



# CAFCA

Connecticut Association  
for Community Action

## February 3, 2021 Public Hearing Testimony before the Connecticut General Assembly's Planning and Development Committee

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**David Morgan**

TEAM, Inc.

**Deborah Monahan**

Thames Valley Council  
for Community Action,  
Inc. (TVCCA)

### *In Support of*

## **House Bill 6103: An Act Concerning Property Tax Exemptions for Property Used for Charitable Purposes**

Distinguished Chairpersons, Vice-Chairpersons, Ranking Members, and Members, my name is Deb Polun, and I am the Executive Director for the Connecticut Association for Community Action (CAFCA), the state association that works with Connecticut's nine Community Action Agencies (CAAs), the state and federal designated antipoverty agencies serving nearly 200,000 low- and moderate-income people in all 169 cities and towns across the state.

I write to express our support for House Bill 6103, *An Act Concerning Property Tax Exemptions for Property Used for Charitable Purposes*.

CAAs connect their customers to essential programs and services like employment and training, housing and shelter, energy and heating assistance, early childhood care and education, and food and nutrition. Through a holistic, comprehensive, multigenerational approach, CAAs work with those in need to plan, achieve, and maintain a realistic path to economic self-sufficiency.

As you may know, property owned or leased by a nonprofit and used for charitable purposes is exempt from property taxes; but, recently, many municipal assessors have denied exemption applications. Funding for nonprofit organizations have not kept up with inflation. When they are forced to choose between costly litigation and paying taxes on property that is exempt by state law, critical funding is diverted away from the direct provision of services to people who need it most. Connecticut residents who – for any number of reasons, many times beyond their control – rely on community services, will have nowhere to go if funding is redirected away from direct care to taxes. These cuts also come at a time when the demand for services is increasing due to COVID-19 and other factors.

Nonprofits are explicitly exempt from federal, state and local taxes for good reason: they provide essential services to residents, so government doesn't have to. They exist for public benefit and must operate for specific charitable, educational, or religious purposes. The mission of nonprofits is to improve the

health and well-being of local communities, enhance the quality of life and serve the public good. In exchange, nonprofits are exempt from property, income, and sales tax, and have access to tax-deductible contributions from individuals and corporations. This social compact dates back more than 100 years.

In closing, I urge you to support H.B. 6103. Thank you for raising this important bill and for your time and consideration.