

Question: *Can a town bill a local private college for emergency services, especially for the numerous false alarms? Some of the people think this is not allowed because the college is exempt from taxes.*

TA Response: Tax exempt status relieves qualified charitable and other non-profit organizations from the burden of paying real estate and personal property taxes, excises and a sales tax. Tax exempt status is not, however, a waiver of municipal user charges, or other fees and penalties.

We are aware of five communities which have passed by-laws imposing a charge for municipal responses to false alarms (Attleboro, Barre, Fairhaven, Saugus and Stoughton). The common characteristic is town-wide application. Although a by-law might be acceptable if it applied only to a specified class of property types, to impose a false alarm response fee strictly on one institution would seem problematic.

Also, tax exempt organizations throughout Massachusetts have voluntarily entered negotiated agreements to make payments in lieu of taxes (PILOTS) to a community where they own land and buildings. The range of payments vary but, in all instances, they are intended to acknowledge that the tax exempt entity receives and benefits from town services in one form or another. Such an agreement could account for town costs related to providing emergency service and responses to false alarms. However, a municipal fee cannot be arbitrarily set, but must reasonably reflect the actual cost to provide the service involved (See [Emerson College v. City of Boston](#)). There is no obligation on the part of the non-profit organization to enter an agreement, but they typically do so to be good neighbors. A posting on the following website may be of interest on the subject:
<http://www.massnonprofit.org/news.php?artid=1610&catid=13>