



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY SUBMITTED TO THE
PLANNING AND DEVELOPMENT COMMITTEE
March 1, 2010

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Intergovernmental Policy Division
Office of Policy and Management

IN OPPOSITION TO PROPOSED HOUSE BILL 5151
AN ACT CONCERNING GRANTS IN LIEU OF TAXES ON LAND TAKEN INTO TRUST FOR THE
MASHANTUCKET PEQUOT TRIBAL NATION AND THE MOHEGAN TRIBE

Senator Coleman, Representative Sharkey and distinguished members of the Planning and Development Committee, thank you for the opportunity to submit written testimony in opposition to Proposed House Bill No. 5151.

This proposed bill would amend §12-19a to provide that land taken into trust by the federal government for the Mashantucket Pequot Tribal Nation earlier than June 8, 1999 would be eligible for a Payment-In-Lieu of Taxes (PILOT). The proposed bill would also expand PILOT eligibility to any land taken into trust by the federal government for the Mohegan Tribe. Lastly, it would require annual valuations of all such tribal land for PILOT purposes.

Unless there is an increase in PILOT funding, expanding eligibility for tribal lands will result in PILOT reductions to all but the municipalities in which these lands are located. This is due to the fact that there is a proportionate reduction in reimbursements to the amount of the appropriation in any year in which funding is insufficient. As you know, the Governor's recommended mid term budget adjustment for the biennium does not include appropriation increases for the PILOT program under §12-19a.

The PILOT calculation for Mashantucket Pequot and Mohegan tribal lands is determined on the basis of 100% of the tax loss that municipalities sustain as a result of the location of these lands. A calculation based on the full amount of the tax loss for tribal lands already results in a PILOT calculation that is substantially greater than the tax loss calculations applicable to the vast majority of all other PILOT-eligible real property.

Also, the provision in §12-62 that provides a revaluation exemption for any real property the federal government takes into trust for the Mashantucket Pequot Tribal Nation or the Mohegan Tribe, became effective in 2000. Officials of the town of Montville requested this statutory exemption due to the fact that Mashantucket Pequot tribal leaders would not allow the town's assessor or a revaluation company representative to enter tribal lands for the purpose of valuing the property. While Proposed Bill No. 5151 does not specify who would be responsible for annually valuing tribal lands, it would be difficult (if not impossible) for anyone to do so without viewing the property in question.

Although Proposed Bill No. 5151 appears to be well-intentioned, OPM must oppose it for the reasons stated above.