

Daniel V. Jerram
First Selectman



Town Hall
530 Main Street
Post Office Box 316
New Hartford, CT
06057

Honorable Members of the State of Connecticut
Finance, Revenue & Bonding Committee
Co-Chairman Senator John W. Fonfara &
Co-Chairman Representative Patricia M. Widlitz
Room 3700, Legislative Office Building
Hartford, CT 06106

March 4, 2013

Re: Impact of Governor's Budget Proposal on Municipalities

Dear Committee Members,

I write today to give testimony on the impact of SB-843, AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.

The Town of New Hartford and its 7,000 residents are in need of your help. We are a small town of modest means. Like many other areas in this great State of Connecticut, the economy remains poor, and far too many of our residents remain unemployed. Real estate values are down and foreclosures persist in our community. For the first time in many, many years, the total value of our "Grand List" has declined. There are truly fewer tax dollars this year than there were last year.

Collectively, our Board of Selectman and Board of Finance members continue to scour our local budgets for any possible savings in order to try to offset any increase in costs. As you're aware, these increases are frequently associated with providing a high quality education for our children. While we recognize that some increases in costs are inevitable, we believe that some elements of the Governor's proposed budget create an untenable situation for the people of the Town of New Hartford and will cause either a dramatic increase in taxes or a significant reduction in services, neither of which is acceptable.

One of the largest issues of concern within the Governor's proposed budget is the component that exempts motor vehicles with an assessed value of \$20,000 from the tax rolls. In New Hartford motor vehicle taxes account for \$54,897,786 of our assessed Grand List, or roughly 8% of our total taxable property. These vehicles currently raise roughly \$1,372,445 in tax dollars primarily used to subsidize the cost of education. By exempting any and all vehicles with assessments under \$20,000, roughly \$1,267,162 in tax revenue would be lost. Approval of this abatement will impose yet another unfunded mandate that will require towns to raise taxes on residential and commercial property owners to recover this lost revenue. This creates a huge financial burden on homeowners that are already paying far too much in taxes. I urge you all to oppose the legislation that eliminates the motor vehicle tax as the unintended consequences of this legislation are devastating to homeowners!

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A second issue of concern within the Governor's proposed budget is the elimination of the Public School Transportation Grant. Our Regionalized High School, Northwestern Regional #7, currently receives roughly \$97,188 in assistance through this grant. The elimination of this grant creates an unfair burden for the people of the Town of New Hartford and our regionalized school partners in Barkhamsted, Colebrook and Norfolk. The education of our children is one of our highest priorities and I strongly urge our elected leaders to oppose the elimination of the Public School Transportation Grant that helps communities fund this worthy endeavor! I urge you all to oppose the legislation that eliminates this grant as; once again, the unintended consequences of this legislation are devastating to homeowners!

Lastly, on behalf of the people of the Town of New Hartford, I respectfully request that all our State Legislators use common sense and fiscal restraint where possible when considering this new budget proposal. Now more than ever, tax dollars are harder and harder to find, and residents throughout our great state are struggling. I ask that you consider the state budget, much like our residents consider their home budgets, approve only what one can afford, and ensure that this new proposal does not include any unattainable revenue assumptions that lead to the creation of further deficits. In trying times, all expenses must be analyzed and then only the critical "needs" should be funded. As Connecticut's bonded indebtedness is at or near the highest in the nation, approval of bonded proposals should be kept to an absolute minimum, funding only those proposals that meet a high level of scrutiny.

I greatly appreciate your time and consideration and thank you for your service to the people of the State of Connecticut.

Sincerely,

A handwritten signature in blue ink, which appears to read "D. Jerram", is written over the word "Sincerely,".

Daniel V. Jerram
First Selectman

CC: Selectman Alesia Kennerson & Selectman Jack Casey
Board of Finance Chairman Ben Witte