



Charter Oak Health Center

Finance, Revenue and Bonding Committee
Monday, April 29 at 11:30 a.m.

Public Hearing on:

S.B. 1137 AN ACT CONCERNING DEPOSITS IN LIEU OF TAXES
S.B. 1138 AN ACT CONCERNING COMMUNITY RESTORATION FUNDS

- Good afternoon Senator Fonfara, Representative Rojas, Senator Witkos, Representative Davis and members of the Finance, Revenue and Bonding Committee.
- **I strongly oppose Section 1 of S.B. 1137** AN ACT CONCERNING DEPOSITS IN LIEU OF TAXES and **Section 5 of S.B. 1138**, AN ACT CONCERNING COMMUNITY RESTORATION FUNDS, which would require nonprofits with a "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.
- This proposal would take funding away from Charter Oak Health Center. We are a private non-profit Federally Qualified Health Center with over 40 years of experience providing quality health care services to some of the Hartford area's lowest-income residents, including individuals experiencing homelessness and residents of public housing. Our main offices are located at 21 Grand Street in Hartford. Additionally, we operate satellite offices at 401 New Britain Avenue in Hartford 693 Bloomfield Avenue in Bloomfield, two School-Based Health Centers at Parkville Community School and A.I. Prince Technical High School, and five homeless shelters throughout Hartford. We provide primary medical, dental, and behavioral health care services to all individuals, regardless of ability to pay through these permanent facilities, as well as a mobile medical can dental van. Charter Oak's services are critical to improving health outcomes and overall community health status.
- This proposal would be a major change in state policy. **Section 1 of SB 1137 would divert funding away from community services, leaving the people that depend on them with nowhere to turn.**
- Requiring community nonprofits to pay a 25% tax on property currently exempted from taxes erodes the social compact between community nonprofits and government. Nonprofits have long been exempted from state, federal and local taxes for good reason: **we provide services so that government does not have to. If nonprofits are not there to address community needs that responsibility would fall to government, at a substantially higher cost.**



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- We have contracts with state government to provide community services. Requiring us to pay a 25% tax on property currently exempt means a portion of the money appropriated to us by the State would be used for a different purpose.
- **The proposal would jeopardize our relationships with individual, corporate and philanthropic donors** who want their donations to help people, not pay taxes. We are already struggling to find and retain new donors, and the proposal will only make those asks more difficult.
- After a decade of budget cuts, community nonprofits are barely surviving and our ability to serve people in need – your constituents – is at risk.
- Nonprofits exist for public benefit. Our mission is to promote healthy communities by providing quality, safe, patient-centered health care services in medically underserved areas, regardless of ability to pay. In exchange, we are exempt from property, income and sales tax and have access to tax-deductible contributions from individuals and corporations.
- **I urge you to take no action on this proposal.**

Respectfully,

Nichelle A. Mullins, Esq.
President & Chief Executive Officer