Local Officials' Support for PILOTs/SILOTs:

Nonprofit Engagement, Economic Stress, and Politics

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Practitioner Points

1. Except for Massachusetts and Pennsylvania (each with dozens of communities with PILOT programs, or Payments-In-Lieu of [real estate] Taxes, in place), Indiana is typical of most states in having relatively few PILOT communities. However, more than half of local government officials in Indiana support requiring PILOT and/or SILOT (Services-in-Lieu of

Taxes) policies from educational institutions and hospitals. Surprisingly, more than a third do so also for churches, despite the constitutional separation of state and church.

The widespread support for PILOT policies, combined with the significant amount of foregone tax revenues from the tax exemption of charitable properties (in the tens of billions of dollars nationally), suggests that debates about PILOT policies are likely to surface during tough economic times when local government officials have to make hard choices about paying for essential services.

We explore the reasons why local government officials may support PILOT policies: whether local economic conditions do actually drive such policies, or whether other factors play a role as well. We consider tax equity and political considerations, including the type of position the government official holds and the extent of government reliance on nonprofit services. But we also consider whether personal and philosophical factors play a role as well – the extent to which local government officials are personally involved with nonprofits, how important that involvement is for their government work, and how they view the relationship between government and nonprofits.

2. We find that economic considerations appear to be important in shaping attitudes towards PILOTs, even though such policies would impose considerable costs on nonprofits. However, PILOT attitudes depend also on political factors, such as voter participation and type of position held by the local government official, and by how government officials view the relationship between local government and the nonprofit community. Notably, local

government officials who believe government should exert control over nonprofits are more likely to support PILOT policies. They also appear to be sensitive to the type of charity that would be subject to PILOTs and to view PILOT policies differently than SILOT policies.

These findings suggest that community discussions about PILOT policies tap into government-nonprofit relations at both the organizational and individual level. They also suggest that PILOT policies are part of a broader political debate about the relationship between government and the nonprofit sector. Indeed, widespread support for PILOT policies among local government officials reveals the fragile state of cross-sector relations.

3. Our findings have particular implications for philanthropic and charitable leaders. Such leaders should pay careful attention to budgetary constraints faced by units of local government, since these factors are likely to encourage considerations of PILOT policies. One potential warning signal for charitable institutions is when Tax Increment Financing (TIF) comes into consideration, since government officials in communities which have adopted TIFs are significantly more likely to support PILOT policies for charities of all types. Equally important, local charities would be well advised to develop strong connections to local government officials so that they can convey the important ways in which they work collaboratively with government.

   Most importantly, they should be ready to document the valuable services they provide to local communities, demonstrate how PILOTs would burden their ability to provide such services, and explain how the exemption from property (and other) taxes is an important way

in which governments help nonprofits provide such services. Those arguments – and mobilizing important constituency groups to champion these positions – may go some distance in overcoming other pro-PILOT arguments that may otherwise carry the day as LGOs consider the pros and cons of implementing PILOT policies.

Abstract

Nonprofit property tax exemption has become a major policy issue as the collapse of the housing market, the Great Recession, and property tax caps, have threatened local tax collections. Consequently, many local governments have sought to obtain payments in lieu of taxes (PILOTs) from charities formally exempt from property taxes. Using a 2010 survey of Indiana local government officials (LGOs), we examine whether support for PILOT policies is related to LGOs' personal involvement with nonprofits, their views on government-nonprofit relationships, the type of LGO position they hold, the level of economic distress in the county, local political conditions, and local nonprofit wealth. We find support for most of these hypotheses, but also that attitudes towards PILOTs appear to be shaped by somewhat different concerns than attitudes toward services in lieu of taxes (SILOTs).

Nonprofit property tax exemption has become a major policy issue nationwide as revealed in hundreds of news media accounts and lively action in state capitals.[1] These developments reflect growing budgetary pressures on local government, which only intensified with the collapse of the housing market in 2006.[2] Mass foreclosures reduced home property values and threatened property tax collections, which made up about 25 percent of revenues available to local governments at the national level and 32 percent in Indiana in 2007 (Grønbjerg 2011). The Great Recession (December 2007 through June 2009) further threatened revenues for many local governments by also curtailing receipts from income and sales taxes (Pagano and McFarland 2013). The American Recovery and Reinvestment Act of 2009 softened the blow and gave state and local governments some breathing room by allocating $140 billion in fiscal relief (Carley, Nicholson-Crotty and Fisher 2015). However, in Indiana, a 2010 constitutional

amendment to cap property tax rates threatened to aggravate the impact of the recession. Similar caps exist in Massachusetts, New York, California, and Michigan.

Consequently, local government officials (LGOs) in Indiana and elsewhere have had to operate with increasingly limited property tax receipts and make tough decisions about cuts to needed services or programs. To reduce the impact of such choices, local officials have looked for other solutions, including seeking payments or services in lieu of taxes (PILOTs/SILOTs) from charities exempt from paying income, sales, and most notably, property taxes (Strom 2010). The specific types of services involved in SILOTs are rarely specified, but charities have offered free use of facilities or scholarships for local residents as part of such agreements (Work and Burnett 2012).

The estimated foregone revenue resulting from property tax exemptions is significant – ranging from $9 to $32 billion (Bowman and Fremont-Smith 2006; Sherlock and Gravelle 2009). The estimates exclude churches, which are not required to register with or report to the IRS or other tax authorities. The value of religious property tax exemptions is therefore difficult to measure, but is substantial – about 85 percent of an estimated 350,000 congregations own their own buildings (Chaves, Anderson, and Eagle 2014). Nonprofits are also exempt from income and, in many states, sales taxes; however, revenues lost from these tax exemptions –$11 - $13 billion and $3 billion respectively (Sherlock and Gravelle 2009) – accrue disproportionately to state government.

For local governments, property tax exemption is the largest and most visible loss of tax revenue from charitable institutions (Kenyon and Langley 2010; Sherlock and Gravelle 2009) and a tempting target for LGOs seeking new revenues. Not surprisingly, nonprofit leaders view such efforts as a major threat (Strom 2010; Gary 2003; Leland 1996; Salamon, Geller, and

Sokolowski 2011). Yet, while scholars have explored economic and political reasons why local government officials might pursue PILOTs, we know little about how their personal and professional experiences with nonprofits impact these decisions. It seems plausible that government officials may support or oppose PILOTs based upon their involvement with nonprofits and their attitudes towards nonprofit-government relations more broadly.

In this article we examine LGOs' support for PILOT policies in light of their personal involvement with nonprofits; their views on government-nonprofit relationships; economic distress, tax equity, and political conditions in their jurisdictions; and the extent of local reliance on nonprofit services. We also consider whether these opinions vary across the type of nonprofit (e.g., hospital, school, church) from which LGOs would consider requesting PILOTs.

While our findings on PILOTs present new avenues for understanding how municipalities come to consider such policies in the first place, we also explore whether factors that predict attitudes towards PILOTs also predict attitudes towards SILOTs. Previous research on SILOTs is very limited and appears mainly as an afterthought to PILOT studies. This part of our analysis is therefore exploratory and our findings highlight how little we understand about SILOTs.

