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Testimony of Representative Tom Reynolds
HB 5784, An Act Concerning Grants in Lieu of Taxes on Land Taken Into Trust for the
Mashantucket Pequot Tribal Nation and The Mohegan Tribe
Planning and Development Committee
March 2, 2011

Senator Cassano, Representative Gentile, and fellow members of the Planning and Development Committee, I am pleased to submit testimony in support of HB 5784, An Act Concerning Grants in Lieu of Taxes on Land Taken into Trust for the Mashantucket Pequot Tribal Nation and The Mohegan Tribe.

Connecticut has benefited handsomely as a result of the two casinos. The state has received over \$1 billion in revenue. Hundreds of millions have been shared with Connecticut's 169 towns. The casinos buy millions in goods and services from hundreds of companies across the state. The casinos employ thousands of state residents living in dozens of towns.

The benefits of the casinos are shared by 169 towns, yet the costs and responsibilities of hosting the casinos fall disproportionately to two small towns, Ledyard and Montville. The multi-billion developments have imposed profound impacts on these communities—impacts not controlled or managed by local land use commissions or mitigated by a corresponding swelling of the grand list which accompanies major developments in other towns.

Impacts include, but are not limited to, dramatic increases in traffic, accelerated deterioration of roads, tax base erosion (Ledyard has lost about 6% of its land to the reservation and millions in tax revenue with additional lands continuing to convert to tax-exempt status), growth in police departments to address public safety issues, increased demand on volunteer emergency services, uncollected local taxes, and so on. Ledyard also freely provides education and municipal services to tribal members living on the reservation, although the homes on the reservations are exempt from property taxes.

I will be the first to acknowledge that we elected officials do not speak often enough of the positive contributions the tribes and the casinos have made to the region and state. I also want to acknowledge efforts by the tribes to ensure that there is equity and fairness in the manner in which the Pequot-Mohegan Fund is distributed. I am very proud of the relationships I have with the tribes.

Current law already makes Ledyard PILOT-eligible for trust land that was taken off the tax rolls on or after June of 1999 for the Mashantucket Pequots. However, this excludes most of the Pequot's tribal land and excludes all Mohegan trust land in Montville. Existing law has done little to assist towns who have lost considerable percentages of their total land base to tax-exempt entities (Ledyard has lost 10% of its entire tax base to the tribe), but these towns are still expected to provide municipal services on and near the reservations, including the education of hundreds of children.

There is considerable precedent for the application of the state PILOT program in this way. First, it already exists for Ledyard for a fraction of the trust land. Second, state PILOT is offered to towns hosting the U.S. Coast Guard Academy and the U.S. Veterans' Hospital.

I request that the bill include the following provisions, which are offered as a compromise to severely limit the impact on the overall PILOT grant:

- o 100% reimbursement
- o Use the assessed value of trust land only, excluding buildings and improvements. PILOT grants are typically calculated using the assessed value of buildings and improvements.
- o Adopt a five-year phase-in:

FY 2012	10%
FY 2013	35%
FY 2014	60%
FY 2015	85%
FY 2016	100%

This legislation is a creative way to assist towns in meeting their extraordinary financial obligations as casino host communities, while doing so in a way that does not require direct appropriations and does not have a significant impact on other towns.

Thank you.