

TOWN OF NEW MILFORD



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TESTIMONY ON HB 6388 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS CONCERNING THE OFFICE OF POLICY AND MANAGEMENT

Thank you for allowing me to submit testimony on behalf of the Town of New Milford with regard to HB 6388 and its proposed funding elimination for towns and cities across Connecticut. This well-intentioned program has been hurting towns and cities for a number of years, primarily from reductions in the reimbursement rate and also from the enactment of a prorate clause in the event that an insufficient amount of funding was appropriated. The prorate factor has made it virtually impossible for finance directors to accurately calculate a revenue stream as they put their budgets together. In addition, the more the program is utilized by the community, the greater the exposure to large revenue swings with no relief for the lost tax dollars.

HB 6388 now threatens to eliminate the reimbursement all together, yet requires the property to be exempt from local taxes. I understand that municipalities may have access to other revenues that some feel will offset this tax loss, but those revenues would be very subjective. In my opinion, the conveyance of property and the level of retail sales cannot be accurately projected in any year with a level of confidence needed when putting together a municipal budget.

I ask that you give careful consideration to the negative impacts of this proposal. If the State of Connecticut is unable or unwilling to fully reimburse municipalities for all lost revenues, please consider allowing municipalities to tax the property within their borders as was the practice before this PILOT program was enacted.

Additionally, please realize that New Milford and a number of other municipalities have been greatly affected by these large revenue losses, not just a few cities and towns with large corporations in their communities. The State asked municipalities to be a partner to this program when originally enacted and now municipalities are being punished for doing so. If this proposal is approved, why would any municipality want to attract manufacturing business rather than big box retail? That would seem to contradict why the program was instituted in the first place.

Thank you for giving consideration to these thoughts. I would be happy to provide additional information or answer any questions.