



CCM 2014 Testimony

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COMMERCE COMMITTEE

March 18, 2014

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 92% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

SB 484, "An Act Concerning Municipal Assessments Of Property Used For Wholesale And Retail Business Use"

CCM opposes SB 484.

SB 484 would give municipalities the "option" to fix property tax assessments for wholesale and retail businesses.

Although SB 484 is voluntary in appearance, it is a de facto mandate, in that, as a practical political matter, a town or city will face significant pressure to fix the assessments of certain property taxes, or see that retailer or wholesaler move to a different community that may be better financially positioned to offer fixed assessments and tax breaks. **This pressure could result in the loss of millions of dollars in municipal revenue, during a time when our poorer communities, in particular, are barely holding on, and will pit town versus town with distressed communities struggling to compete.**

While CCM and its member towns and cities appreciate the "voluntary" nature of this proposal, it would urge the Committee to instead consider providing meaningful property tax relief for all residents and businesses by addressing some of these costly unfunded mandates that burden our towns and cities.

- **Allow towns the option to legally post their business online.** The General Assembly should amend CGS 1-2 to reflect the realities of today's world and to allow towns an alternate means of legally publishing notices by allow the option to legally publish notices of the availability of particular documents on municipal websites.
- **Create a new tier, for new hires only within the Municipal Employee Retirement System (MERS), modeled after what already exists for state employees, known as "tier III" which still maintains a defined benefit plan for (new) employees.** MERS, established in 1947, has never been adjusted or amended to reflect the realities of modern-day local-state economies – meanwhile the state retirement system has several tiers (including a defined-contribution plan known as the Alternative Retirement Plan).

- Provide local officials the **authority to select their Primary Service Area responder for ambulance transportation** – and allow municipalities the much-needed flexibility to decide whether such services are adequately delivered. Current law limits municipal input regarding who is chosen to provide such local services, at what cost, and restricts local ability to determine if contracts should continue or be amended.
- **Eliminate the health insurance premium tax on municipalities**, which is 1.75% tax on fully insured municipal premiums. Many municipalities, particularly small towns, cannot reasonably consider self-insurance as an option, because just one catastrophic illness could have a severe negative impact on a local budget. The premium tax costs municipalities up to \$9 million each year.
- **Eliminate the mandate towns and cities are required to store the possessions of evicted tenants.** According to the Office of Legislative Research report #2006-R-0164 "State Laws on Landlord's Treatment of Abandoned Property", of the 37 states researched, Connecticut is the only state that mandates that municipalities store the possessions of evicted tenants.
- **Adjustment the local grievance arbitration process** by amending CGS 31-98(a) to institute that grievance arbitration awards be issued no more than 60 days following the date post-hearing briefs are filed, thereby, establishing mandatory time limits to issue grievance arbitration awards in cases before the State Board of Mediation and Arbitration.
- **Amend CGS §7-163e which mandates a municipality which intends to sell, lease or transfer real property** to publish legal notice twice in a general circulation newspaper, post a sign on the property and hold a public hearing before the legislative body of the municipality by exempting municipalities in which the legislative body of the town is the town meeting.
- Amend CGS 31-53(g) to **adjust the thresholds that trigger the prevailing wage mandate** for (i) renovation construction projects, from \$100,000 to \$400,000; and (ii) new construction projects, from \$400,000 to \$1 million; and index the thresholds for inflation thereafter. Five states have changed their prevailing wage thresholds since 2010. Alaska, Indiana, and Wisconsin significantly raised their thresholds applying to all public works projects. Ohio increased thresholds for projects that did not involve road or bridge construction. Connecticut has not adjusted its mandated-thresholds since 1991.
- Enact a **Constitutional amendment or statutory prohibition** to prohibit the passage of unfunded or underfunded state mandates on municipalities **without a two-thirds vote of both chambers of the General Assembly.**

CCM urges the Committee to **take no action on SB 484** and consider instead enacting meaningful mandate relief, and providing property tax relief for all of Connecticut's residents and businesses.

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If you have any questions, please contact Randy Collins, Senior Legislative Associate for CCM, at rcollins@ccm-ct.org or (860) 707-6446.