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Testimony of Lawrence D. Rusconi  
Energy and Technology Committee  
February 28<sup>th</sup>, 2008  
Legislative Office Building

Honorable Committee Members, thank you for allowing me to address you. My name is Lawrence D. Rusconi; I am the Budget Director for the City of New Haven. I respectfully testify in support of HB 6204, "An Act Concerning Telecommunication Companies." This bill would treat the personal property of telecommunications companies in the same manner as that of other businesses' personal property.

Under the existing PILOT program, telecommunications companies are not required to report their asset listing to their respective Assessors as do all other businesses. This proposed legislation requires these companies to report a listing of their assets directly to municipalities by October 1st of each year. This would appear to cause no hardship to the companies involved since they need to gather this information to fulfill the current reporting requirement to the Commissioner of Revenue Services and the Secretary of the Office of Policy and Management annually. However, it is my understanding telecommunication companies only provide the state a "bottom-line net value," without any detail. It would greatly assist municipalities in projecting revenues by helping to prepare for the unanticipated and wide fluctuations in revenue.

Under the current PILOT program the majority of their equipment is fully depreciated after 5 years. In my opinion all active personal property has a residual value regardless of age. All other businesses are subject to a residual depreciation based upon the Assessor's determination of value. I believe a residual depreciation must be applied to the personal property owned by telecommunication companies who report their assets to the Commissioner of Revenue Services and the Secretary of the Office of Policy and Management in accordance with Connecticut General Statute 12-80a. Incorporating this change for the telecommunication companies would ensure greater equity in valuation methodology among all business taxpayers, regardless of where they file, with the local municipality or the State of Connecticut. The financial impact of the additional revenue generated from this legislative change is critical in light of the current shifting of the tax burden to residential taxpayers as a result of current

property revaluations. The City of New Haven's Residential Grand List is approximately greater than 60% of the entire Grand List; including personal property and motor vehicle.

In addition, at present we have no authority to audit the companies who file under Statute 12-80a. The proposed bill allows municipalities to audit the personal property filings of these telecommunications companies. This is essential to provide the same check and balance system that is in place for every other business taxpayer in the community. Considering the size of these PILOT payments, it makes sense to authorize municipalities to verify the accuracy of the information reported and ensure all taxpayers, business and residential, are being treated fairly and equitably.