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**Testimony
Betsy Gara
Executive Director
Connecticut Council of Small Towns
Before the
Planning & Development Committee
March 1, 2013**

Re: HB-5102 - ACT ESTABLISHING A STATE-WIDE MILL RATE FOR MOTOR VEHICLES AND AMENDING THE DEFINITION OF ANTIQUE, RARE OR SPECIAL INTEREST MOTOR VEHICLE

The Connecticut Council of Small Towns (COST) opposes the provisions in HB-5102 which would establish a statewide mill rate and a process for distributing motor vehicle property tax revenue among towns. Under the bill, any town that collects more revenue under the statewide rate than it would have collected under its local rate must remit the excess revenues to the state.

Although we appreciate the intent of the bill – to provide towns with additional revenues – we are concerned that it creates a process where revenues generated on the local level must be remitted to the state to be placed in a separate, non-lapsing account and divvied up among towns. Unfortunately, separate, non-lapsing accounts have a tendency to lapse, particularly when the state is looking to address budget deficits. HB-5102 would put local taxpayers in the position of sending even more tax dollars to Connecticut and gambling that a fair portion of those dollars would come back to the town. Given the odds, this is not a bet small towns are willing to make. We therefore urge you to reject this provision.

COST does, however, support provisions in the bill that narrow the definition of antique car for purposes of tax assessment by increasing from 20 years to 30 years the age of a car that qualifies as an antique car and increasing the threshold cap on the assessment of these vehicles from \$500.00 to \$2500. Under the current cap, if a town's mill rate was 20.16, an owner of an antique car would pay only \$10.08. Some of the antique cars currently housed in communities have values from \$60,000 to over a million. A \$500 set assessment is simply inequitable. We therefore support the increase in this threshold.

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