

HOUSE No. 2622

The Commonwealth of Massachusetts

PRESENTED BY:

Michael J. Moran

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to establish tax transparency and strengthen the reporting requirements of public charities and to establish reporting requirements for the trustees and directors of public charities.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Michael J. Moran</i>	<i>18th Suffolk</i>
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>Timothy J. Toomey, Jr.</i>	<i>26th Middlesex</i>

HOUSE No. 2622

By Mr. Moran of Boston, a petition (accompanied by bill, House, No. 2622) of Michael J. Moran and others for legislation to establish tax transparency and strengthen the reporting requirements of public charities and to establish reporting requirements for the trustees and directors of public charities. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2678 OF 2013-2014.]

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act to establish tax transparency and strengthen the reporting requirements of public charities and to establish reporting requirements for the trustees and directors of public charities.

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. Section 8F of chapter 12 of the General Laws, as appearing in the 2010
2 Official Edition, is hereby amended by adding after the first paragraph the following paragraph:

3 “For public charities that are private colleges and universities operating in the
4 Commonwealth, and including all related organizations, the report must additionally include the
5 names of all employees and all consultants who earned more than or were paid more than
6 \$250,000 during the preceding fiscal year and the amounts earned and/or paid to each such
7 employee and/or consultant. The report must also include the names of all service providers that
8 were paid a total of \$250,000 or more during the preceding fiscal year and the amounts paid to
9 each service provider along with a brief description of the services provided. The report must

10 also include a statement of all direct or indirect donations made to the public charity by any
11 service provider that was paid a total of \$250,000 or more by the public charity. Public charities
12 that are employers that require employees to disclose to them the income received from third
13 parties must attach such disclosures to the report. Public charities that are employers but do not
14 require such disclosure from their employees must include in the report the names of all
15 employees who were paid a total of \$250,000 or more from third parties, the identity of all such
16 third parties, the amount paid by each, and a brief description of the reason for each such
17 payment. Public charities that own more than \$10 million in investments and/or real property
18 must attach a list of all such investments and/or real property and the value of each such
19 investment and/or real property at the end of the reporting period. Effective January 1, 2013, the
20 report must include a statement of all federal, state and local taxes that would have been paid
21 during the reporting period if the public charity was not otherwise tax exempt. The Attorney
22 General shall issue regulations that define the methodology by which the calculations of what
23 taxes would have been paid shall be made. For the purposes of this paragraph, a private college
24 or university is defined as an educational institution situated within the commonwealth which by
25 virtue of law or charter is a nonprofit educational institution empowered to provide a program of
26 education beyond the high school level, and which does not include any such institution operated
27 by the commonwealth or its subdivisions.

28 SECTION 2. Chapter 12 of the General Laws, as appearing in the 2010 Official Edition,
29 is hereby amended by adding after section 8F the following section:

30 8FF Annual Reports of Certain Individuals Serving as a Trustee or on the Board of
31 Directors of a Public Charity

32 Every trustee and/or director serving in the governing board of a public charity that is a
33 private college or university operating in the Commonwealth or a related organization shall
34 annually at a time determined by the director, file with the division a written report concerning
35 the preceding fiscal year of the public charity. Such report shall be filed on forms prescribed by
36 the director and shall contain such financial and other information as the director may require.
37 The report shall be signed by the trustee and/or director of the public charity and verified under
38 oath. There shall be no filing fee for the filing of reports required by this section.

39 Among the information disclosed on the report must be the details of any
40 economic and/or business transactions between the public charity and the trustee and/or director,
41 or his/her immediate family, entities controlled by the trustee and/or director or by members of
42 his/her family, entities where the trustee and/or director or members of his/her family is or was
43 employed or with whom a consulting arrangement existed during the reporting year. Failure to
44 file reports required by this section shall be subject to the penalties and promises set forth in
45 section 8F. For the purposes of this paragraph, the term “immediate family” shall mean the
46 trustee and/or director, her or his spouse, their parents, children, brothers and sisters.

47 This section shall not apply to any property held for any religious purpose by any
48 public charity, incorporated or unincorporated.