To address these questions, we use logistic regression analysis to analyze data from the Indiana Advisory Commission on Intergovernmental Relations' (IACIR) 2010 survey of 1,148 Indiana mayors, county auditors, county and town council members, and township trustees (response rate of 35 percent). We merged these survey data with county-level data on economic conditions, property values, nonprofit finances, and voter turnout.

This research contributes to the field of nonprofit research, theory, and practice at multiple levels. We use public finance and organization theories to explore tensions between two separate local government activities – taxation policy and service provision. Most notably, our

work fills a void in the existing literature by examining whether LGO interactions with nonprofits help predict attitudes towards PILOTs. Our findings also suggest that, while PILOTs have gained media attention and SILOTs are usually viewed an extension of PILOTs, there are notable differences between the two. Here we first outline our theoretical framework, then describe our data and present our findings. We conclude with a discussion of implications and next steps.

Theoretical Framework

We focus on LGO opinions about PILOTs, not whether such policies are in place, since many proposed PILOTs are never implemented or are off the public record. Langley, Kenyon, and Bailin (2012) identified half a dozen possible agreements in Indiana only after extensive efforts to survey assessors and analyze news records. Consequently, studying only communities with known PILOTs may not provide a clean contrast to communities without such policies. More importantly, LGOs' opinions on PILOTs matter, because they indicate whether LGOs favor policies that, if implemented, would impose significant costs on local charities and set the stage for a confrontation with major charitable institutions in their communities.

Previous research on PILOT adoption has focused primarily on the economic and political factors influencing these local government policy choices. Theories on public finance and taxation policy highlight economic factors that may predispose local government to pursue PILOTs, while resource dependency and agency theories point to political factors and the collaborative management of local service provision. Few scholars address behavioral and attitudinal influences; those that do, consider mainly perceptions of nonprofit leaders when confronted by these policies, or of public finance officers, not of the policymakers who formulate and enact the policies. We consider LGOs' opinions about the appropriate relationship between local

government and nonprofits as well as their personal involvement with nonprofits.

Local Economic Conditions

States have distinct property tax policies, and local governments vary in how much they depend on such revenue (Netzer 2002; Grønbjerg 2011). Although local revenue streams have diversified and dependence on property taxes declined over time (Kenyon and Langley 2010; Netzer 2002), local governments still rely on property taxes for over 70 percent of their tax revenues and nearly 30 percent of overall funding (Grønbjerg 2011). These revenues are vital to many key public services – over 50 percent are typically spent on education (41 percent in Indiana according to the Indiana Department of Local Government Finance (2012)) with the rest allocated to public safety, highways, and general governmental administration (Netzer 2002). Property tax revenues are also a valued source of financial independence for local governments, since state and federal revenue transfers are usually tied to specific programs and projects (Mikesell 2014).

Declining federal and state aid; efforts to reduce taxes, such as tax caps; and decreasing populations and tax bases have squeezed many local budgets. The two major recessions since 2000 and the collapse of the housing market beginning in 2006 aggravated the economic distress, with pronounced cyclical trends for sales, income, and property tax collections as revealed in annual surveys of city finance officers (Pagano and McFarland 2013). Under such conditions, local governments may seek to find new sources of revenues (Mullen 1990; Rubin and Stein 1990). In Indiana, almost a third of the surveyed LGOs indicated that their government units used tax increment financing districts (TIFs) to supplement property tax collections in direct response to the 2009/2010 property tax cap rollout, suggesting deliberate efforts to circumvent the cap and/or explore alternative property tax options. This does not include local jurisdictions

that had implemented TIFs previously or for other reasons.

Government-owned property is exempt from property taxes, as is property owned by recognized charities. Such property is unevenly distributed among communities (Mikesell 2014) and tends to be concentrated in urban areas, because they generally require and are established to serve a large customer base. This applies not only to hospitals, universities, museums, and major social service agencies, but also large urban or suburban churches (2,500 or more regular attendees) (Chaves, Anderson and Eagle 2014). Of course, many smaller nonprofits rent space, and therefore do pay, at least in part, property taxes accruing to their landlords (Brody 2010). Netzer (2002) estimates that churches account for about 70 percent of property tax exemptions in New York City, while King and Nichols (2007) report that the value of property held by 1,600 religious institutions in Marion County (Indianapolis) exceeds $1 billion. In communities with a high concentration of tax-exempt property, the smaller tax base adds to the economic distress of local government and is likely to increase LGO interest in pursuing PILOT policies.

We specify three hypotheses to test how local economic conditions may affect LGO support for PILOT policies.

Hypothesis 1. LGOs in counties experiencing more economic distress will be more likely to support PILOTs.

Hypothesis 2. LGOs in counties that used tax increment financing (TIF) in response to the property tax cap will be more likely to support PILOTs.

Hypothesis 3. LGOs in urban counties will be more likely to support PILOTs (greater concentration of property-holding nonprofits).

Equity and Nonprofit Taxation

In addition to pressures from economic distress, tax equity concerns – whether nonprofits

should pay for their share of local services (Longoria 2014) – may be a factor. But equity is not a simple concept. Generally speaking public finance theory distinguishes between vertical and horizontal tax equity, respectively whether taxpayers have different abilities to bear the tax burden and whether equally abled taxpayers pay equal amounts (Cordes 2005).

In terms of vertical equity, the signals are mixed. Government subsidizes nonprofits through tax exemption because nonprofits provide public-benefit services that government otherwise would have to render (Kenyon and Langley 2010). Reinstituting the tax burden on charities providing free or low cost services violates this principle. But media reports (Santaniello 2013) also portray some nonprofits as paying six-figure CEO salaries, charging high fees to low income clients, and possessing large endowments and plush facilities. Such stories feed perceptions that nonprofits could easily bear the burden of property taxes and that they provide too little "charity care" or subsidized services to deserve tax exemption (Merz and Stitzel 1999; Salamon et al 2011; Kearns 2013).

Concerns about horizontal equity is illustrated by Matt Greller, Executive Director of the Indiana Association of Cities and Towns, who noted, "We're having to look at the public services nonprofits use and how we can adequately cover those cost…We can't give them away for free any longer" (Strom 2010). Under this perspective, property taxes represent fees for a certain level and quality of public services (e.g., fire protection, police, sidewalks, lights, public parks, schools, etc.). Horizontal equity is violated when private businesses and households pay for these services through property taxes, while their nonprofit neighbors pay little or nothing, although they use the services. The problem is aggravated for charities with large customer bases, such as hospitals and universities, which depend on and greatly benefit from the full range of municipal services (Netzer 2002) (the same is likely to hold for major cultural institutions).

While churches are likely to use municipal services less extensively than universities or hospitals, they account for about a quarter of the gross assessed value of tax-exempt property in Indiana (Indiana Legislative Services Agency 2014). Other horizontal inequities prevail when nonprofits lease space from private owners and thus pay property taxes (via rent payments), while their property-owning peers do not.

