

**From:** Loraine Shea ([lshea@eswct.com](mailto:lshea@eswct.com))

**Sent:** 2019/04/29

**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, Julio Concepcion, 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 & S.B. 1138)

Dear [recipient's salutation and name],

Good afternoon Senator Fonfara, Representative Rojas, Senator Witkos, Representative Davis and members of the Finance, Revenue and Bonding Committee.

Please accept this written testimony in strong opposition to 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.

I am the President and CEO of Easterseals of Greater Waterbury with service locations throughout greater Waterbury, Meriden, Danbury and Norwich. Easterseals is a non-profit provider of a variety of disability services on which local communities and the State of Connecticut depend. Easterseals provides services such as Audiology/Hearing Services, Day and Employment Services for Intellectually and Disabled Adults, Outpatient Rehabilitation and Low Vision Services, Birth to Three Early Intervention Services and Inclusive School Readiness Programs. Easterseals currently employs approximately 250 full and part time employees.

These proposals would take funding away from the vital services we provide to over 4,000 community members per year in the local communities we serve. As a contracted private provider of State funded services, Easterseals and other organizations like us are unable to retain any earnings we may have to reinvest in our organization and employees. If Easterseals is charged additional fees or taxes; services, employee benefits, infrastructure improvements would all be impacted negatively.

After a decade of budget cuts, community nonprofits are barely surviving and our ability to serve people in need – your constituents – is at risk.

In addition to the payments received from State contracts, Easterseals depends greatly on grant funding, generous corporate and philanthropic donors who want to support the services provided and the people we impact. We are already struggling to find and retain new donors, and these proposals will only make those asks more difficult.

Any amount of savings dollars we may have are in reserve to pay for unexpected building improvements and repairs, investments in technology to keep us competitive and relevant, supplements to employee benefits and salaries that are typically not covered by governmental payers and any other unanticipated expense which is inevitable.

HB 1137 Section 1 (A) notes that these community development credit unions will be put in place to serve low income and moderate income people and communities that have limited access to affordable services. Please note that by virtue of our mission Easterseals primarily serves low and moderate income people and communities. Any further "taxing" of the organization would make this more and more difficult.

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.

Additionally these proposals erode 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.

I urge you to take no action on this proposal.

Yours very truly,

Loraine C. Shea, President/CEO Easterseals of Greater Waterbury.

Sincerely,  
Loraine Shea  
22 Tompkins Street Waterbury CT 06770, Waterbury, CT, 06708

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