

***TESTIMONY PRESENTED TO THE
FINANCE, REVENUE AND BONDING COMMITTEE
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Testimony Regarding Senate Bill No. 945

AN ACT CONCERNING THE TAX EXEMPT STATUS OF CERTAIN HOSPITAL FACILITIES

Senator Fonfara, Representative Berger and members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony on Governor's Bill No. 945, An Act Concerning The Tax Exempt Status Of Certain Hospital Facilities.

This bill, proposed by the Governor, would provide that only non-profit hospitals which operate in the same location as emergency departments or federally qualified health centers would be property-tax exempt and thus eligible for reimbursement under the Payment-In-Lieu-Of-Taxes program for private colleges and hospitals.

In recent years hospitals have been expanding beyond their traditional campuses to suburban and other locations by acquiring what had been private practices - practices that had previously paid property taxes - and launching new facilities to offer outpatient care. It should not be the intention of the property tax exemption or the PILOT program to continually remove non-acute care medical property from local tax rolls and impose costs for reimbursement on state taxpayers.

Non-profit hospitals garnered \$664 million in revenue over expenses in FY 14. Allowing current practice to continue would serve the purpose of increasing that revenue at taxpayer expense, generally without adding to the available medical care in a community.

I urge you to favorably report this bill.