Given the complexity of vertical and horizontal equity considerations, it is not surprising that PILOT policies have been pursued somewhat haphazardly and that many agreements have been neither transparent nor equitable (Bowman and Freemont-Smith 2006; Brody 2010; Leland 2002; Netzer 2002; Kenyon and Langley 2010). Although some communities (e.g., Boston [Rakow 2013]) have sought to apply standardized policies, most efforts to collect PILOTs appear to target well-established nonprofits with large property footprints and apparent wealth, such as universities and hospitals, charging for services and serving non-local clienteles (e.g., out of state students). Nevertheless, once municipalities require PILOTs from some nonprofits, equity issues suggest they should demand PILOTs from other local charities. Hence:

Hypothesis 4. *Local government officials in counties with greater nonprofit total assets will be more in favor of PILOTs, because such assets signal greater ability to pay (vertical equity concerns).*

Hypothesis 5. *Local government officials will be more in favor of PILOTs the greater the value of nonprofit properties in the county relative to county net assessed property value (horizontal equity concerns).*

Hypothesis 6. *Local government officials will be more in favor of PILOTs, if they represent counties that already have PILOTs in place (horizontal equity concerns).*

Political Forces

Political forces may also play a part in whether local governments pursue PILOTs (Longoria 2014). Tensions over PILOTs are evident when they are characterized as "extortion" by nonprofit executives but as "voluntary contributions" by government officials (Brody 2010; Gary 2003). Indeed, LGOs face complex political interests when weighing PILOTs. While some taxpayers prefer government spending cuts over tax increases, as is the case at the national level (Bowman, Rugg and Marsico 2013), at the local level spending cuts impact essential services for schools, police, fire protection, and roads. Still, property taxes appear to be among the most unpopular taxes, with 42 percent of respondents to a 2005 Gallup poll agreeing that it is the least fair tax, compared to only 20 percent who thought so about federal income taxes (Bowman, Rugg, and Marsico 2013).

In Indiana, pervasive resistance to property taxes surfaced in the 2010 election, when 72 percent of voters endorsed a constitutional amendment to cap property taxes. The timing of the constitutional amendment allows us to pick up on the political salience of property taxes. Widespread media attention to the amendment and expectations that it would pass easily (Merrick 2010), means that LGOs responding to the IACIR survey (in the field around the time of the election) would be cognizant of these voter preferences, especially in the most politically active counties. Because county officials are responsible for administering property taxes in Indiana, we expect them to be most concerned about such voter preferences and willing to favor PILOTs. We therefore hypothesize that:

Hypothesis 7. Local government officials in more politically active counties (voter participation) will be more likely to support PILOTs

Hypothesis 8. County-level officials will be more likely to support PILOTs because of their administrative and budgetary responsibilities.

Professional / Political Opinions about Nonprofits

While tax concerns are clearly important, ideological preferences for small government play a role as well (Longoria 2014; Garrow 2010; Lecy and Van Slyke 2012), including efforts to reduce government payroll by contracting out services to the private sector thought to do the work faster and cheaper (Megginson and Netter 2001). In the case of human services, nonprofits are the preferred contractors (Garrow 2010; Sclar 2000), reflecting theories of public service provision, including government failure theory that views government as hampered by red tape, rigidity, and lack of deep familiarity with community needs. When public agencies look to the private sector to meet human service needs, nonprofits seem appropriate substitutes or replacements for defunded or failed public programs because of their community expertise and service commitments (Gazley and Brudney 2007; Grønbjerg 1993; Lecy and Van Slyke 2012).

The contracting literature has explored attitudes associated with such practices. Lecy and Van Slyke (2012) argue that the overlapping agendas of disparate organizations lead to positive collaboration and partnerships (Lecy and Van Slyke 2012), while Kumar, Kant, and Amburgey (2007) find that exposure to nonprofits improves LGO opinions of the sector. As relationships are formed and trust is built, LGO-nonprofit relationships tend towards more relaxed versions of the classical principal-agent relationship, with nonprofit leaders perceiving themselves as stewards "with shared goals and collective missions" (Van Slyke 2007, 170).

However, tension between the public and nonprofit sectors is also likely, especially where contracting is less common or collaboration less institutionalized. LGOs may view nonprofits as unproven contractors and themselves as exercising power over such agents (Van Slyke 2007). In turn, nonprofits may be wary of partnering with public agencies if they believe LGOs have negative attitudes towards them or seek to control their actions or resources (Gazley 2010).

For nonprofits, such resource dependency brings threats of mission creep, challenges to autonomy and sustainability, and restraints on advocacy (Child and Grønbjerg 2008; Gazley 2010). For LGOs, contracting opens government to additional political pressures and threats to their own programs if seen as less effective or efficient than nonprofit programs.

Little literature addresses these collaborative attitudes in terms of how LGOs view PILOTs. We speculate that LGOs who recognize and endorse collaborative relationships with local nonprofits will be less likely to favor PILOTs, while those that view nonprofits as subject to government control will favor such policies. Consequently:

Hypothesis 9. Officials who perceive their local government units to be more dependent on nonprofits for public service provision will be less likely to support PILOTs.

Hypothesis 10. Officials who believe there should be collaboration between nonprofits and local government will be less likely to support PILOTs.

Hypothesis 11. Officials who believe there should be government control over nonprofits will be more likely to support PILOTs.

Personal Involvement with Nonprofits

In addition to their political and professional attitudes, LGOs' own personal nonprofit experiences might influence their support of PILOTs. In general, volunteering is thought to develop social capital, political efficacy and confidence in government (Knack 1992, 2002), while those involved with nonprofit associations or holding nonprofit leadership positions develop civic skills and network connections (Baggetta 2009; Putnam 2001). Importantly, they also learn about opportunities, problems, and issues in the community at large (Ingen and Kalmijn 2010).

We speculate that local government officials who are personally involved with nonprofits

as association members, volunteers, or board members will be more sympathetic to nonprofits (or they would lessen their involvement) and therefore less supportive of PILOT policies. In addition, those who believe their personal involvement is useful to their work as local government officials will be less supportive of such policies. Consequently, we hypothesize that:

Hypothesis 12. Officials with more extensive personal involvement in the nonprofit sector will be less likely to support PILOTs.

Hypothesis 13. Officials who view their personal nonprofit involvement as important to their work as government officials will be less likely to support PILOTs.

Consistency of Support for PILOT/SILOT Policies

As noted earlier, we have found no previous PILOT research examining differences among types of charities or comparing PILOT and SILOT policies. We therefore explore two overarching hypotheses to test the assumption that attitudes towards PILOTs are consistent across charities and similar to SILOT policies. Hence:

Hypothesis 14. The factors predicting attitudes towards PILOTs will be similar across all three types of charities – hospitals, schools and universities, and churches.

Hypothesis 15. The factors predicting attitudes towards PILOTs will be similar to attitudes towards SILOTs for any given type of charity.

Methods

We test these hypotheses using a 2010 cross-sectional survey of Indiana local government officials (Indiana Advisory Commission on Intergovernmental Relations, 2011, pp 56-73). We merge these survey responses with 2010 county-level information on economic, political, and nonprofit indicators. We use logistic regression analysis with county-level clustered robust standard errors to test hypotheses 1 through 13 regarding LGO support for PILOTs from

hospitals, schools, and churches. We also investigate marginal effects to isolate the effects of particular predictors. We repeat the analysis for LGO support for SILOTs from the three types of charities to ascertain how well our models apply to LGO's attitudes on SILOTs. We test hypotheses 14 and 15 by examining absolute differences in standardized regression coefficients, following guidelines by Keith (2006).

