

TESTIMONY OF  
**BONNIE STEWART, VICE PRESIDENT OF GOVERNMENT AFFIARS**  
**CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION**  
BEFORE THE  
**FINANCE, REVENUE AND BONDING COMMITTEE**  
**LEGISLATIVE OFFICE BUILDING**  
**MARCH 17, 2014**

Good morning, my name is Bonnie Stewart. I am vice president of government affairs for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut and the vast majority of these are small companies employing fewer than 50 people.

CBIA continues to have reservations about changing the property tax assessment as outlined in **SB 447 An Act Concerning A Local Option Property Tax Relief For Businesses**. **SB 447** would permit towns to base certain commercial establishments' property taxes on the profits of the businesses occupying them, instead of the value of the properties.

We appreciate that **SB 447** seeks to give municipalities another tool to help develop their commercial tax base. Yet the measure would give municipalities the ability to erode the simplicity and equity of the property tax system. Mill rates would rise to some extent in communities employing the provision because certain properties would be subsidized by other businesses and residents. Under this proposal, the whole base year revaluation concept would begin to erode if changes during the five-year revaluation cycle were allowed to be taken into account for some taxpayers, but not for others.

For most commercial properties, the profitability of businesses that occupy the real property has nothing to do with the properties' value. Second, municipal tax assessors already have recognized techniques at their disposal (e.g. adjustments to the vacancy rate used, and recognition in an income approach of both the time and expense of leasing a building) to assist in problematic property tax situations, such as those **SB 447** is meant to address.

For these reasons, our concerns with this proposal far outweigh the limited benefit its passage might bring, and so CBIA must oppose **SB 447**.

Thank you for the opportunity to express our concerns.