



TESTIMONY

of the

CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

COMMITTEE ON ENERGY AND TECHNOLOGY

February 28, 2008

The Connecticut Conference of Municipalities appreciates the opportunity to testify on the following bill of concern to towns and cities:

**H.B. 5599, "An Act Concerning Telecommunications Company Property"**

The bill would treat the personal property of telecommunication properties in a manner similar to all other business personal property by:

1. Giving municipalities the information they need to plan for fluctuations in the PILOT funds by **requiring telecommunications companies to report their inventory of personal property by October 1<sup>st</sup>** of each year; and
2. **Allowing municipalities to audit the personal property declarations** sent to the State by the telecommunications companies.

Telecommunications companies have a unique option in Connecticut to have their personal property assessed and collected by the State. Statutes provide that if they exercise that option they pay property tax according to a statewide mill rate of 47, rather than the mill rate of the community in which the property is actually located.

REPORTING OF INVENTORY BY OCTOBER 1<sup>ST</sup>

At present municipalities are victims of great fluctuations in the amounts of revenue they receive for telecommunications equipment because **equipment goes off and on the reports to the State without the towns being aware of it until late in the budget process** - municipalities do not receive the information until February.

The requirement for reporting inventory to the municipalities would add predictability - at virtually no cost to the companies. The legislation should be clear that what municipalities receive would be the same type of information they receive from all other personal property filers - not merely the aggregated information given to the State.

#### AUDITS OF THE PERSONAL PROPERTY FILINGS

C.G.S. §12-53-55 (among others) grants municipalities the right to review and change the personal property declarations, or lack thereof, of all taxpayers. However, neither of the state agencies charged with assessing and collecting the personal property taxes of telecommunications companies, OPM or DRS, audit the personal property declarations that telecommunications companies are required to submit to them. Currently, nobody audits them.

Without the possibility of an audit, telecommunications companies are not held accountable - as all other taxpayers are -- for the proper reporting of their property holdings. Because municipalities rely on this revenue, they should be allowed to perform audits of these declarations, just as they do for all other taxpayers.

If the General Assembly and industry find that these steps are unacceptable, then we urge you to repeal the law altogether and treat these companies like everybody else -- taxed by municipalities at each municipality's individual mill rate.

We urge you to **favorably report** this bill.

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If you have any questions, please call Gian-Carl Casa or Mike Johnson of CCM, at (203) 498-3000.