taxation or the assessors and any other information which in the  
22 opinion of such corporation or trust or of the assessors may affect  
23 eligibility for exemption; provided that all such lists, schedules,

24 affidavits and other information shall be open to public inspection.  
25 Any corporation or trust holding real or personal property for said  
26 purposes and not theretofore exempt, if requesting an exemption  
27 on such property, shall also submit to the assessors in each city or  
28 town in which such property lies, by January first, a copy of its  
29 charter and by-laws if any.

