



**Thames Valley Council
for Community Action, Inc.**

Deborah Monahan, Executive Director, TVCCA

testimony in opposition to

**S.B. No. 1137- An Act Concerning Deposits in Lieu of Taxes and
S.B. No. 1138- An Act Concerning Community Restoration Funds**

Distinguished Members of the Finance, Revenue and Bonding Committee. My name is Deborah Monahan and I am the Executive Director of the Thames Valley Council for Community Action, Inc. (TVCCA)

TVCCA has operated as a 501(c)3 organization for over 54 years in Southeastern Connecticut serving the most vulnerable citizens in that region. Our clients range from young children to the frail elderly depending upon the services that TVCCA offers to them on a daily basis.

I strongly oppose S.B. 1137 and urge this Committee to pause and further study the ramifications of what is being proposed in that bill and S. B. 1138.

Both of these proposed bills would require nonprofits with “significant” savings accounts, endowments or pension funds to pay into a state “community development account” the equivalent of 25% of the property tax the organization would pay if it were not exempt from property tax.

First of all, how does that work for an organization like TVCCA that serves 21 towns primarily and owns properties that are taxed at 100% of their property value with other properties that are exempt? So while we might be taxed 25% for one property would we be able to get credit for the property taxes we do pay? This is unclear in the bill as currently drafted.

Secondly, as a nonprofit that has operated efficiently and effectively for the past 54 plus years and has been able to contribute to a savings account, you now want to impose a tax on the organization? This is punitive and would divert funding away from the services in Southeastern Connecticut that depend on us.

This tax proposal has very serious consequences and puts the resources, utilized to create stability and operate our programs without interruption, at risk of decreasing and would jeopardize many programs we operate. These resources particularly stabilize many contracts/programs in which the State reimburses us for services. In fact, these devoted resources often save municipalities money by providing services to some of the most vulnerable residents.

What does that savings account do for TVCCA and those we serve? It ensures that our bills are paid in a timely manner to vendors who trust us and rely on our good payment

practices. It means our staff are never worried about getting paid every two weeks. It ensures that programs remain open and serving those who depend on our services when state contract payments are delayed or held up.

These two bills now want to tax that!!

I strongly urge you to reject the non-profit tax provisions in SB 1137 and SB1138. The legislature should instead focus on constructive ways for municipalities, non-profits and the state to work together. We need these resources to carry out our critical services that we provide to so many in Southeastern Connecticut.

Thank you for your time and consideration.