Dear Honorable Sen. John Fonfara and Rep. Jeffery Berger, Co-Chairs, Finance, Revenue and Bonding Committee:

As executive director of the Lower Connecticut River Valley Council of Governments (RiverCOG), I would like to comment on Senate Bill 1131, “An Act Concerning Grand List Growth.” Municipalities do need tools to address the challenges presented by the great disparities in municipal mill rates. The higher mill rates in Connecticut cities drive businesses to invest or relocate to greenfield sites in suburban and rural towns. The hollowing of our urban cores and the duplication of existing infrastructures and services in our suburban and rural towns create significant costs to the taxpayers and to our environment. Giving municipalities a way to compete on mill rate could support regional economic development efforts to strengthen our regional cores.

Nevertheless, I have some questions about SB1131. First, why would this tool be optional on all eligible municipalities but Bridgeport?
Bridgeport is the only municipality that has a population of more than 140,000 and is less than 20 square miles in area. Bridgeport does not have the highest or even second highest mill rate in Connecticut. Why is it in the state’s interest to force Bridgeport into this program and not to give the Bridgeport City Council the same ability to decide whether or not to implement it that all other eligible municipalities are given by this bill? I am uncomfortable with the precedent that this bill may set for imposing legislation on a specific municipality while giving all other municipalities a choice.

Second, how will a lowered mill rate on new development bring in enough tax revenue to lower the taxes of existing businesses and property owners? New development will not be without cost to a municipality, and could actually cost the municipality more than the lowered mill rate brings in. Nevertheless, all eligible municipalities, but Bridgeport, will have the opportunity to assess the impact of this tool on their municipal finances and determine whether or not it is in their interest to implement it.

Third, the chief elected officials of the Lower Connecticut River Valley Region have unanimously opposed the establishment of a regional mill rate, as proposed in SB1. The “regional mill rate” being mentioned in SB1131 is an average of regional municipal mill rates calculated by the municipal tax collector, not by the COG. We would prefer that “regional average municipal mill rate” be used instead to avoid confusion.

Please do not hesitate to contact me if you have any questions about my testimony on this bill.

Sincerely,
Samuel Gold

Samuel S. Gold, AICP
Executive Director