

Testimony Supporting

H.B. 6013, An Act Concerning Property Tax Exemptions for Property Used for Charitable Purposes

Planning and Development Committee February 3, 2021

Good afternoon Senator Cassano, Representative McCarthy Vahey, Senator Champagne, Representative Zawistowski and distinguished members of the Planning & Development Committee. The Hartford Foundation for Public Giving is grateful for this opportunity to submit testimony in support of **support House Bill 6013, An Act Concerning Property Tax Exemptions for Property Used for Charitable Purposes, which would take a number of steps to ensuring that nonprofit charitable property tax exemptions are protected.**

The Hartford Foundation for Public Giving is the community foundation for the 29-town Greater Hartford region. Made possible by the gifts of generous individuals, families and organizations, the Foundation has awarded grants of more than \$800 million since its founding in 1925.

The Foundation is committed to working with our donors, nonprofits and community partners to ensure a vibrant and strong Greater Hartford region. The Foundation is very concerned that a growing number of municipalities are seeking to deny local nonprofit organizations property tax exemptions.

Charitable organizations are exempt from local property tax in Connecticut by CGS Section 12-81; Subsection (7) exempts the property owned by "a corporation organized exclusively for... charitable purposes."

Critical funding is diverted away from direct service provision to people in need when nonprofits, burdened by years of state budget cuts, are forced to choose between costly litigation and paying taxes on property that is exempt by state law. The reduction or elimination of these services would hurt local municipalities whose residents would have limited or no access to the supports they need. The COVID public health and economic crises have reinforced the need to support our nonprofit sector which has been vital in the effort to provide services to our most vulnerable residents.

The Foundation recognizes the serious fiscal challenges facing many of our municipalities and believes that property used for non-charitable purposes should be subject to local property taxes. Unfortunately, current efforts by some municipalities would subject nonprofits to expenses on property being used for services many of Connecticut residents rely upon and represent a significant threat to Connecticut's human services safety net. **For these reasons, we encourage you to support this legislation.**

Thank you for the opportunity to provide testimony. If you have any questions, please feel free to contact our staff at policy@hfp.org or 860-548-1888.

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