

From: Gary Steck (gsteck@wellmore.org)

Sent: 2019/04/26

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, James Maroney, Norman Needleman, Jason Doucette, Kerry Wood, Jill Barry, Stephen Meskers, Quentin Phipps, Leslee Hill

Subject: Oppose the 25% Property Tax on Nonprofits with Savings Accounts (S.B. 1137)

Dear [recipient's salutation and name],

Dear Members of the Joint Committee on Finance, Revenue and Bonding:

I am the chief executive officer of Wellmore, Inc., a Waterbury-based behavioral health provider. Wellmore has been recognized as a 501-c-3, charitable organization since 1951. Wellmore services over 11,000 clients each year, 80% of which live in poverty (it is 100% in some of our programs).

I am testifying in strong opposition to Section 1 of S.B. 1137, which would require nonprofits with savings accounts or endowments to pay a 25% tax on property currently exempt from taxes. Wellmore, typical of many tax exempt organizations across Connecticut, was established to address pressing public needs that impact the quality of life in our region. Our programs and services deliver many millions of dollars of free or subsidized care each year, a dramatic return on our tax exemption. As our clients are mostly poor, and there is no known plan for the Legislature to appropriate enhancement to the contracts for human services to off-set the cost of imposing 'fees' or taxes on non-profits, this bill (and others like it) jeopardize the health and wellness of our community. If this bill (or others like it such as HB 7408) are passed, it will directly result in service cuts and program closures at Wellmore. Plain and simple, your constituents will suffer if taxation of non-profits is enacted.

This proposal would take funds from services for children in crisis, people struggling with substance abuse or mental illness and other essential services that serve community needs.

Any tax a nonprofit is required to pay means fewer people will be served. Nonprofits provide services so government does not have to. Paying a tax to government takes away our ability to serve more people. This policy does not make sense, especially at a time when nonprofits are experiencing an increasing demand for services due to the opioid crisis, wait lists for residential services for people with disabilities, and more.

This proposal would also sabotage our relationship with individual and corporate donors who want their contributions to help people, not pay taxes. Nonprofits are already struggling to find and retain new donors.

I urge you to vote against S.B. 1137 and any other similar bill (such as HB7408) that diminish services for the mentally ill, those in crisis and those struggling with addiction by assigning taxes or fees to 501-c-3, non-profit charities.

Thank you for your consideration,

Sincerely,

Gary M. Steck, LMFT
Chief Executive Officer
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Sincerely,
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