Sample

Our primary data come from the 2010 IACIR *Intergovernmental Issues in Indiana* survey. This periodic survey assesses LGOs' attitudes and perceptions on key community issues (health, economics, local services, land use, public safety, and quality of life) as well as "hot button issues" like property tax policies (Palmer, Wyeth, and Chang 2010). The IACIR distributed web and paper versions of the survey in late October 2010 to 1,148 local officials – mayors, town council members (if the population was greater than 500), county auditors, county council members, a randomly selected member from each board of commissioners and school board, and two randomly selected township trustees from each county. The effective response rate was 35 percent. About 59 percent of respondents were affiliated with town/city government, 26 percent with county government, and 15 percent with school districts. (The latter include some appointed members, but we estimate that no more than three of the 402 responding LGOs are appointed). Respondents represent 91 of Indiana's 92 counties. Our focus on elected officials, who have more decision-making power and might be more swayed by political conditions, complements Longoria's (2014) study of appointed chief financial officials, who work chiefly in an expert administrative capacity.

Dependent Variables

Local Government Officials' Support for PILOTs. Officials were asked if they would

"be in favor of requiring any of the following types of organizations in your community that own real estate property to make annual payments or provide services below cost to local government in lieu of paying property taxes" and then listed various types of governmental and nonprofit entities. We focus on PILOT policies for three key nonprofit industries: hospitals, universities, and churches. Langley et al. (2012) estimate that 90 percent of national PILOT revenue comes from hospitals and educational institutions and the separation of state and church in the U.S. suggests that attitudes towards church PILOTs might be different than for other types of charities.

Langley et al. (2012) found only 5-10 Indiana communities that have PILOT policies in place, but more than half of LGOs support PILOTS and/or SILOTS for at least one type of charity. Preference for PILOTs outweighed that for SILOTs, with very few officials indicating they supported both (see figure 1). The number of respondents varied with whether or not officials thought such charities were located in "their community." Thus more LGOs answered questions about churches, reflecting the prevalence of churches across communities.

Insert figure 1 here

Independent Variables

Other survey questions provide information on the type of position held by the LGOs, whether LGOs say local government has experimented with TIFs or depends on nonprofit service providers, how they view relationships between nonprofits and local government, how involved they are with nonprofits as members or leaders, and how important they perceive this involvement to be for their own work as government officials. We merge these survey responses with 2010 county-level information on economic distress (percent unemployed; Indiana Department of Workforce Development), political engagement (percent voter participation;

Indiana Election Division), and nonprofit assets (from IRS Form 990; The Urban Institute). We also note whether the county is urban (defined below).

Economic Conditions. We use unemployment rates, adoption of new TIFs, and urban centers to measure county economic conditions. County-level unemployment rates (2010) capture generalized economic distress with its increased demand for public services and reduced tax revenue (e.g., lower sales and income taxes due to lost income; reduced property tax revenue due to foreclosures) (Brinner et al 2008). Also, respondents would be more familiar with unemployment rates and their impacts than with more specific measures, such as change in county net assessed property value. Unemployment rates ranged from 6 to 14 percent (Table 1).

Table 1 here

To capture use of tax increment financing in direct response to the property tax cap, we rely on a question asking LGOs whether their local government responded to the tax cap law (adopted by the state legislature in 2009) by using TIFs. One third answered affirmatively, indicating efforts to counteract anticipated reductions in property tax revenue. Finally, we define urban counties as those with a town of more than 10,000 residents, about half of all counties.

Equity and Nonprofit Taxation. We use three measures to assess tax equity issues, including nonprofit ability to pay for PILOTs. First, total nonprofit assets at the county level (Urban Institute, 2010), ranging from $5.6 million to $28.9 billion, measure overall nonprofit wealth. Second, we approximate the relative impact of foregone tax revenue by taking the county-level total nonprofit land/equipment value as a percentage of total net assessed (taxable) property values (Indiana Department of Local Government Finance, 2012). The correlation between the two measures is insignificant. Finally, we flag LGOs that work in the few counties that already have PILOTs (4 percent).

Political Forces. We measure political influences through two measures: county-level office and voter turnout in 2010 (Indiana Election Division, 2013). The model distinguishes between county-level LGOs (about a quarter of our sample) and those representing other jurisdictions. We use voter turnout (44 percent on average with a 5 percent standard deviation) to reflect the general political engagement of local citizens.[3]

Attitudes toward Nonprofit-Government Relations. Approximately a quarter of LGOs report that their "local government" uses nonprofit contractors to provide one or more of sixteen possible services listed in the questionnaire. Such contracts indicate formalized inter-sectoral relationships and government reliance on nonprofit providers.

We developed two measures of officials' attitudes toward nonprofit-government relations based on factor analysis of six questions with a 5-point agree/disagree Likert scale. The measure for nonprofit collaboration (factor loadings between 0.71 and 0.82; Cronbach's α=0.68) is based on officials' agreement that nonprofits should actively participate in solving local problems, nonprofits should participate in local government decision-making, and nonprofits represent public interests on local issues. The governmental control measure (factor loadings between 0.78 and 0.82; Cronbach's α=0.72) derives from LGOs' agreement that local governments should control nonprofit use of government funding, local governments should have an influence on nonprofit activities, and nonprofits should adjust their activities to the needs of local government in order to receive funding.

Personal Involvement with Nonprofits. We measure the breadth of officials' engagement with nonprofits as well as how important these activities are to their work. Officials indicated their membership or leadership (past or present) and volunteer hours in eleven areas: arts/culture,

sports/recreation/social, education/research, health, social services, environmental/animal protection, law/advocacy/politics, economic/community development, philanthropic, international, business/professional/union, and other. We use the count of these areas (mean=3.3, standard deviation=2.9) to indicate breadth of involvement. We use a dummy variable to capture the 65 percent of officials who said their nonprofit involvement was very or somewhat important to their professional government work.

Results

Table 1 displays the descriptive statistics and correlations of the dependent variables – whether or not LGOs favor of PILOTs and SILOTs. Attitudes toward nonprofit hospital, school/university, and church/religious PILOTs are strongly correlated ($\phi > 0.70$). There are also significant and substantial (but far from perfect) relationships between support for PILOTs and SILOTs within each industry. Cross-category PILOT/SILOT relationships (e.g., church PILOTs and hospital SILOTs) are less substantial. Correlations and variance inflation index measures among the independent variables were insubstantial (Table 1). The results of the logistic regression analysis to test all hypotheses are found in Table 2. For attitudes toward PILOTs, overall tests of the models were significant and correctly specified. McFadden' R^2 measures indicate that the PILOT models account for a reasonable level of variance (13 to 21percent), considering various data limitations.[4]

Insert table 2 here

Local Economic Conditions

As expected from previous empirical research, all three measures of local economic conditions are significant for PILOTs. LGOs from counties suffering greater economic distress were more likely to favor PILOTs (Hypothesis 1) from each type of charity. For a LGO who is

average in all other respects, a 1 percent increase in unemployment increased the probability of being in favor of PILOTs by 7, 9 and 5 percentage points for hospitals, universities, and churches respectively.

