

Tuesday, February 11, 2014

Testimony to the Appropriations Committee of the Connecticut General Assembly

In Support of PILOT Reimbursement to New Haven, CT

Esteemed members of the Appropriations Committee:

My name is Darryl Brackeen, Jr. and I am serving my first term as a member of the New Haven Board of Alders, representing the 26th Ward. I am writing in support of and to respectfully ask that your Committee provide full reimbursements of the Payment in Lieu of Taxes (PILOT) program to the City of New Haven.

I ask you to consider the economic hardship that New Haven and its tax payers face if the PILOT program is not given full funding.

PILOTS programs are designed to reimburse the city for loss of revenue on real property belonging to such tax exempt institutions in recognition of the benefit to the region and the burden to the host towns.

In New Haven, property amounting to 47 percent of the value of all the buildings and land within the city limits is not taxed at all because of the disproportionate number of tax exempt buildings being located in and expanding within the city.

Connecticut State statutes require reimbursements for colleges and hospital properties at a level of 77 percent of assessed value of real property and 45 percent for state owned buildings, though nothing is reimbursed for lost personal property tax.

In recent years the state has reimbursed dramatically less than the statutory 77% amount of PILOTS, most recently, reimbursing the city only 31.6 percent for college and hospital properties and 23 percent for state properties.

Although New Haven is very small in size (18 square miles), it has most of the region's non-profit institutions from hospitals, to universities, and state buildings. Additionally, a vast majority of vital services provided to the most destitute in the region including critical services for those suffering from poverty, homelessness, prison re-entry, and unemployment are borne at the expense of the tax paying residents of New Haven.

Everyone in Connecticut enjoys the cultural opportunities New Haven provides, the services that New Haven offers the impoverished and needy, the high regard and benefits of its hospitals and institutions of higher education; and its more than 50,000 living wage jobs of which 81% are held by those living in towns outside New Haven (see Quality of Life Survey prepared by Yale and DataHaven in 2012).

The City of New Haven is the engine for the health, education, culture, jobs, and housing values for an entire region and most of the state. Due to the dramatic underfunding of the state PILOT, New Haven tax payers are struggling under the load of an onerous and growing tax burden to cover the revenue deficiency even as the very non-profit institutions benefiting the region grow.

An overwhelming number of New Haven residents have expressed that it is unfair, inequitable and even immoral that tax exempt institutions not only do not pay taxes, but that the state does not honor its commitment to fully fund PILOT funds promised the city to compensate the city for loss of urgently needed tax revenue.

Paying the full pilot in 2014 would result in desperately needed tax reduction for city residents would in turn galvanize the region's economy, bring in more jobs, raise property values, expand the tax base, and address pension underfunding.

Again, as previously stated as a first term member of the Board of Alders, I frankly do not know how New Haven is able to survive with half of its property tax exempt.

It is for these reasons that I ask you to consider the economic hardship that New Haven and its tax payers face if the PILOT program is not given full funding, and I ask you to please vote favorable to honor the PILOT agreement with the City of New Haven to compensate for the huge amount of tax exempt property within our city.

Thank you for your attention and consideration of this matter of great concern to our community.

Darryl Brackeen, Jr.

Alder, 26th Ward

New Haven, CT