

**Testimony of John DeStefano Jr., Mayor
City of New Haven**

**Connecticut General Assembly
Public Health Committee
Public Hearing
March 10, 2008**

As Mayor of the City of New Haven, I strongly support HB 5807 AN ACT INCREASING GRANTS TO MUNICIPALITIES FOR COLLEGES AND HOSPITALS THAT ARE EXEMPT FROM PROPERTY TAXES. The bill requires the state to fully fund its statutory obligation to reimburse municipalities for 77% of the tax revenue the municipality would have collected if the property were taxable. This legislation would provide much needed relief to the property tax payers in New Haven.

As with all localities in Connecticut, the City of New Haven relies on local property taxes to fund the majority of its annual budget. However, unlike most municipalities, 30% of our grand list is comprised of tax exempt college or hospital property. The presence of colleges and hospitals in New Haven does benefit the City; these institutions provide jobs, economic activity and add cultural value. These institutions also provide a similar benefit to the state and the region. It is important for these institutions to continue to grow and to thrive. However, the location of these institutions in our City also serves as a major burden on our tax payers.

Each year the City has seen the actual reimbursement rate for College and Hospital PILOT decline. As you can see from the attached chart, actual reimbursement the City received last year was only 58% and as currently budgeted, the City of New Haven's expects its reimbursement percentage will be only 56% this year. As the percentage of reimbursement continues to decline, the burden on our other tax payers

continues to increase. Our tax payers have seen their tax bills nearly double in the past five years. This is due to a combination of increasing health care, pension, utility and other costs beyond the control of the city government combined with a decrease in the College and Hospital PILOT reimbursement rate. Therefore, the City of New Haven strongly urges the passage of HB 5807. Thank you.

Program	Appropriation / Expenditure*	New Haven PILOT Grand List	Mill Rate	New Haven Tax Revenue Lost Through Exemption	Statutory Reimbursement (77%)	Actual Reimbursement	Percent of Total	Percent Reimbursement / Last Tax Revenue	Less (Target - Actual Reimbursement)	Taxes not Reimbursed by PILOT
	97,163,154	1,047,938,897	34.95	36,625,464	28,201,808	27,300,628	28.70%	74.54%	900,980	9,324,836
	100,931,737	1,142,487,425	34.95	39,929,936	30,746,050	29,180,195	28.91%	73.05%	1,565,916	10,749,801
	100,931,737	1,189,596,926	34.95	41,925,913	32,282,953	29,192,552	28.92%	69.63%	3,090,401	12,733,361
	100,931,737	1,382,654,595	36.78	50,854,036	39,157,608	32,677,692	32.38%	64.26%	6,479,915	18,176,344
	105,931,737	1,430,051,856	38.53	55,099,898	42,426,921	33,558,075	31.68%	60.90%	8,868,846	21,541,823
	111,231,737	1,431,785,047	39.53	56,997,277	43,579,903	34,518,127	31.03%	60.99%	9,061,778	22,079,150
	120,689,094	1,485,501,514	42.53	61,902,479	47,664,909	37,897,139	31.40%	61.22%	9,767,770	24,005,340
	122,430,256	1,475,678,456	44.85	66,184,179	50,961,818	39,696,653	31.61%	58.47%	12,265,165	27,487,526
	122,430,256	1,558,845,977	42.21	65,798,899	50,665,144	37,159,953	30.34%	58.44%	13,525,191	28,656,936

*01 & '02 From Budget Appropriations, '03-'07 From OPM¹, '08-'09 From OPM²
¹ <http://www.ct.gov/opm/ib/opm/ib/grants/default.asp>
² http://www.ct.gov/opm/ib/opm/ib/grants/est/nov_2007_estimate_update.xls

College and Hospital PILOT

