



CCM 2012 Testimony

900 CHAPEL STREET, 9th FLOOR, NEW HAVEN, CT 06510-2807 PHONE (203) 498-3000 FAX (203) 562-6314

PLANNING AND DEVELOPMENT COMMITTEE

March 9, 2012

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 90% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

H.B. 5405, "An Act Establishing A Statewide Mill Rate for the Taxation for Motor Vehicles and Amending the Definition of Antique, Rare or Special Interest Motor Vehicle"

This bill attempts to provide property tax relief to towns and cities by establishing a statewide mill rate for motor vehicles.

Overreliance on the property tax to finance local public services, particularly K-12 public education, is the root cause of many of the public policy challenges facing Connecticut. To paraphrase Mark Twain, "Everyone complains about the property tax system, but nobody does anything about it."

The antiquated and inequitable property tax system continues to cause numerous problems, including the fiscal distress and decline not only of our cities but also of our towns. It encourages the continued economic and racial segregation of our state. It often prevents municipalities from meeting the public service needs of their residents and businesses without levying a heavy local tax burden. It promotes bad land use decisions and contributes to costly and destructive sprawl.

Although CCM appreciates the intent behind this proposal, we are concerned that (1) the proposal requires revenue to go to the State to be doled out to municipalities, and (2) there will be winners and losers among municipalities due to a statewide uniform mill rate.

For those towns that have a mill rate higher than the state median, the State would reimburse for lost revenue for 5 years.

Please keep in mind: there have been times when the State has made revenue promises to towns that it did not keep. There must be some hard assurances that the money could not be tapped into when the State is in dire straits.

CCM appreciates the intent behind this proposal. However, with the struggling to balance its budget, how will the State reimburse towns and cities?



If you have any questions, please contact Jim Finley (jfinley@ccm-ct.org) or Ron Thomas (rthomas@ccm-ct.org) at