As expected, LGOs in urban counties, where most exempt properties are located, are also significantly more likely to support PILOTs (Hypothesis 2). Representing an urban county increases the probability that the average LGO will favor PILOTs by 26, 33 and 25 percentage points for respectively hospitals, universities, and churches. Similarly, the probability of LGOs supporting PILOTs is 19, 20, and 13 percentage points higher when they live in counties that already have issued TIFs in response to property tax caps (Hypothesis 3).

Equity and Nonprofit Taxation

In regards to nonprofit ability and responsibility for paying property taxes, the data suggest that LGOs might think more about vertical rather than horizontal equity when formulating PILOT opinions. Total nonprofit wealth significantly and positively impacted LGOs' attitudes toward PILOTs (Hypothesis 4); the probability of LGOs' support for PILOTs increases around 1.5 to 3 percentage points for every $1 billion additional dollars in total nonprofit county assets. However, nonprofit land/equipment values had a negative influence for all three types of nonprofits, albeit only significant (marginally) for universities. (Hypothesis 5). Finally, an LGO's interest in PILOTs is not significantly affected by the existence of previous PILOTs in their counties (Hypothesis 6) although all coefficients are positive (only 5 percent of Indiana counties use PILOTs).

Political Forces

As expected, holding all other factors constant, LGOs in more politically active counties are more likely to support PILOTs (Hypothesis 7), especially from universities and hospitals

(borderline for churches). County-level officials are indeed more likely to support PILOTs (Hypothesis 8), but only for churches. However as discussed below, additional marginal analysis suggests that being a county-level official moderates other predictors.

Professional / Political Opinions about Nonprofits

Of the three variables measuring LGOs' professional/political opinions about nonprofit-government relations, we found some evidence that LGOs are less likely to favor PILOTs if their counties rely on nonprofit provision of government services, not more as expected (Hypothesis 9). The coefficients were negative (except for hospital PILOTs), but only significant for churches (a 14 percentage point decrease in probability).

LGOs' attitudes toward nonprofit-government relationships do affect their opinions on PILOTs, but not consistently. Thus we find at best only modest support for the argument that LGOs who believe in collaboration between nonprofits and local government are less likely to favor PILOTs (Hypothesis 10) and only significant for schools/universities. However, we find strong significant support for Hypothesis 11: LGOs, who believe there should be more governmental control over nonprofits are significantly more likely to support PILOTs from all three types of charities. While Longoria (2014) found views of the sector did not significantly affect PILOT attitudes for appointed financial officials, our finding suggests such factors might be more relevant for elected officials.

Indeed, marginal analysis suggests that the importance of nonprofit control for PILOT attitudes depends on type of LGO position. On average, LGOs are 20 percentage points more likely to favor PILOTs when they believe more in government control. However, for non-county officials, support for university PILOTs jumps almost 90 percent between "anti-control" to "pro-control" positions and around 60 to 70 percent for hospital and church PILOTs. For county-level

officials, support for control over nonprofits has little impact on PILOT attitudes.

Personal Involvement with Nonprofits

The effects of personal nonprofit involvement on PILOT opinions are mixed. Contrary to Hypothesis 12, we find that LGOs with more extensive nonprofit involvement are more likely to support PILOTs, although the coefficient is only significant for churches. Also, LGOs who view their personal involvement with nonprofits as important to their work (Hypothesis 13) are less likely to support PILOTs from hospitals; the relationship is negative for universities and positive for churches, but not significant.

Marginal analysis suggests that the importance (or depth) of volunteering moderates the breadth of nonprofit experience. LGOs that see volunteer work as unimportant become less likely to support PILOTs the more volunteer areas they report. However, this relationship is only significant at the extreme (e.g., 5 or more areas in the case of school and church PILOTs, 10 or more for hospitals, suggesting casual or shallow levels of volunteering). By comparison LGOs who only volunteer in a few nonprofit areas AND see their volunteer work as important are less likely to favor PILOTs than their counterparts.

Consistency of Support for PILOT/SILOT Policies

To test our two over-arching hypotheses – that factors predicting support for PILOTs are similar across types of charities (Hypothesis 14) and that for any given type of charity, factors predicting support for PILOTs from a type of charity are similar to those predicting support for SILOTs from that charity (Hypothesis 15) – we compute absolute differences between standardized coefficients. We modify guidelines provided by Keith (2006) and treat these differences as moderate (a difference greater than .10 but no more than .20), near-large (a difference greater than .20 but no more than .25) or large (a difference greater than .25).

The first three columns of table 3 show absolute differences in the standardized regression coefficients of the ten independent variables for predicting attitudes towards PILOTs across three parings of charities: hospitals to universities (column 1), hospitals to churches (column 2) and universities to churches (column 3). Support for Hypothesis 14 is mixed. On the one hand, we find that when economic conditions are important in predicting LGO's PILOT attitude, this occurs across the board and does not differ by type of charity (coefficients differ by no more than .05). On the other hand, issues related to tax equity considerations, political factors, professional/political opinions on role of nonprofits, and personal nonprofit involvement do vary depending on the type of charity involved. The differences are most pronounced for universities vs. hospitals and universities vs. churches.

Insert table 3 here

When SILOT models (columns three through six) are compared between industries, differences in the coefficients are on average moderate. In particular, personal experiences have a substantial effect on churches compared to other types of nonprofits. Columns six through nine compare PILOTs/SILOTs *within* the same industry (i.e., hospital PILOTs to hospital SILOTs). Nearly all coefficients are substantially different; on average, coefficient differences within the hospital and university industries are large, while differences within the church industry are moderate. Consequently, it appears that attitudes towards PILOTs and SILOTs are not consistent across charities, and we reject Hypothesis 15.

Discussion

We test five broad arguments and 13 specific hypotheses about factors that might predict attitudes towards PILOTs for three different types of charities. The patterns are most pronounced for hospitals and universities. This is in line with previous research and anecdotal evidence from

news stories focusing on "meds and eds."

As noted above, we find support for traditional economic variables expected to influence support for PILOT policies: LGOs in counties with higher unemployment are more likely to support PILOT policies (Hypothesis 1), suggesting that economic distress is one of the factors that inspire officials to look for alternate revenue sources. The odds of LGOs favoring PILOTs are also higher for officials in counties that implemented tax increment financing in direct response to the 2009/2010 property tax caps (Hypothesis 2) and in urban counties (Hypothesis 3) as predicted for all three types of charities.

We find support for only one measure of tax equity considerations: In counties with high total nonprofit assets (nonprofit ability to pay), LGOs are more likely to support PILOTs for all three types of charities (Hypothesis 4). The average value of nonprofit land/equipment as percent of county assessed value has a negative, but only marginally significant relationship (for universities) contrary to Hypothesis 5. LGO attitudes toward PILOTs were unaffected by the existence of PILOTs currently in their counties (Hypothesis 6). Only a few counties had PILOTs, which might be at the root of these results; nevertheless, controlling for pre-existing PILOTs seems prudent even in light of low variance.

We find mixed support for the importance of political considerations. Of the two political variables, only voter turnout is associated with greater odds that LGOs will support requiring PILOTs (Hypothesis 7), consistent with the argument that LGO's are sensitive to taxpayer opposition to property taxes. Similarly, county-level officials were significantly more likely to support PILOTs (Hypothesis 8), but only for churches.

