



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
APPROPRIATIONS COMMITTEE  
Friday, March 24, 2023**

**SB 1214, An Act Concerning Fully Funding Payments In  
Lieu Of Taxes To Municipalities**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 1214, An Act Concerning Fully Funding Payments In Lieu Of Taxes To Municipalities**. CHA supports the bill.

Connecticut hospitals continue to meet the challenges posed by the COVID-19 pandemic and are now facing new challenges of treating sicker patients than they saw before the pandemic, with a dedicated but smaller workforce who are exemplary but exhausted. They are also experiencing significant financial hardships brought on by record inflation. Through it all, hospitals have been steadfast, providing high-quality care for everyone who walks through their doors, regardless of ability to pay.

CHA supports the establishment of a task force to study the state's practice of making payments in lieu of taxes to municipalities. We believe that all payment in lieu of taxes programs should be fully funded, for the benefit of municipalities and taxpayers, but also for the not-for-profit institutions that are exempt from local property tax. Hospitals are particularly concerned about the payment in lieu of taxes program on the real property of private colleges, general hospitals, chronic disease hospitals, and certain urgent care facilities set forth in General Statutes at Sections 12-20a and 12-20b. We ask the committee to consider including a representative of at least one not-for-profit hospital as a member of the task force.

There exists a long-cherished historical tradition in the United States whereby governments have elected not to impose levies on providers of essential services of a religious, charitable, or educational nature. It has been a traditionally held value in our nation that government will not tax activities that fortify the health and welfare of its people, and state governments across the nation, including Connecticut, have included not-for-profit hospitals among this group of charitable providers.

This tradition has helped to maintain the economic viability of providers of essential services for the benefit of the people who rely on these services. In short, if hospitals did not exist, then people would look to the government to provide essential healthcare services.

State government cannot afford to assume the responsibility that people would demand of government in the absence of not-for-profit hospitals.

Connecticut's not-for-profit hospitals are keeping their promise to state and local government to meet the healthcare needs of residents by providing high quality healthcare, as well as an array of community benefits to enhance the quality of life in our cities and towns.

Connecticut hospitals and health systems are cornerstones of their communities, providing great jobs to more than 110,500 people, ensuring access to the very best care whenever its needed. The jobs provided by hospitals sustain Connecticut families. And every hospital job creates another job in the community, for a total of 229,492 jobs and a total payroll of \$18.9 billion. In total, Connecticut hospitals and health systems contribute \$35.2 billion to the state and local economies.<sup>1</sup>

Connecticut hospitals contribute to community well-being in many ways, by providing uncompensated, subsidized, and free health services, contributing to research, and supporting community health improvement and community building activities. In 2021, the value of these types of community contributions was approximately \$2.7 billion statewide.<sup>2</sup> The commitment of Connecticut hospitals to their communities has not wavered.

We hope the committee will consider including a representative of a not-for-profit hospital as a member of the task force.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.

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<sup>1</sup> Connecticut Hospitals Today, February, 2023, Connecticut Hospital Association, Link [here](#).

<sup>2</sup> Community Benefit Report, February, 2023, Connecticut Hospital Association, Link [here](#).