

Town of Wethersfield

505 SILAS DEANE HIGHWAY
WETHERSFIELD, CONNECTICUT 06109



Provisions as part of SB-843 – Elimination of the Property Tax on Motor Vehicles Testimony before the Finance, Revenue and Bonding Committee March 4, 2013

To: Senator John Fonfara and Representative Patricia Widlitz, Co-Chairs and Members of the Finance, Revenue, and Bonding Committee.

I am in opposition to the provisions in SB-843 which eliminates the property tax on motor vehicles. According to the Office of Fiscal Analysis, the elimination of the car tax will result in a revenue loss to towns of between \$550 to \$600 million, a drop of 15.5%.

For the Town of Wethersfield the impact is substantial. The revenue raised from this tax represents over \$5,000,000 per year. Without this revenue, the Town would have to cut services, including education, public safety, parks and recreation, and host of other services our community has come to depend on, or shift the burden to the real estate property tax.

Also, by eliminating the value of motor vehicles from the grand lists of our communities, it makes the revenue stream that Towns depend on that much more fragile. We currently do not enjoy any other substantial stable, locally collected and administered revenue stream. With the adoption of this bill, all property taxation rests on the real estate taxes. In effect it gives the Town's one item to tax, one basis of support for a majority of its program, and one very tenuous financial existence. As we have seen with this recession, valuation on real property is no guarantee. However our costs continue to escalate no matter how much we squeeze and cut. In some instances, growth in the grand list is only achieved through the addition of new motor vehicles.

Connecticut towns and cities have struggled to control costs and property tax levels despite years of flat funding of municipal aid and increasing costs associated with the delivery of critical services. Eliminating the car tax will impose an untenable burden on our towns and cities.

I urge you to oppose this provision.

Jeff Bridges
Town Manager
Town of Wethersfield