

MEMO

To: Selectboard
From: Town Administrator Lisa Wong
Re: PILOT program
Date: 2/12/26

What is a tax exempt property?

There are numerous categories of exempt real and personal property. Exemptions are usually dependent on ownership or property use. In some cases, the property may be exempt from property taxes, but taxed in some other manner.

What is a PILOT:

A Pilot Program tax, more commonly known as a PILOT (Payment in Lieu of Taxes), is a payment made by tax-exempt organizations—such as non-profits, hospitals, universities, or developers—to local governments to help cover the costs of municipal services like police, fire, and infrastructure. These voluntary or negotiated payments compensate for lost property tax revenue.

Policies

1. Some PILOTS work with direct negotiations, so there might be an agreement based on historical giving, capacity, or other unique circumstances.
2. Some PILOTS are based on an across the board policy.
 - a. Holyoke adopted a city wide policy in 2025 effective July 1, 2025 to ask for contributions of 15% or 25% of the full tax amount that would be owed if the properties were not tax exempt.
www.holyoke.org/holyoke-launches-pilot-program-to-sustain-public-services-and-community-growth/
 - b. Northampton's program
:www.northamptonma.gov/2361/Northampton-PILOT-Program
 - c. Longmeadow - Baypath suspended payments of around \$50k in FY26 due to financial reasons.

Impact

There are 29 entities identified not including governmental entities, South Hadley Electric Light Department or Holyoke Gas and Electric. SHEL D provides an annual PILOT payment of \$220k per year, recently increased from \$180k per year. HG&E provides a PILOT of \$55k per year that has not increased since 2004 and cannot be changed without legislation.

There is some work trying to increase the payments received for State Owned Land. The town received \$50k for FY26. Further information about reform regarding State Owned Land - www.mma.org/commission-created-to-ensure-geographic-fairness-in-pilot-program/

Per 2025 data, tax exempt property for the 29 entities total \$240m in property value and would bring in \$3.35m if these properties were taxable. If 100% of the properties voluntarily adhered to the policy similar to Holyoke, this would yield \$800k annually. See the table below

| Owner's Name | 15%/ *25% |
|--|-------------|
| ALL SAINTS CHURCH | \$ 948.89 |
| ALL SAINTS PARISH | \$ 5,342.53 |
| AMHERST COLLEGE TRUSTEES OF | \$ 36.28 |
| ASAMBLEA DE IGLESIAS CRISTIANAS INC | \$ 1,253.38 |
| BERKSHIRE HILLS MUSIC ACADEMY INC | \$ 5,490.58 |
| CENTER FOR HUMAN DEVELOPMENT INC | \$ 8,103.02 |
| CHRIST LIFE FELLOWSHIP INC | \$ 3,245.53 |
| CIL REALTY OF MASSACHUSETTS INC | \$ 5,623.94 |
| CONGREGATIONAL CHURCH | \$ 2,878.13 |
| DEVELOPMENT OF HUMAN | \$ 475.81 |
| EV LUTHERAN CHURCH | \$ 1,674.45 |
| EVERGREEN CEMETERY ASSOC | \$ 373.90 |

| | |
|------------------------------------|---------------|
| FRIENDS OF THE PIONEER | \$ 14,571.21 |
| GAYLORD MEMORIAL | \$ 1,105.33 |
| HAMPSHIRE CHRISTIAN ACADEMY IN | \$ 1,406.46 |
| JOSHUA GENERATION FELLOWSHIP | \$ 1,538.57 |
| METHODIST CHURCH | \$ 1,563.73 |
| MORNING STAR CHURCH INC | \$ 1,847.04 |
| MT HOLYOKE COLLEGE* | \$ 697,510.78 |
| MT HOLYOKE MASONIC | \$ 1,084.57 |
| PARTYKA FAMILY REAL | \$ 87.03 |
| PROPRIETORS OF | \$ 256.04 |
| PYNCHON NOMINEE TRUST | \$ 17.82 |
| PYNCHON NOMINEE TRUST | \$ 22.23 |
| ROMAN CATHOLIC BISHOP OF SPFLD* | \$ 28,515.36 |
| SECOND BAPTIST | \$ 5,629.61 |
| SORDILLO, WILLIAM J | \$ 317.70 |
| WESTERN MASS GIRL SCOUTS | \$ 2,347.38 |
| | \$ 793,524.80 |