

I write to address draft legislation (<http://www.leg.state.vt.us/CommitteeDocs/Property%20Tax%20Exemptions/Review%20Draft%20Legislation/11-21-2013~Peter%20Griffin~Draft%20Language%20Based%20on%20H.53%20of%202000%20for%20Consideration%20by%20the%20Property%20Tax%20Exemption%20Study%20Committee%20at%20its%20December%202016,%202013%20Meeting.pdf>) being considered by the Property Tax Exemption Study Committee at its 12/16/13 meeting. I comment on behalf of the Upright Steeple Society, Ltd., a Vermont 501(c)(3) organization of local residents that has been working for five years to salvage and restore an 1829 Greek Revival church structure for use as a community meeting house. I have three comments.

1. The background information for this proposal seems to suggest that many tax exempt entities are not pulling their fair share and ought to be contributing something for services provided by state and local government. This concern ignores the real contribution many of the state's small nonprofits have made to the common good of our region. In our case, the Upright Steeple Society has spent nearly five years raising money, planning with our architect and advisors, negotiating with contractors, arranging for volunteer work, supervising renovations and otherwise working to preserve our historic building for use as a community facility. Without this work, the building was destined to eventually collapse. It would have become an eyesore and financial burden on our community. Working with the Preservation Trust of Vermont, we have seen there are many similar nonprofits engaged in meaningful projects that contribute significantly to their communities. Civic undertakings like this ought to be encouraged, not discouraged. In your effort to find new tax dollars, please don't throw out the baby with the bath water.

2. While it is true that such nonprofit projects benefit from certain municipal services (e.g. police & fire protection; roads), it is unfair to suggest that these projects unfairly benefit from state dollars spend on education. The education tax, of course, is the elephant in the room. These worthy projects are not getting a free ride on these services.

3. The proposed legislation will impose significant burdens on Vermont's small charities. As an alternative to the proposed application to and review by the Property Valuation & Review Director (and subsequent appeal process), please consider an automatic exemption to a Vermont nonprofit whose organizational documents limit its purpose exclusively to charitable, religious, educational or scientific purposes and which has been recognized by the Internal Revenue Service as a "public charity" under Section 501(c)(3). This process would assure there is a meaningful determination

made of the “charitable or public” nature of the organization, without causing the organization to expend additional resources to establish something they have already established with the IRS. You will not encourage these volunteer organizations to do their worthy projects if you needlessly impose duplicative administrative burdens on them.

Thank you for your consideration.

James C. Gallagher, President



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