



## TALKING POINTS

### **LD 565: An Act To Authorize Municipalities To Impose Service Charges on Tax-exempt Property Owned by Certain Nonprofit Organizations**

- LD 565 is an attack on nonprofit property owners and on the fundamental principle of nonprofit tax exemption. This bill would allow municipalities to impose new service charges on nonprofit property owners having property in a municipality with a total valuation in excess of \$1 million. This is only slightly different from the governor's budget proposal in that it increases the threshold \$500,000 to \$1 million.
- **Nonprofits earn their property tax exemption** by alleviating some of the burdens of government, and thus saving taxpayers money, and by improving our communities.
- **Nonprofits are already providing community benefit** and the imposition of taxes on these public-serving organizations merely shifts resources from one set of services to another. There is no net gain for the communities served.
- **Municipalities and nonprofits have a long history of collaboratively working together for the common benefit of their communities.** While we are sympathetic to the fiscal pressures faced by municipalities, especially service centers, in these tough economic times, after a decade of state & federal cuts to nonprofit programs, nonprofits cannot be looked to as the source for municipal or state bail-outs.
- The service charges allowed in LD 565 are not true service charges; they are more like taxes because it is impossible to calculate accurately the true cost of providing those services per user.

#### Primary Messages for individual nonprofits:

- LD 565 would impose new costs on our organization at a time when we cannot afford it.
- Here is how our organization benefits our community, earning our property tax exemption. [*Give specific examples of how your organization's work benefits the community. Examples that set you apart from for-profit entities in your community are critical.*]
- If LD 565 were to pass, we would be forced to reduce our services to the community, and potentially shift burdens back on local governments. [*If appropriate, please draw the conclusion that the loss of these services would result in increased costs for the municipality or state.*]