



CONNECTICUT
ASSOCIATION
of NONPROFITS

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

Testimony by Ron Cretaro, Executive Director,
Connecticut Association of Nonprofits

HB 6558 An Act Concerning Imposition of Service Fees by Municipalities

On behalf of the Board of Directors of Connecticut Association of Nonprofits, I am submitting comment on **HB 6558 An Act Concerning the Imposition of Service Fees by Municipalities**. This bill empowers municipalities to levy service fees for police and fire protection and trash removal on property exempted from property taxes pursuant to various subdivisions of section 12-81 of the general statutes. The fees imposed are to be uniform and based upon the square footage of such property. This change would adversely impact property used for a wide range of a charitable purposes.

The 530 organizations represented by Connecticut Nonprofits are acutely feeling the current economic downturn and crisis. Many face deficits of their own. They have instituted program cutbacks or layoffs, left positions vacant or eliminated positions, deferred maintenance and capital improvements, imposed higher deductibles and co-pays on employee health insurance, and delayed or refused admission for new clients. If the nonprofit is state funded, it will not likely receive any additional increase in its state contracts for three consecutive years. Investments & endowments have lost value and fundraising has become even more challenging. New fees imposed locally would only exacerbate an already impossible financial situation.

This legislation undermines the longstanding policy and principle of tax exemption of nonprofit charitable organizations in our country and state. Tax exemptions afforded nonprofits come about in recognition of the long-standing tradition that such entities serve the public good by enhancing health, education and the general welfare of the state's citizenry. The bill fails to recognize the existing payments made in Connecticut to towns through Payments In Lieu of Taxes (PILOT) for some tax exempt property. Our state association – Connecticut Association of Nonprofits - has for years advocated an expansion of this program to towns and cities for other nonprofits. We feel that is the direction to which we should aspire.

Nonprofits have been good neighbors and contribute to the well-being of their respective communities. Their engagement in their respective communities makes them an integral part of the local economy. They are true community partners who utilize their resources to strengthen and enhance their host town/city in which they play an important role.

We ask that the Finance Committee forgo such an imposition which jeopardizes the success of nonprofits struggling to fulfill their mission to our communities and the State of Connecticut.

Sincerely,

Ron Cretaro
Executive Director