Our analysis extends previous research by considering the impact of the LGOs' politi-

cal/professional opinions about government-nonprofit relationships and their personal involvement with nonprofits. We found evidence that both factors are relevant, but not entirely as we had predicted. The pattern was strongest for Hypothesis 11: LGOs who believe in more governmental control and oversight over nonprofit activities and service provision tend to favor PILOTs for all three types of charities. However, LGOs who support arguments for involving nonprofits in local government (Hypothesis 10) were less likely to support university PILOTs, while those who perceived their local government as more dependent upon nonprofit service provision were less likely to favor church PILOTs (Hypothesis 9).

For the remaining factors, we find either at best marginal support for our hypotheses or some evidence to the contrary. LGOs who were more involved in a broader array of nonprofit fields were more – not less – likely to favor PILOTs from churches (Hypothesis 12). However, LGOs who felt their nonprofit involvement was important to their government work were, as expected, significantly less likely to support PILOTs for hospitals (Hypothesis 13).

Finally, when comparing the prediction equations for the three types of charities, we find significant differences for some coefficients, suggesting that LGO attitudes towards PILOTs vary by type of charity, contrary to Hypothesis 14. The differences are particularly prominent for coefficients related to political factors and professional/personal views on nonprofits for the three types of charities. We also find that the factors influencing LGO preferences for PILOTs do not have the same relationship with their preferences for SILOTs (Hypothesis 15).

Implications and Next Steps

Indiana has only a moderate number of known PILOT locations (5-10), fewer than Massachusetts and Pennsylvania with dozens of PILOT locations (Langley, Kenyon, and Bailin 2012), but similar to New York, Wisconsin, New Jersey, Maine, Rhode Island, and Virginia. We

find no differences between LGOs' attitudes for those in or adjacent to PILOT communities and all other counties. Focusing on attitudes rather than existing policies allows for a deeper exploration of nonprofit taxation and inter-sectoral relations, especially since media reports show that local governments in Indiana and elsewhere regularly revisit nonprofit property tax exemptions.

We find that LGOs' attitudes towards PILOTs do relate, at least in part, to economic conditions and tax equity considerations, as most analysts have predicted. However, LGO professional opinions about the appropriate relationship between nonprofits and local government, and their own personal connections to nonprofits are also important. These latter factors have not previously been considered when studying PILOT policies. Moreover, they appear to be sensitive to the particular type of charity involved, suggesting that community discussions about PILOT policies do not just tap into questions of tax revenues or tax equity, but also government-nonprofit relationships at both the organizational and individual level.

We have focused our analysis here mainly on PILOT policies, although we have similar data on attitudes towards SILOTs. The latter are usually treated merely as extensions of PILOTs. Our analysis (details available upon request) shows that many of the significant relationships we observe for PILOT attitudes are insignificant or reversed when considering SILOT preferences for the same type of charity, Indeed, the average differences between the standardized coefficients for PILOTs and SILOTs are large for universities and hospitals (average difference of 0.28 and 0.29 respectively), but only moderate for churches (0.17) suggesting that grouping these policies together, as most previous literature does, is misleading.

We do not know the reasons for such differences, but our findings suggest that the distinction between PILOTs and SILOTs needs to be explored more fully. Nor do we know how

LGOs conceptualize SILOTs or the services that would be provided under SILOT agreements – whether charities should do more of what they already do, or provide specific services desired by local government. These issues may be particularly relevant for hospital SILOTs, given criticism that they provide too little charity care, but less relevant for colleges, which may be viewed as providing limited services to the local community (e.g., student interns), while serving many students from beyond the local community (Kenyon and Langley 2010). Our research thus raises questions about how nonprofit services might be quantified and measured in order to assess their "in lieu of taxes" worth.

We also need better understanding of the reasons *why* LGOs may favor PILOTs and/or SILOTs. Do their opinions reflect equity concerns with regard to other taxpayers as we have hypothesized? Or do they believe nonprofits have valuable property holdings, the financial ability to make PILOTs, use municipal services "excessively" or engage in cut-throat business activities? Do they consider whether charities help solve community problems or are powerful political actors able to mobilize support from their constituents? How much do officials' personal experiences with the nonprofit sector influence these rationales? Our analysis hints at the answers to at least some of these questions, but as Work and Burnett (2012) suggest, nonprofit leaders ignore such considerations at their peril.

Unfortunately, when debates over PILOTs (or SILOTs) arise, both LGOs and nonprofit leaders typically dig in their heels (Kearns 2013, National Council of Nonprofits 2015), perhaps because sector relationships are tense or LGOs fixate on revenue needs. We agree with Gazley (2010), Kenyon and Langley (2010), Langley et al. (2012), Longoria (2014) and others that healthy nonprofit-government relations require conversation and collaboration. PILOT debates reveal the fragile state of cross-sector relationships in hard times, but also provide an opportunity

for the parties to establish better lines of communication so that trust can be built and equitable solutions reached.

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End Notes

[1] A search on Access World News returned 347 articles on nonprofit or charitable property tax exemptions published during the previous twelve months and more than 5,000 total (retrieved February 26, 2016). A search on Lexis Nexis State Capital returned 145 bills related to nonprofit property tax policies during the "current session" (retrieved March 4, 2016). This includes H.B. 1180 in Indiana which would protect certain nonprofits from PILOTs.

[2] The Great Recession impacted government finances in the Midwest less severely than other regions, but these states had slower growth in government revenues (Gais 2012) in prior years.

[3] We explored using the percent voting for the 2010 constitutional amendment to cap property taxes, but it is negatively correlated with voter participation ($r = -.11$) and less effective in predicting support for PILOTs. The vote outcome was not known when most LGOs completed

the survey, but there was little doubt it would pass and voter participation is likely a more enduring and salient political feature for LGOs.

[4] Tests of fit and specification include: likelihood ratio chi-square, linktest, observation of lowess graphs that predicted probabilities, tests of groups using Hosmer-Lemeshow, etc. We also used Predgibon leverage to see if we found the same influential LGOs across models; we did not. While measures of fit are debated (e.g., Aldrich and Nelson 1984; Hosmer and Lemeshow 2000), pseudo R^2 appears commonly in journals. Details on specific tests are available from the authors.

