

**Testimony**  
**Richard Smith**  
**First Selectman, Town of Deep River**  
**Before the Finance Committee**  
**March 4, 2103**

**RE: SB-843, AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE  
GOVERNOR'S BUDGET**

Thank you for the opportunity share my concerns regarding the elimination of the property tax on motor vehicles included in SB-843.

Connecticut's small towns continue to struggle to develop sound budgets and control property tax levels despite a very challenging economic climate. As towns, we have very few revenue options and must rely on the property tax in order to fund critical education, public safety and public health services for our residents and businesses.

The car tax is a significant portion of our tax base. In Deep River, there are 4,775 registered motor vehicles in town with a net total assessed value of \$33 million. By eliminating the property tax on motor vehicles, SB-843 would result in a loss of revenue to the Town of Deep River of almost \$900,000. This will force an increase in our mil rate of 1  $\frac{3}{4}$  and shift more of the property tax burden onto homeowners, rental property owners and businesses.

We appreciate Governor Malloy's efforts to spare municipal aid from cuts during a very difficult budget year. But eliminating the car tax simply shifts the tax burden onto homeowners and businesses, many of whom are also struggling. While we understand and support the need to reduce overreliance on the property tax, eliminating the car tax is not the solution.

As President of the Connecticut Council of Small Towns (COST), I have had the opportunity to speak with many of my colleagues about how eliminating the car tax will impact local budgets. First selectmen and mayors across the state are adamantly opposed to eliminating this critical source of revenue.

Again, we appreciate the Governor's intent to keep towns whole and would welcome the opportunity to work with the administration and lawmakers to develop balanced budget proposals that will assist towns in continuing to provide critical services to our residents and businesses.