



PCDO

Princeton Community Democratic Organization



★ ★ ★ *General Membership Meeting* ★ *Free and Open to the Public* ★ ★ ★

Should Princeton Taxpayers Continue to Subsidize Princeton University?

Forum by the PCDO Local Issues Committee

Sunday, June 22 7:30 p.m.

Suzanne Patterson Center, Monument Drive (behind Borough Hall), Princeton

"Shouldn't non-profit institutions with large endowments contribute more to state and local governments? Shouldn't they pay their fair share?" This issue has recently drawn much attention in the national and local media.

Since 2006 the Local Issues Committee of the PCDO has examined this question. The Committee has calculated how much more property tax Princeton's residents and businesses pay because of Princeton's nonprofits – particularly Princeton University, our largest and wealthiest tax-exempt institution. At this meeting, the Committee will present its findings and lead a discussion on whether the University pays its fair share to support municipal government. The membership will vote on the resolution below.

Proposed Resolution of the Princeton Community Democratic Organization

Whereas, if Princeton University paid property taxes as do other taxpayers, property taxes would be reduced by 24% to Borough taxpayers and by 15% to Township taxpayers; and

Whereas, Princeton University, with an endowment of over \$15 billion, owns over 40% of the value of the real property in Princeton Borough and 14% of the value of real property in Princeton Township, and

Whereas, universities were originally exempt from taxes to lower the cost of higher education; and

Whereas, this exemption from property taxes is unfair in the case of wealthy private universities located in communities where high property taxes threaten fiscal and social well-being; and

Whereas, in 2006, if Princeton University were not tax exempt, it would have paid more than \$35,000,000 in real property taxes, almost \$28,000,000 more than it actually paid in 2006, and

Whereas, such payments from Princeton University to the Princeton community would reduce high property taxes; and

Whereas, Princeton University is constructing new buildings, acquiring property outside its central campus and preparing for the largest expansion in its history; and

Whereas, Princeton University's expansion diminishes its host municipalities' ability to depend upon guaranteed tax-paying real property; and

Whereas, other universities have undertaken extensive programs to ensure their host municipalities' prosperity, thus acknowledging the interdependence of universities and their host municipalities; and

Whereas, Princeton University acknowledges that it, too, has a responsibility to its host municipalities by paying taxes on some of its residential property, and by making an annual payment in lieu of taxes ("PILOT") to Princeton Borough and Township; and

Whereas, in 2006, the total that Princeton University paid for the municipal share of its property taxes and PILOTs was only \$1,816,000 to Princeton Borough and \$904,000 to Princeton Township; and

Whereas, in view of Princeton University's growing endowment, increasing assets, rising income, and expanding physical plant, the University should contribute fairly to Princeton Borough's and Princeton Township's annual operating budgets;

(over)

PCDO

Princeton Community Democratic Organization
Post Office Box 481 • Princeton, New Jersey 08542

«First Name» «Last Name»

«Address»

«City», «State» «Zip»

VOTE June 22 on a proposed PCDO
resolution concerning Princeton
University's payment in lieu of taxes

Resolution, continued

Now, therefore, be it resolved this 1st day of March, 2008, that the Princeton Community Democratic Organization hereby encourages the Princeton community to:

1. Engage in a community-wide campaign to remove the unfair real property tax burden on Princeton residents and businesses caused by Princeton University's insufficient financial support of the Princeton community; and
2. Urge our local elected representatives to negotiate with Princeton University to substantially increase its financial contribution and thereby provide tax relief to the citizens of Princeton; and
3. Sign, and distribute for others to sign, a petition addressing these issues for delivery to the Mayor and Council of the Borough of Princeton, the Mayor and Committee of the Township of Princeton, the President and Members of the Princeton Regional School Board, the Mercer County Executive and the Mercer County Board of Freeholders

For more information visit our website www.princetondems.org.