



TESTIMONY

of the

CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

PLANNING & DEVELOPMENT COMMITTEE

March 3, 2008

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

R.B. 5712, "An Act Concerning Grants to Towns Where Correctional Facilities Are Located and Payments in Lieu of Taxes for Public Housing"

CCM supports Section 1 of the bill, which would provide additional funds to municipalities that host prisons.

CCM understands the intent behind Section 2. However, the way the General Assembly can ensure that rent rates do not rise is to E-Cert a bill to restore DECD PILOT and tax abatement funds.

CCM urges the Committee to amend the bill to fund the Department of Economic and Community Development (DECD) for the payments-in-lieu-of-taxes (PILOT) program for state public housing (\$2.2 million per year) and the Tax Abatement Grants program for non-profit and low- and moderate-income housing (\$1.7 million per year) to municipalities.

The public housing PILOT reimburses towns for not collecting taxes from state public housing entities. If the PILOT program is not funded, however, towns may be forced to impose property taxes on the housing authority to make up for lost revenue, which will result in an increase in the "base" rent, which is paid only by the poorest tenants living in the development.

CCM urges the committee to restore funding to the Department of Economic and Community Development (DECD) for the payments-in-lieu-of-taxes (PILOT) program for state public housing (\$2.2 million per year) and the Tax Abatement Grants program for non-profit and low- and moderate-income housing (\$1.7 million per year) to municipalities.

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If you have any questions, please call Ron Thomas, CCM's Manager of State and Federal Relations, or Gian-Carl Casa, CCM Director of Legislative Services, at (203) 498-3000.