April 29, 2019

Dear Members of the Finance, Revenue and Bonding Committee,

I am a member of the Board of Trustees of the Old Lyme Land Trust. 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 to a 25% property tax.

The Old Lyme Land Trust, an all-volunteer non-profit corporation, is the largest landowner in the Town of Old Lyme. It maintains thirteen preserves which are free and open to the public and visited by people from all over the state for passive recreation. The Trust also owns many acres of marsh wetlands which provide important wildlife habitat and and storm protection.

I am much concerned about the impact of the proposal to assess the equivalent of a 25% property tax on the Trust. Thanks to the generosity of donors who specifically wanted their gifts to go to Trust’s land conservation efforts, Old Lyme Land Trust does have a modest endowment. These funds have been prudently managed to allow the Trust to purchase properties that might become available on the market years away. Like any responsible property owner, the Trust also maintains a source of funds for emergency expenditures such as maintenance and clearing of our preserves after hurricanes and other storms. These long-term resources could be very quickly depleted with an annual property tax assessment.

This proposal would penalize the Old Lyme Land Trust’s ability to acquire and manage open spaces that benefit the quality of life of southeastern Connecticut’s citizens. It would penalize the Trust for its efforts to set aside funds to secure the organization’s long-term viability and to care for the Trust’s properties and easements in perpetuity. It could force the Trust to break promises to past donors and severely undermine its relationship with potential donors who want their donations to support land conservation and not a state tax.

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

Sincerely,

Anne Galliher
Old Lyme Land Trust