



CONNECTICUT  
ASSOCIATION  
of **NONPROFITS**

*...to serve, strengthen  
and support Connecticut's  
nonprofit community.*

**TESTIMONY BEFORE THE PLANNING and DEVELOPMENT COMMITTEE**

**PROPOSED BILL 5293 An Act Concerning Payments In Lieu of Taxes For Property of Nonprofit Organizations**

**FEBRUARY 25, 2008**

**Senator Coleman, Representative Feltman, members of the Planning & Development Committee, I am Ron Cretaro, Executive Director of the Connecticut Association of Nonprofits which represents more than 500 nonprofit organizations across Connecticut.**

This proposed legislation would expand the current payments-in-lieu-of-taxes (PILOTS) FOR PROPERTY OF PRIVATE NONPROFIT COLLEGES AND HOSPITALS to include other nonprofit organizations. We would support that the PILOT program include arts & culture organizations as well as health care facilities such as community health centers and human service organizations.

Many of our state's towns and especially our larger cities have been host to many nonprofit organizations for decades, if not, several centuries. The presence of nonprofits while adding to the social capital and assisting communities and local government in meeting the needs of its citizens, nonetheless, also detracts from the revenues and grand list of the municipality given their tax exempt privilege. The State has chosen to correspondingly reimburse cities and towns for hospitals, colleges and universities and state owned property but not at full levels. Nor has the Legislature chosen to include other nonprofits organizations which occupy buildings and own property. This fact has engendered resentment among some town governments and, to be honest, among some legislators who feel their districts and communities have been beset by nonprofits, exacerbating their town's financial difficulties.

While we have strongly protested attempts by towns and cities to tax nonprofit organizations, we understand the situation facing our towns and cities. As nonprofits, we cannot succeed unless our towns and cities succeed.

Nonprofits are good neighbors and contribute to the state's economy and quality of Connecticut life. The mission of nonprofits is to improve the health and well-being of our local communities and serve the public good.

This legislation proposes to mitigate the tax revenue loss borne by municipalities that have property owned by other nonprofit organizations besides hospitals and colleges. The State, municipalities, and the nonprofit community are partners in delivering vital programs & services to our citizens. We all share a common goal to strengthen our communities and we must work together to ensure that nonprofit providers and municipalities are adequately compensated