

From: Gary J. Nielsen (gnielsen@eswct.com)

Sent: 2019/04/29

To: Sean Scanlon, Douglas McCrory, Jason Rojas, Devin Carney, Rick Lopes, Robert Sanchez, Russell Morin, Holly Cheeseman, Christopher Davis, Larry Butler, Emil Altobello, Hilda Santiago, Mary Mushinsky, Vincent Candelora, Roland Lemar, Alphonse Paolillo, John Fonfara, Kevin Witkos, George Logan, Marilyn Moore, Carlo Leone, Henri Martin, Joshua Elliott, David Yaccarino, Stephen Cassano, Laura Devlin, Chris Perone, Livvy Floren, Nicole Klarides-Ditria, John Frey, Jason Perillo, Joseph Gresko, David Rutigliano, Steven Stafstrom, Jack Hennessy, Brenda Kupchick, Terrie Wood, Patricia Billie Miller, Joseph Polletta, Julio Concepcion, James Maroney, Norman Needleman, Jason Doucette, Kerry Wood, Jill Barry, Stephen Meskers, Quentin Phipps, Leslee Hill

Subject: Strongly opposed to the 25% Property Tax on Nonprofits with Savings Accounts (S.B. 1137 & S.B. 1138)

Dear [recipient's salutation and name],

Good afternoon Senator Fonfara, Representative Rojas, Senator Witkos, Representative Davis and members of the Finance, Revenue and Bonding Committee.

Please accept this written testimony in strong opposition to Section 1 of S.B. 1137 AN ACT CONCERNING DEPOSITS IN LIEU OF TAXES and Section 5 of S.B. 1138, AN ACT CONCERNING COMMUNITY RESTORATION FUNDS, which would require nonprofits with a "significant" savings accounts, endowments or pension funds to pay into a state "community development account" the equivalent of 25% of the property tax "annual fee" the organization would pay if it were not exempt from property tax.

As the CFO/COO of Easter Seal Rehabilitation Center of Greater Waterbury, Inc. I believe this type of assessment on Not-for-Profit provider agencies will have a negative effect on agencies throughout Connecticut.

This proposed governmental legislation will serve only to create more holes within the "safety net" which is already stretched to its limit. Not-for-Profits provide for and serve daily, thousands of individuals in all Connecticut communities.

If approved, this legislation embodies overreach by the State of Connecticut into the savings and endowments that current and previous community supporters have worked so hard to raise and Agency Directors have set aside to provide for those served by the 501(c)(3) Not-for-Profit agency community.

Additionally, this proposed legislation potentially redistributes funds from the Cities and Towns from which it was raised, in order to fund proposed "Community Impact Zones". Throughout the year's we have always represented to our donors' (who live in the towns and cities that we serve) that their contributions will be used "by Easterseals" to assist individual's with disabilities within their communities. Easterseals, was legally established in 1958, (over 50 years ago) and determined by the Internal Revenue Service to be a lawfully established 501(c)(3) tax-exempt organization, whose donors, for more than fifty years have made charitable tax-deductible contributions to benefit those we serve daily. Never has our mission been to fund "Community Impact Zones" such as defined in S.B. 1137 and S.B. 1138. The potential "annual fee" imposition on Agency funds, goes completely against our donor's intentions. If donor's intended their donations to go to fund State determined "Community Impact Zones" they would not have contributed to an Agency such as Easterseals whose mission is to assist those with disabilities. They would have directed their personal donation elsewhere.

The funds that have been prudently invested over many years have been invested with the intent to be utilized to fund mission related services, programs, individuals, expansion of programs, capital asset replacement, and seed money to develop new programs. Agency's that have managed their budgets prudently, invested with the future in mind and have raised funds to "fund their particular mission" should not be subject to such "deposit in lieu of taxes" proposed legislation.

I urge you to take no action on this proposal.

Yours very truly,

Gary J. Nielsen, CPA
Easter Seal Rehabilitation Center of Greater Waterbury, Inc.
Chief Financial Officer
Chief Operating Officer

Sincerely,
Gary J. Nielsen
22 Tompkins Street, Waterbury, CT, 06708

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