

CCM 2014 Testimony

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FINANCE, REVENUE & BONDING COMMITTEE

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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.

Senate Bill 28, "An Act Concerning Revenue Items to Implement the Governor's Budget"

SB 28 would, among other things, eliminate the premium tax on municipal health insurance on or after July 1, 2014.

CCM **supports SB 28** (particularly Sections 3 and 4) as a much-needed means of relieving towns and cities from this onerous tax. The health insurance premium tax on municipalities 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.

In addition however, many self-insured municipalities pay for stop loss insurance and as a result, also pay this state-mandated tax. **SB 28 would be a tangible means of "state mandate relief" for many communities** – as it is estimated that the proposed elimination of the premium tax would save municipalities up to \$9 million each year, statewide.

CCM urges the Committee to **favorably report SB 28**.

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If you have any questions, please contact Robert Labanara, State Relations Manager of CCM,
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