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Figures and Tables

Figure 1: Local government officials' opinions on what types of organizations should provide PILOTs or SILOTs

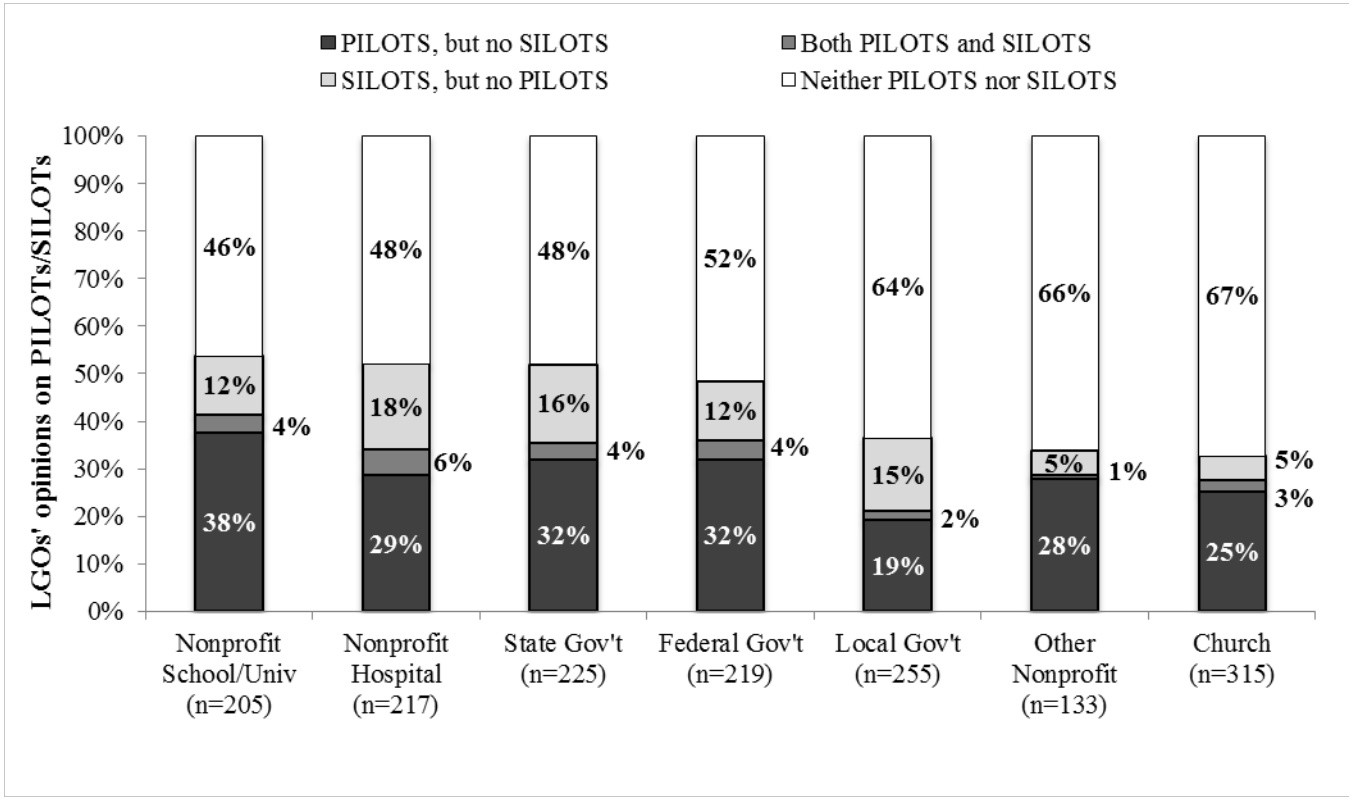

Table 1: Descriptive Statistics and Correlations [a,b]

		Mean	Std Dev	Min	Max	n	(1)		(2)		(3)		(4)		(5)		(6)		(7)	(8)		(9)	(10)	(11)	(12)
	Hospital PILOTs	0.47	0.04	0.00	1.00	161																			
	Education PILOTs	0.54	0.04	0.00	1.00	158																			
	Church PILOTs	0.35	0.03	0.00	1.00	249																			
	Hospital SILOTs	0.48	0.05	0.00	1.00	107																			
	Education SILOTs	0.36	0.05	0.00	1.00	92																			
	Church SILOTs	0.18	0.03	0.00	1.00	135																			
(1)	Unemployment	0.10	0.02	0.06	0.14	399																			
(2)	Recent TIF	0.32	0.47	0.00	1.00	405	0.05																		
(3)	Urban county	0.55	0.50	0.00	1.00	405	-0.13	**	0.15	**															
(4)	County total reported NP assets	1.38	4.62	0.01	28.90	399	0.00		0.08		0.26	**													
(5)	NP land/-equipment as % county NAV	0.04	0.06	0.00	0.44	399	0.17	**	0.06		0.35	**	0.52	**											
(6)	Current county PILOT	0.04	0.19	0.00	1.00	405	-0.12	*	0.00		0.18	**	0.22	**	0.49	**									
(7)	Voter turnout	0.44	0.05	0.35	0.56	405	-0.26	**	-0.14	**	-0.43	**	-0.34	**	-0.31	**	-0.15	**							
(8)	County-level office	0.26	0.44	0.00	1.00	405	0.03		0.14	**	-0.02		-0.09		-0.08		-0.03		0.05						
(9)	Nonprofit service provision	0.24	0.43	0.00	1.00	405	0.01		0.13	*	0.05		0.03		0.02		-0.02		-0.08	0.14	**				
(10)	LGO opinion on nonprofit activity in gov't	3.03	1.00	1.00	5.00	358	-0.07		0.06		-0.02		-0.03		-0.06		-0.02		0.01	-0.01		0.06			
(11)	LGO opinion on gov't control over nonprofits	2.81	1.05	1.00	5.00	351	0.02		-0.04		-0.04		0.04		-0.01		-0.07		-0.09	0.09		0.01		0.17	**	
(12)	LGO's number of volunteer areas	3.31	2.91	0.00	12.00	393	-0.01		0.16	**	0.00		0.06		-0.02		-0.02		-0.05	-0.07		0.13	*	0.16	**	0.07

(13)	Importance of volunteering to LGO's work	0.65	0.48	0.00	1.00	405	-0.02	0.11	*	0.05	0.01	-0.03	-0.05	-0.01	-0.10	*	0.08	0.12	*	0.06	0.47	**

a ** Correlation is significant at the 0.01 level (2-tailed).

b* Correlation is significant at the 0.05 level (2-tailed).

Table 2: Results of Regression Analysis [a,b] (Part 1)

		Hospital Pilots				Education Pilots				Church Pilots			
	Variable	***b***		***se***	**β**	***b***		***se***	**β**	***b***		***se***	**β**
Local economic conditions	Unemployment	27.27	**	(11.09)	0.23	37.41	***	(10.74)	0.28	23.65	**	(9.77)	0.19
	Recent TIF	0.78	**	(0.38)	0.19	0.82	**	(0.42)	0.18	0.59	*	(0.31)	0.13
	Urban county	1.07	**	(0.49)	0.25	1.40	***	(0.48)	0.28	1.23	***	(0.44)	0.28
Equity and nonprofit taxation	County total reported NP assets	0.06	***	(0.02)	0.17	0.14	***	(0.05)	0.34	0.08	***	(0.02)	0.17
	NP land/equipment as % county NAV	-3.30		(3.43)	-0.12	-6.14	*	(3.65)	-0.21	-3.50		(3.09)	-0.12
	Current county PILOT	0.47		(1.04)	0.05	1.09		(0.86)	0.12	1.26		(0.86)	0.13
Political forces	Voter turnout	10.24	**	(4.01)	0.26	21.91	***	(4.62)	0.49	6.36	*	(3.53)	0.15
	County-level office	-0.22		(0.36)	-0.05	0.14		(0.42)	0.03	0.80	**	(0.33)	0.17
Professional/ political opinions	Nonprofit service provision	0.31		(0.43)	0.07	-0.35		(0.47)	-0.07	-0.67	**	(0.34)	-0.14
	Opinion on nonprofit activity in gov't	-0.20		(0.17)	-0.10	-0.39	**	(0.19)	-0.18	-0.19		(0.14)	-0.09
	Opinion on gov't control over nonprofits	0.51	***	(0.16)	0.27	1.00	***	(0.24)	0.47	0.74	***	(0.17)	0.36
Personal NP involvement	Number of volunteer areas	0.07		(0.07)	0.09	0.12		(0.09)	0.15	0.14	**	(0.06)	0.18
	Importance of volunteering to work	-1.01	**	(0.50)	-0.21	-0.17		(0.58)	-0.03	0.25		(0.41)	0.05
	LR X^2	33.07	***			39.58	***			50.33	***		
	McFadden's R^2	0.13				0.21				0.18			
	n	142				140				223			

[a] β refers to fully standardized (bStdXY) coefficients, b refers to unstandardized estimates, and standard errors are in parentheses.

