

**BONNIE D. SRTEWART  
VICE PRESIDENT OF GOVERNMENT AFFAIRS  
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION  
BEFORE THE  
PLANNING & DEVELOPMENT COMMITTEE  
HARTFORD, CONNECTICUT  
FEBRUARY 13, 2013**

**Testimony in Opposition to  
PHB-6233, An Act Concerning A Homestead Property Tax Exemption**

Good morning. My name is Bonnie D. Stewart. I am vice president of government affairs for the Connecticut Business and Industry Association (CBIA). CBIA represents 10,000 companies in the state of Connecticut. Our membership includes large industrial and financial corporations, but the vast majority of our members are small businesses with fewer than fifty employees.

I would like to testify today in **opposition** to **PHB-6233, An Act Concerning A Homestead Property Tax Exemption**. The notions of homestead exemptions and property tax classification have been around for quite a while, and have been rejected by the legislature on numerous occasions. The Planning & Development Committee should reject **PHB-6233** this year.

A homestead exemption would allow a municipality to reduce the assessed value of a parcel of property by a certain amount; in this case the assessed value of residential property could be reduced by \$100,000. The effect of this is to reduce the net value of the grand list, which would result in an increase in the mill rate. The burden of these changes falls squarely on the shoulders of commercial taxpayers, particularly personal property taxpayers.

Every time a homestead exemption or property tax classification scheme has come before the legislature, it has been rejected because of the impact it will have on employers in the state, especially those with significant personal property. Many of our competitor states do not tax personal property, putting our companies at a competitive disadvantage.

A homestead exemption only exacerbates the situation by increasing the property tax on employers. While it may seem politically expedient to reduce the tax on residential property, the long-term results to a municipality are damaging. The delaying of revaluations in numerous municipalities has hurt the ability of those towns to grow their grand list through increased investment. Throughout the state municipal leaders cite slow growth in capital investment in their towns as one of the reasons for some financial difficulties there.

Homestead exemptions only end up pitting one class of property against other classes, and help to inhibit grand list growth through higher property taxes on all personal property and commercial real property. They are not the answer to any problem, and indeed make many problems worse. **Please reject PHB-6233.**

Thank you for the opportunity to present this testimony.