CONNECTICUT CONFERENCE OF MUNICIPALITIES

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THE VOICE OF LOCAL GOVERNMENT

TESTIMONY

of the

CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

SELECT COMMITTEE ON AGING

February 19, 2009

CCM is Connecticut's statewide association of towns and cities and the voice of local governments - your partners in governing Connecticut. Our members represent over 93% of Connecticut's population.

CCM appreciates the opportunity to submit testimony on Committee House Bill 5676, "An Act Concerning State Payment of Senior Property Taxes."

CCM is cognizant of the intent behind this proposal – to provide much-needed property tax relief to elderly and disabled residents in communities – and appreciates the committee's efforts to provide reimbursements to municipalities for the loss in local revenue as a result of the program. However in a time when local officials are struggling to keep town and city budgets whole, and the state has a huge budget gap, CCM is wary about any proposals that would decrease the property tax revenue to a municipality without the assurance of getting it back.

This proposal attempts to address – the need for property tax relief. CCM has long been a proponent of meaningful property tax relief.

The property tax is an overly burdensome tax that municipalities must impose because it is the primary revenue source - - the only way for them to pay for local services. The elderly are among the hardest hit by the property tax because of their fixed incomes.

Overreliance on the property tax to finance local public services, particularly K-12 public education, is the root cause of many of the public policy challenges facing Connecticut.

The antiquated and inequitable property tax system continues to cause numerous problems, particularly in the current climate, including the fiscal distress and decline not only of our cities but also of our towns.

CCM supports proposals that provide relief to some of our most vulnerable citizens – yet impose no additional costs on struggling communities. While this bill provides for reimbursement of lost property tax revenue to municipalities by the State, in the context of this year's budget difficulties CCM remains wary that full reimbursement will not be upheld. Unless it can be guaranteed, we urge no action on this bill.

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If you have any questions, please contact Donna Hamzy, Legislative Analyst
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