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and
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April 29, 2019

Finance, Revenue and Bonding Committee
Connecticut General Assembly
Hartford, Connecticut

Dear Members of the Finance, Revenue and Bonding Committee,

This is to register my strongest possible opposition to Section 1 of SB 1137 and Section 5 of SB 1138, both of which I'm told would require nonprofits, including land trusts, to pay the equivalent of a 25% property tax into a state account.

I've been a proud and contributing Connecticut resident since 1965. In my later working years I was the 36th Superintendent of the U. S. Coast Guard Academy, 1997-2001, and President and Director of Mystic Seaport, the Museum of America and the Sea, 2001-2010. In those roles I was both a strong proponent of what I affectionately refer to as Connecticut's "Ocean Corner", and a summer citizen in the smallest Town of the state's "Quiet Corner". In retirement, I've volunteered with a number of 501.c.3 organizations, including as Board Chairman of the Coast Guard Academy Alumni Association, and as the President of the Union (CT) Conservation and Safety Association, and as one of the Friends of Harkness State Park. With residences in Union, New London, and Groton, I've become well-familiar with the many and diverse cultural, educational, economic and environmental values added by the nationally prominent colleges, universities, museums, and land trusts that Connecticut is fortunate to host.

Personally and family-wise, I've weathered the financial and emotional headwinds of steep rises in local property taxes, driven largely by unfunded mandates imposed by Hartford on the State's cities and towns. My two sons have gone and settled in better-governed states. I've bid goodbye to friends and neighbors—fellow retirees—who've reluctantly left their Connecticut grandchildren to go to Florida and other tax havens. I've seen Connecticut corporations' philanthropy wither and dry up in the face of the ever-increasing tax and fee burdens imposed on the state's dwindling cohort of businesses and manufacturers. I've seen my doctors close their practices in the wake of the State's predatory tax policies on the region's once peerless hospitals. But throughout, I have sustained a practice of donating upwards of ten percent of my net worth to deserving not-for-profits that—in their turn—do their best to make up for the inefficiencies and largesses of Connecticut's deeply flawed governing structures.

The tradition of philanthropy is something that sets the United States apart from the rest of the world. The opportunity for corporations and individuals to donate to deserving and impactful causes, such as conserving the open spaces and other natural resources that enhance both the quality of life today and the survival of it tomorrow, is a perishable commodity. For land trusts, for example, the hardest funds to raise are not those for *acquiring* priceless open spaces, but for *sustaining* them in perpetuity. One has only to see the deplorable conditions in many of Connecticut DEEP's underfunded, understaffed, and under-maintained State Parks to appreciate the countervailing merits of donor- and volunteer-supported 501.c.3's efforts to save what is left of Connecticut's rich natural outdoor resources. In this example, tapping donor-sourced funds for other than their intended purpose will consign thousands of rescued acres to levels of stewardship well short of their collective donors' intent. By taxing philanthropy, you won't kill it, but you will surely force it into exile from Connecticut.

Worse yet, in the general case of 501.c.3's with endowments, pension funds, and other "significant" savings accounts, the referenced Acts will quickly be seen by their prospective donors as a de-facto tax. Each dollar they might have been willing and able to donate will quickly be seen to have only seventy-five cents' worth of impact if sent to a Connecticut-based NFP. Donors will send their contributed moneys out of state, to causes whose impacts are not thus burdened. The endowments, pension funds, and savings accounts of Connecticut's not-for-profits will then be even harder to build and sustain than they already are. A slippery slope, and a death spiral dynamic that will be difficult or impossible to reverse.

I implore you: Have the courage--and the wisdom-- to vote an emphatic NO on these misguided proposals!

Sincerely,

Doug Teeson, Rear Admiral, U. S. Coast Guard (retired)