



**Testimony of  
Bart Russell, Executive Director  
Connecticut Council of Small Towns  
Before the Planning & Development Committee  
March 21, 20110**

**RE: HB 6411 – AN ACT ESTABLISHING A TASK FORCE TO STUDY WAYS IN WHICH TO PROVIDE MUNICIPAL MANDATE RELIEF**

The Connecticut Council of Small Towns (COST) *supports the intent of HB 6411*, which would create a task force to study ways of providing much-needed mandate relief to municipalities.

Mandate relief is a top priority for COST and its member suburban and rural towns. Unfunded municipal mandates were a major focus of the legislative Blue Ribbon Commission on Municipal Opportunities and Regional Efficiencies (M.O.R.E.) during 2010. Numerous COST members served on the M.O.R.E. Commission and they made several mandate relief recommendations. Unfortunately these recommendations were not acted on and the M.O.R.E. Commission stopped meeting. HB 6411 would create a good vehicle for continuing these important public policy discussions.

We would urge the Committee to consider modifying HB 6411 to ensure that the Task Force has significant representation by legislators and municipal leaders. The Connecticut Advisory Commission on Intergovernmental Relations (ACIR), and the legislation which established it, would be a good model to look at in this regard. Significant state and local government representation on this the proposed task force would be essential to its effectiveness and success.

While we support the creation of a process to continue working on the issue of unfunded municipal mandates, COST believes action on these mandates is needed now. Connecticut's small towns and cities continue to face enormous pressure to hold the line on local budget and property tax increases, even while non-discretionary expenses such as municipal insurance and employee pensions and benefits are rising. While we recognize that the state is certainly not in a position to increase municipal aid, it can relieve some of the fiscal burdens municipalities face by addressing our long-standing concerns with unfunded mandates.

To this end, COST urges the legislature to take action now on the following mandate relief proposals:

- **Enacting a 2/3 Approval Requirement for Any Unfunded Mandate** - Requiring any new unfunded mandate to be approved by a 2/3 vote will bring more transparency to the process and highlight the cost of the proposed mandate to Connecticut's towns and cities and give lawmakers the opportunity to carefully weigh the fiscal impact before passing on another unfunded mandate to Connecticut taxpayers. A partnership must exist between each level of government and fiscal impact discussions must take place before mandate legislation is passed.

- **Minimum Budget Requirement (MBR)** - Authorize towns to reduce their minimum budget requirement to reflect cost-efficiencies that can be found in school budgets. . The current MBR mandate does not provide incentives to towns to find solutions that would reduce educational costs. Even where efficiencies can be found in school budgets to help reduce costs or where enrollment has declined, the state mandates that local education budgets cannot be reduced below FY 10 spending levels. Municipalities must have more flexibility under the Minimum Budget Requirement in FY 11-12.
- **New School Reform Mandates** - Repeal or delay implementation of sweeping and costly new local education mandates on local and regional school districts established under Public Act 10-111, unless these reforms are fully funded. Public Act 10-111 imposed a number of new requirements on municipalities in an effort to obtain federal Race to the Top funds. Unfortunately, Connecticut was not awarded any funds, leaving municipalities in the position of implementing a new unfunded mandate that the Office of Fiscal Analysis estimates to cost between \$12 and \$18 million. Absorbing these additional costs into school budgets is just not possible at this time.
- **Eliminate the five-year statistical revaluation mandate and replace it with an annual equalization process to be applied in years five through ten** - The state's statistical revaluation requirements have proven far more costly than anticipated. For many towns - especially those with a largely residential tax base - the high cost of periodic (non-physical) revaluations continues to be a major financial problem. Maintaining statistical revaluation requirements, particularly in towns where market shifts tend to be across the board, cannot be justified from a cost-benefit standpoint.
- **Posting Legal Notices on the Internet** - Towns are required to publish numerous legal notices in newspapers. Unfortunately, advertising prices have increased dramatically, placing a fiscal burden on Connecticut's small towns. In addition, many small town newspapers have gone out of business, requiring towns to publish notices in the more expensive metropolitan newspapers that may not be widely read by residents. Allowing towns with the staff and Internet capabilities to post such notices on their websites will help reduce this fiscal burden.
- **Municipal Employee Retirement Program** - Towns must begin to address pension and benefit costs which are driving up municipal budgets. Establishing a new municipal employee retirement program to establish benefits, costs and procedures to allow all member communities to provide retirement benefits to employees in a less expensive and more cost-effective manner is a welcome measure.
- **Electronic Government** - Allow Regional Planning Agencies to send notices electronically rather than by certified mail and explore other electronic options to reduce costs associated with the mailing of various notices, bills and reports.
- **Relieving towns from the cost and burden associated with storing the personal possessions of evicted tenants** - A 2006 report prepared by the Office of Legislative Research (OLR) indicates that "In the overwhelming majority of the 37 states that we researched, a landlord may dispose of personal property that a tenant leaves in dwelling units by selling it after first notifying the tenant of his intent and storing the property for a period prior to the sale." Under Connecticut law, however, the responsibility for storing the property is shifted to the municipality, which places a heavy financial burden on our towns and cities. The requirement that towns store an evicted tenant's possessions is extremely costly and burdensome, particularly at a time when

towns are struggling to provide residents with services without raising property taxes. There are an estimated 2,500 residential evictions per year. Storage costs average between \$10 and \$15 per day, per eviction, for an average of 15 days. This can range from approximately \$12,000 to \$165,000 per municipality.

- **Eliminating Treble Damages for Zoning Officers** - Allowing complainants to pursue treble damages against zoning officers exposes towns to significant liability costs and has a chilling effect on the ability of zoning officers to carry out their responsibilities. We support the removal of this provision.
- **Environmental Regulations** - Ensure that new DEP regulations and programs do not impose unfunded burdens on towns and cities to upgrade infrastructure; monitor and enforce compliance; or undermine local economic development efforts.
- **Binding Arbitration** - The big driver of local budgets is education – an area over which local government and citizens have little control. An increasingly unmanageable portion of the local education budget is teachers' salaries and benefits. Unfortunately, under the current binding arbitration mandate, towns have very few options with which to negotiate any savings. In these difficult economic times, current binding arbitration laws can no longer be justified. Meaningful binding arbitration reform is needed to reduce the financial and administrative burden on small towns and cities. To address this, **COST supports giving towns the right to reject arbitration awards by a 2/3 vote of a town's legislative body; ensuring that a town's fund balance is not considered in making binding arbitration awards and ensuring that arbitrators are AAA certified.**
- **Prevailing Wage** - The prevailing wage mandate results in significantly higher costs for local projects such as schools, ball fields and senior centers. Prior to 1991, legislators adjusted the prevailing wage threshold on a six-year schedule to ensure that smaller projects were exempt from the mandate. However, the thresholds (\$100,000 for renovations and \$400,000 for new construction) have not been adjusted for more than fifteen years. Failure to adjust the thresholds for prevailing wage projects to exempt smaller town projects has cost Connecticut towns millions of dollars. **COST advocates increasing the prevailing wage threshold to \$1 million for new construction and \$400,000 for renovations and indexing the threshold to annual inflation rates.**

Thank you for the opportunity to comment on mandate relief. COST looks forward to working with lawmakers to enact meaningful measures to help towns reduce costs and hold the line on property taxes.