

TESTIMONY FOR SB 130 AN ACT CONCERNING LAND VALUE TAXATION

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Member of the New London LVT Work Group

Good morning Chairs Cassano and Gentile and Planning & Development members

My name is Art Costa and I represent a group in New London who have been for several years working to make this enabling legislation a reality for Connecticut municipalities.

In 2009 Senator Looney provided the impetus with a similar bill. We and many others throughout the state endorsed the bill he crafted. It was then, as now, simple direct in allowing property tax be split so that land could begin to be taxed over improvement. It was an option for any municipality who so desired to work through the analysis and implementation.

What became of that bill was a Public Act which had only one municipality target, New London, and we could only plan to do a pilot. This was a wire for failure. There was no clear process in place by the state. And so when a committee was formed we were faced with an aggressive deadline just to complete a plan. We could not implement the plan without further General Assembly approval. And we could not get an extension when requested 3 times by the City Manager because there was no one in Hartford authorized to grant the request. The City of New London through our City Council passed and sent a letter requesting we be able to continue our planning work. This was a year ago and there has been no word back.

That said, we truly believe, as we did in 2009 that it is the option that is needed rather than a Public Act to study the issue. We do not need a Public Act to study something. We need the approval through a Public Act to, in good faith, move forward on the municipal level with our analysis, and based on that outcome, our implementation without further CGA approval.

Land value taxation (commonly referred to as LVT) is real property tax reform. We frequently hear concerns about the property tax and the dependency we have on a tax that punishes residents and businesses for improving their properties. LVT reduces, and can eliminate, that problem while assuring sufficient funds to operate our cities and towns. LVT is designed to shift tax away from capital investment, and allow our municipalities to develop and maintain properties without the punishment of taxing after investments have been made. It also has the benefit of helping to assure good land-use. We cannot afford to mismanage our land, particularly in urban centers, which are the necessary economic engines for our state. The record has been clear where this has been carefully implemented that it can and has worked to create what smart growth advocates have been pursuing around the country and here in Connecticut: dense, walk-able, bike-able, and livable environments that reduce our carbon emissions and allow our cities to develop and flourish.

Given our State's deficit we have an opportunity to help to, over time, unburden the State from the heavy cost of our cities through the careful implementation of a land value tax. While not a silver bullet, it has the promise, and evidence to be a very important arrow in our municipal quiver.

We do hope you will provide us with unanimous yea vote on this crucial bill. We can do it right this time. Thank you so much for your time today.