

**TESTIMONY PRESENTED TO THE PLANNING AND DEVELOPMENT  
COMMITTEE  
FEBRUARY 27, 2015**

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Testimony Regarding House Bills No. 6852 and 6853

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Senator Osten, Representative Miller and distinguished members of the Planning and Development Committee, thank you for the opportunity to provide written testimony in support of Raised House Bill No. 6852, An Act Concerning The Municipal Reimbursement and Revenue Account (MRRA), and Raised House Bill No. 6853, An Act Concerning Grants Available Through The Inter-town Capital Equipment (ICE) Purchase Incentive Program.

The MRRA was created through the recommendation of the legislature's Municipal Opportunities and Regional Efficiencies (M.O.R.E) Commission to help fund expansions to the Nutmeg Network, to conduct a tax incidence study, and to help municipalities upgrade their accounting systems in a manner that is compatible with the State's Uniform Chart of Accounts (UCOA). The proposed language in Raised House Bill No. 6852 is intended to specifically allow OPM to administer UCOA grants on a retroactive basis to 7/1/2013. This will ensure that any municipalities that proactively undertook the process of upgrading their accounting systems to the UCOA, upon passage of Public Act 13-247 (Sec. 328), will still be eligible for a grant award as a reimbursement for municipal costs previously expended.

The ICE Program provides a cost-effective way for any two or more municipalities to acquire capital equipment on a shared basis. At present, municipalities are eligible for a grant of 30% of the cost of such equipment, or 50% of the cost if one partner is a distressed municipality, up to a maximum award of \$250,000. The proposed language in Raised House Bill No. 6853 is intended to allow OPM to award ICE grants for up to 80% of the cost of such equipment, not to exceed \$375,000. OPM believes that the higher level of grant award will encourage more municipalities to form constructive partnerships that help reduce the tax burden on their residents and businesses.

I would like to again thank the committee for the opportunity to present this testimony. As always, my staff and I are available to meet with you to discuss any questions you may have regarding this subject.