



Legislative & Rules Committee – Board of Representatives

Benjamin Lee, Chair

Elise Coleman, Vice Chair

Committee Report

Date: Tuesday, August 21, 2018

Time: 7:00 p.m.

Place: Democratic Caucus Room, 4th Floor Government Center, 888 Washington Boulevard, Stamford, CT

The Legislative & Rules Committee met as indicated above. In attendance were Chair Lee, Vice Chair Coleman and Committee Member Reps. Lion, Nabel, Pia and Zelinsky. Absent or excused were Committee Members Reps. Fedeli, Jacobson, and Miller. Also present were Kathryn Emmett and Barbara Coughlan, Law Department.

Chair Lee called the meeting to order at 7:03 p.m.

Item No.	Description	Committee Action
1. LR30.042	REVIEW; Public Act 18-49 , Opportunities Regarding Community Support Organizations and Possible Local Tax Benefits. 06/06/18 – Submitted by Mayor Martin and Rep. Lee 06/21/18 – Held by Committee 07/31/18 – Held by Committee, 8-0-0	Report Made

Chair Lee prefaced the discussion by explaining that this is a very complicated field of law.

Attorney Coughlan gave an overview of the Act and the Corporation Counsel legal opinion. Connecticut has passed an act to allow municipalities to approve a process in which taxpayers can make a donation to a Community Supporting Organization (CSO) and retain their residential tax deductibility. There are many unexplained things right now. The IRS will be issuing regulations on what the tax consequences will be. The enabling legislation the State has passed is not clear and straightforward. The first step is for a municipality to approve the concept and process. The second step is to figure out what the CSO will be, whether it's an organization already in place, or a new one to be developed. A possibility is that the Board of Representatives could agree on the first step (pass a resolution) and hold off on the second step until there is more information received.

The Committee, Director Emmett and Attorney Coughlan discussed the item:

- There is an October 1st deadline for the Board of Representatives to pass a resolution in support of this Act in order to participate this fiscal year
- CSO needs to meet two criteria – must be a 501c3 organization, and must exist solely to support municipal expenditures for public programs and services
- Taxpayers would have more of a voice over where their tax dollars go

- Would be beneficial for the Act to be viewed not just about tax deductions, but about charitable contributions
- Needs to be clarity over how the fiduciary responsibility of the CSO will be regulated
- It could be difficult to plan the City budget when it is not known how much money will be donated into a CSO
- It is still unknown what rules the IRS will be issuing

The Committee agreed that next month it will present to the full Board a resolution (to be proposed) to proceed this fiscal year with creating a CSO, details which will be resolved in the resolution.

Chair Lee adjourned the meeting at 8:03 p.m.

Respectfully submitted,

Benjamin Lee, Chair

This meeting is on [video](#).