

Dear Members of the Finance, Revenue and Bonding Committee,

I am a Trustee of Steep Rock Association, Inc. I strongly oppose Section 1 of SB 1137 and Section 5 of SB 1138 both of which would require nonprofits, including land trusts, with "significant" savings accounts, endowments or pension funds to pay into a state "community development account" the equivalent of 25% property tax.

Steep Rock is an LTA accredited 5,000-acre land trust based in Washington, Connecticut that provides 40 miles of hiking trails to the public, protects nine miles of streams and watercourses, and delivers extensive community-engagement programming.

This proposal would divert critical resources from our land trust's ability to acquire and manage open spaces and other natural resources that benefit our quality of life and local economy. It would penalize our land trust for our efforts to set aside funds to help secure our organization's long-term viability and to care for our land trust's properties and easements in perpetuity pursuant to best management practices (The Land Trust Standards & Practices). This proposal would also undermine relationships with donors who want their donations to support land conservation and not a state tax.

Our operations receive **NO** Town funds and are funded almost exclusively by private donations from around 700 generous donors. A tax as contemplated by SB 1138 would definitely significantly reduce our ability to steward our lands and provide the quality of trails and public programming they expect. Paying such a tax would prevent us from being prepared for emergencies, such as lawsuits, mechanical or construction failures, or from periods of time when economic conditions reduce our income from the community.

This proposal would add a financial burden on our organization, threatening our ability to care for land entrusted to us for the benefit of future generations. We would also have to consider charging fees to the public to attempt to recoup some of the tax money.

Please vote **NO** on these proposals that would tax land trusts.

Sincerely,

Joseph J Hanggi Jr
Trustee
Steep Rock Association