[b] Cluster-correlated robust standard error estimates

* $p < 0.10$

** $p < 0.05$

*** $p < 0.01$

\- indicates perfect prediction

Table 2: Results of Regression Analysis [a,b] (Part 2)

		Hospital Silots				Education Silots				Church Silots			
	Variable	***b***		***se***	**β**	***b***		***se***	**β**	***b***		***se***	**β**
Local economic conditions	Unemployment	-25.72	*	(15.53)	-0.18	-29.58	*	(15.43)	-0.17	-7.49		(12.68)	-0.05
	Recent TIF	-0.33		(0.58)	-0.07	-0.01		(0.59)	0.03	0.42		(0.49)	0.10
	Urban county	0.21		(0.49)	0.04	0.33		(0.63)	0.07	0.38		(0.54)	0.09
Equity and nonprofit taxation	County total reported NP assets	-0.04		(0.03)	-0.11	-0.16	***	(0.06)	-0.38	-0.01		(0.03)	-0.01
	NP land/equipment as % county NAV	4.01		(3.91)	0.12	-4.84		(7.76)	-0.13	-6.47		(7.48)	-0.23
	Current county PILOT	-2.21		(1.45)	-0.21	-		-	-	-		-	-
Political forces	Voter turnout	-15.08	**	(7.00)	-0.29	-19.79	***	(6.99)	-0.34	-7.22		(7.07)	-0.14
	County-level office	0.32		(0.70)	0.06	0.08		(0.73)	-0.01	-0.46		(0.76)	-0.09
Professional/ political opinions	Nonprofit service provision	-1.77	**	(0.76)	-0.34	-0.45		(0.59)	-0.12	-0.59		(0.60)	-0.11
	Opinion on nonprofit activity in gov't	0.53	**	(0.24)	0.23	0.10		(0.28)	0.06	0.14		(0.22)	0.06
	Opinion on gov't control over nonprofits	0.30		(0.32)	0.13	0.39		(0.29)	0.21	0.60	**	(0.28)	0.27
Personal NP involvement	Number of volunteer areas	0.37	**	(0.15)	0.40	0.38	***	(0.12)	0.43	0.05		(0.10)	0.05
	Importance of volunteering to work	-0.07		(0.69)	-0.01	-0.91		(0.69)	-0.14	1.86	**	(0.86)	0.40
	LR X^2	15.64				22.46				15.16			
	McFadden's R^2	0.20				0.21				0.14			
	n	96				78				118			

Table 3 - Absolute Differences between Pairs of Standardized Regression Coefficients (β) (Source Table 2)

		Differences in the sets of standardized coefficients for PILOTS by pairs of charities			Differences in the sets of standardized coefficients for SILOTS by pairs of charities			Differences in the sets of standardized coefficients for PILOTS by pairs of charities		
		Hosp/Univ	**Hosp/Church**	**Univ/Church**	**Hosp/Univ**	**Hosp/Church**	**Univ/Church**	**Hospital**	**University**	**Church**
Local economic conditions	Unemployment	0.05	0.04	0.09	0.01	0.13 *	0.12 *	0.40 ***	0.45 ***	0.23 **
	Recent TIF	0.01	0.06	0.05	0.10	0.17 *	0.07	0.26 ***	0.15 *	0.04
	Urban county	0.03	0.03	0.00	0.03	0.05	0.02	0.21 **	0.21 **	0.19 *
	Average	**0.03**	**0.04**	**0.05**	**0.05**	**0.11 ***	**0.07**	**0.29 ***	**0.27 ***	**0.15 ***
Equity and nonprofit taxation	County total reported NP assets	0.17 *	0.00	0.18 *	0.27 ***	0.10 *	0.37 ***	0.28 ***	0.72 ***	0.17 *
	NP land/equipment as % county NAV	0.10	0.00	0.10	0.24 **	0.35 ***	0.11 *	0.23 **	0.09	0.11 *
	Current county PILOT	0.07	0.08	0.01	0.00	--	--	0.26 ***	--	--
	Average	**0.11 ***	**0.03**	**0.09**	**0.26 ***	**0.22 **	**0.24 **	**0.26 ***	**0.40 ***	**0.14 ***
Political forces	Voter turnout	0.23 **	0.11 *	0.34 ***	0.05	0.15 *	0.20 *	0.55 ***	0.83 ***	0.29 ***
	County-level office	0.08	0.22 **	0.14 *	0.07	0.15 *	0.08	0.12 *	0.04	0.25 ***
	Average	**0.16 ***	**0.16 ***	**0.24 **	**0.06**	**0.15 ***	**0.14 ***	**0.33 ***	**0.43 ***	**0.27 ***
Professional/ political opinions	Nonprofit service provision	0.14 *	0.21 **	0.07	0.22 **	0.23 **	0.01	0.41 ***	0.05	0.03
	Opinion on nonprofit activity in gov't	0.08	0.01	0.09	0.17 *	0.17 *	0.00	0.33 ***	0.24 **	0.15 *
	Opinion on gov't control over nonprofits	0.20 *	0.09	0.11 *	0.08	0.14 *	0.07	0.15 *	0.26 ***	0.09
	Average	**0.14 ***	**0.10 ***	**0.09**	**0.15 ***	**0.18 ***	**0.03**	**0.29 ***	**0.18 ***	**0.09**
Personal NP involvement	Number of volunteer areas	0.05	0.09	0.03	0.02	0.35 ***	0.37 ***	0.31 ***	0.28 ***	0.13 *
	Importance of volun teering to work	0.18 *	0.26 ***	0.09	0.13 *	0.42 ***	0.54 ***	0.20 *	0.11 *	0.35 ***
	Average	**0.12 ***	**0.18 ***	**0.06**	**0.08**	**0.38 ***	**0.46 ***	**0.25 ***	**0.19 ***	**0.24 **
Average of all differences		**0.11 ***	**0.09**	**0.10**	**0.11 ***	**0.20 ***	**0.16 ***	**0.28 ***	**0.29 ***	**0.17 ***

* Absolute differences are "moderate" (greater than 0.10, but no more than 0.20)

** Absolute differences are "near-large" (greater than 0.20, but no more than 0.25)

*** Absolute differences ae "large" (greater than 0.25)