

**Finance, Revenue and Bonding Committee
Public Hearing- Monday, April 29, 2019
Testimony With Regard to S.B 1137, An Act Concerning Deposits In Lieu Of Taxes.**

My name is Annie Scully and I am a Research Analyst with United Way of Connecticut. Thank you for the opportunity to provide testimony. I am here to testify in opposition to Section 1 of S.B. 1137, a proposal that would disregard the state constitutional language that exempts from property taxes the property owned by nonprofits for their charitable purposes by imposing a “fee” (tax) equal to 25 percent of what certain nonprofits would pay in property taxes if they were not exempt. Colleges/universities and hospitals owning property plus any nonprofit that “maintains a pension fund, endowment fund or other significant savings fund or account” and presumably that owns tax-exempt real estate would be subject to this fee. If imposed, this fee would divert critical resources away from the people in your communities who are served by Connecticut nonprofits.

Connecticut United Ways are committed to addressing the challenges faced by many hard working families and individuals. In partnership with schools, government agencies, businesses, community providers and other non-profit agencies, Connecticut United Ways work to meet the needs of Connecticut and its residents. Together with the state, we and the nonprofits we partner with and those we invest in are committed to advancing quality and affordable childcare as well as quality K-12 education and successful transitions into higher education and careers; good jobs; safe and affordable housing; good health and financial security for our Connecticut families.

The State’s non-profit partners seek to serve the people of Connecticut in the best way possible. Imposing municipal fees on non-profits will jeopardize our capacity to provide important services that help people struggling with substance abuse, enduring a housing crisis, unable to meet their basic needs, seeking early childhood supports for their young children and

much more. Reducing these services will ultimately threaten the wellbeing of many Connecticut families and the vitality of Connecticut communities.

Tax payers donate money to causes they believe in with the expectation that their donations will be used to provide services and accomplish the missions they support. Using generous donations to pay fees (or taxes) may deter individuals from making contributions and further threaten the ability of non-profits to provide valuable services to the people that need them most.

Please reject any proposal that could undermine our ability to provide important services to Connecticut and its residents. With already lean budgets, imposing fees on nonprofits will further stress limited financial resources and reduce services that are essential to people in our communities across Connecticut. Thank you for your attention to this important issue.