



**Department Of Finance
Office Of The Assessor**

March 7, 2011

To: Senator Daily and Representative Widlitz

From: Melinda Fonda Assessor, Town of Stratford

RE: House Bill 6388

My name is Melinda Fonda and I am the Assessor for the Town Of Stratford. I come before you today to talk about the importance of the Manufacturing Machinery and equipment exemption. As you know, in 2006 legislation was changed to permanently exempt this equipment.

The Town of Stratford is a community that was built around the manufacturing industry. Today Stratford is home to over 80 manufacturers including Sikorsky Aircraft Corporation who employs 7,421 people. In 2009 it came to my attention that many of the manufacturers were not receiving the full tax exemption they were entitled to, so I began working with my manufacturers to help them understand the program and to make sure they were getting the appropriate exemption.

In the fall of 2010 I contacted each of the manufacturers to tell them I wanted to help them, as it is evident that this is an industry that has created the foundation for which this town was founded upon. We set up times to review their financial statements and conduct a full inspection of their machinery and equipment. These inspections were very informative, providing me with a wealth of knowledge pertaining to the equipment each company was using, the products they make, and most importantly the current condition of their business. I had at this time come to truly understand the purpose for and importance of this piece of legislation and its efforts to preserve manufacturing in Connecticut as well as to try to attract new manufacturers. If these businesses have to pay the full tax load on their equipment they may have to subsequently furlough, reduce manpower or as we have already seen, move their facilities to other states or countries.

I revealed during my inspections that many of these businesses rely on each other to help complete a product. For example, I have a company that manufactures specialized computer components. A neighboring company creates the metal shell that holds the item and another neighbor paints the product. If one of these companies were to close their doors it would impact the others substantially.

If the State of Connecticut fails to reimburse towns or reduces the funds planned on, it will cripple the economic development throughout the state. The 81 manufacturers in Stratford occupy 4,345,361 square feet of industrial buildings and employ approximately 9,946 people. If businesses are forced to reduce staff, move or close, industrial towns like Stratford will become depressed and unaffordable to live in.



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In fiscal year 2011 the Town of Stratford submitted for reimbursement of \$3.8 million dollars for the program. Due to the states budget situation, Stratford only received \$2.8 million, contributing to the town's current financial deficit. Now planning our budget for fiscal year 2012, the manufacturing exemption increases to 100%, thus amplifying the reimbursement for Stratford to \$5.2 million. If the town is not reimbursed they will be forced to increase the mill rate, therefore magnifying the tax burden on these already struggling businesses in addition to homeowners.

I am asking as one of the many voices advocating for our hardworking businesses and property owners of Stratford and Connecticut as a whole, for you to revisit the funding of the manufacturing exemption.

Thank you for your time.