

CONNECTICUT MARINE TRADES ASSOCIATION

20 Plains Road
Essex, CT 06475-1501

(860) 767-2645 • Fax (860) 767-3559 • e-mail cmta@snet.net

March 7, 2011

Finance Committee
Legislative Office Building
Hartford, CT 06106

Re: **G.B. 6387 AN ACT CONCERNING PERSONAL PROPERTY EXEMPTIONS**

Chairmen Daily and Widlitz;

Distinguished Chairmen and Members of the Finance, Revenue, and Bonding Committee, the Connecticut Marine Trades Association (CMTA) and our membership urge you to not support **G.B. 6387 AN ACT CONCERNING PERSONAL PROPERTY EXEMPTIONS**. This bill would allow municipalities to impose personal property tax on vessels in the towns that the owners reside. This is an unwarranted tax increase that does nothing to address the budget of the State of Connecticut and only increases the cost of boating, already too excessive.

This bill is a handout to towns that have no obligation to provide any services to the vessels taxed or to the owners. In most cases the vessels may not ever be located within the towns that they are taxed in. The owner should have the option of stating a tax town, either his residence or the town where the vessel is principally operated. The budget initiative indicated that the property tax would be at the rate of 20 mills yet nowhere in this bill is the rate referenced or capped. If a town has a lower rate than 20 mills, any additional property allowed to be taxed should not be subject to a higher rate.

The bill does not address the existing annual registration fee schedule, one of the highest in the country. Based upon the length of a vessel the annual fee range is from \$7.50 for less than 12 feet up to \$525.00 for 65 feet and over. Many states where property tax is assessed have rates of \$20-50 for a two year registration, saving the state on bookkeeping and mailing costs. The registration fee must be reduced if property tax is allowed to be imposed.

Boating is great family recreation and with the rich nautical heritage Connecticut enjoys, many of the residents enjoy the sport. This industry employs up to 10,000 when the economy allows, to maintain and service the 110,000 registered vessels in our state. The poor economy, skyrocketing fuel prices, and the sales tax increases indicated in some parallel bills are creating significant damage to this industry. Adding the burden of property tax will only damage it further without addressing the state's budget issues. We urge you to not support **G.B. 6387 AN ACT CONCERNING PERSONAL PROPERTY EXEMPTIONS**. This is the time in the present economy to ease the costs and burdens on businesses, not increase them. We would be pleased to discuss this at any time. Thank you for your time and consideration.

Sincerely,

John S. Johnson
Legislative Chair

Grant W. Westerson
President