

CCM 2014 Testimony

900 CHAPEL STREET, 9th FLOOR, NEW HAVEN, CT 06510-2807 PHONE (203) 498-3000 FAX (203) 562-6314

Your source for local government management information www.ccm-ct.org

PLANNING & DEVELOPMENT COMMITTEE

February 21, 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 114 "An Act Establishing A Property Tax Program To Encourage The Preservation Of Historic Agricultural Structures"

SB 116 "An Act Concerning Personal Property Tax Relief For Businesses Affected By Major Construction Activities"

HB 5140 "An Act Concerning Property Tax Relief On Certain Real Property Held In Trust"

SB 114, SB 116 and HB 5140, although appearing to be voluntary, are de facto mandates.

De Facto Mandate

By definition, a state mandate is "any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues, excluding any order issued by a state court and any legislation necessary to comply with a federal mandate." However, **in practice, these onerous state laws and proposals come in a variety of forms.** In some cases, the General Assembly passes legislation that a municipality may adopt by local option which, as a practical political matter, local government cannot avoid. Thus, the State imposes chameleon-like mandates termed optional or "**de facto**" mandates.

Make no mistake; this circuitous breed of state mandates can impose an equally negative burden on towns and cities - particularly on shifting costs onto residential and business property taxpayers.

"De facto" mandates are those proposals that provide municipalities with various "options" that would, for example, expand criteria and eligibility for local property tax exemptions. By codifying such 'options' the State politically wedges local officials into enacting many of the proposals - despite potential negative fiscal impacts. Critics are clear to point out, "so what, towns and cities don't have to enact the options." Again, the political reality is that they often have no choice.

Good intentions can have unintended consequences - as would be the case with many "de facto" mandate

proposals. Simply put, in times like these -- our hometowns cannot afford new unfunded state mandates, "de facto" or otherwise. The General Assembly should take no action on "de facto" mandate proposals.

★ ★ ★ ★ ★

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