

**HOUSE . . . . . No. 03003**

The Commonwealth of Massachusetts

PRESENTED BY:

*Michael J. Moran and*

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 passage 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>Kevin G. Honan</i>	<i>17th Suffolk</i>
<i>William N. Brownsberger</i>	<i>24th Middlesex</i>
<i>John P. Fresolo</i>	<i>16th Worcester</i>
<i>Alice K. Wolf</i>	<i>25th Middlesex</i>
<i>Tom Sannicandro</i>	<i>7th Middlesex</i>
<i>Linda Dean Campbell</i>	<i>15th Essex</i>
<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>
<i>Anne M. Gobi</i>	<i>5th Worcester</i>
<i>Angelo M. Scaccia</i>	<i>14th Suffolk</i>
<i>Jeffrey Sánchez</i>	<i>15th Suffolk</i>
<i>James J. Dwyer</i>	<i>30th Middlesex</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Timothy J. Toomey, Jr.</i>	<i>26th Middlesex</i>

<i>Stephen Stat Smith</i>	<i>28th Middlesex</i>
<i>Cory Atkins</i>	<i>14th Middlesex</i>
<i>Byron Rushing</i>	<i>9th Suffolk</i>
<i>James M. Murphy</i>	<i>4th Norfolk</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>
<i>Kathi-Anne Reinstein</i>	<i>16th Suffolk</i>
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>

# HOUSE . . . . . No. 03003

By Mr. Moran of Boston and Senator Ms. Jehlen, a joint petition (accompanied by bill, House, No. 3003) of Garry 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 Joint Committee on Revenue.

## The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

### 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 Official  
2 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 \$150,000 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 \$150,000 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 \$150,000 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 guidelines to public charities that define the methodology by which these  
23 calculations shall be made.”

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

26 8FF Annual Reports of Certain Individuals Serving as a Trustee or on the Board of Directors  
27 of a Public Charity

28 Every trustee and/or director serving on the governing board of a public charity that is a  
29 private college or university operating in the Commonwealth or a related organization shall  
30 annually at a time determined by the director, file with the division a written report concerning  
31 the preceding fiscal year of the public charity. Such report shall be filed on forms prescribed by  
32 the director and shall contain such financial and other information as the director may require.

33 The report shall be signed by the trustee and/or director of the public charity and verified under  
34 oath. There shall be no filing fee for the filing of reports required by this section.

35           Among the information disclosed on the report must be the details of any economic  
36 and/or business transactions between the public charity and the trustee and/or director, or his/her  
37 family, entities controlled by the trustee and/or director or by members of his/her family, entities  
38 where the trustee and/or director or members of his/her family is or was employed or with whom  
39 a consulting arrangement existed during the reporting year. Failure to file reports required by  
40 this section shall be subject to the penalties and promises set forth in section 8F.

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