



Testimony
Gayle Weinstein
First Selectman, Town of Weston
Planning & Development Committee
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My name is Gayle Weinstein, I am the First Selectman of the Town of Weston and I serve on the Board of Directors of the Connecticut Council of Small Towns (COST).

Thank you for the opportunity to comment on behalf of COST in opposition to the **provisions in SB-1** which would establish a statewide mill rate and a process for distributing motor vehicle property tax revenue among towns.

I support the concept of a statewide mill rate. I think we all can agree that a Honda Pilot is the same car with the same value, no matter where it is located. This would certainly add a measure of tax fairness to the residents. However, we also need to ensure that there is a certain fairness to the municipalities. This Bill proposes that the amount redistributed to municipalities would be frozen at 2014 levels. This means that we would not be entitled to any additional funds that are due to grand list growth in our own community. Last year, that growth in Weston amounted to close to \$700,000, which we were able to use to offset our budgets. It is not fair to take that growth from the small towns, and redistribute it to the cities. Additionally, this Bill contemplates exempting the first \$3000 of car value, so the State would begin with a significant revenue loss. In fact, there is language in this bill that speaks to reductions that may be made.

Under the bill, property taxes on motor vehicles registered in our town will be collected by the state and deposited into an account within the state's General Fund. The revenue will then be distributed by the state back to the town. Given the state's ongoing fiscal challenges, this places these local sources of revenue in danger of being swept into the general fund to address the state's budget deficit, as has happened with other revenue streams. Any additional revenues generated under the statewide mill rate will be distributed to towns based on a formula which is heavily weighted in favor of larger, urban areas.

Smaller municipalities have very few sources of revenue. In Weston, the motor vehicle tax is 5% of all revenue collected. State Aid is only 1.7% of our total revenue, and real estate taxes make

up the bulk, at almost 92%. Last year, we collected \$3.7 M in motor vehicle taxes. If we were to lose any portion of this, we would have to raise property taxes significantly to make up for the loss. We rely on property taxes to fund critical education, public safety and transportation services for our residents and businesses. This bill will take these revenues out of the control of local government.

Additionally, there would be no administrative savings to the Town of Weston from this proposal. Our part time tax collector will still be needed to collect property taxes. Therefore, there is little to be gained for small towns under this proposal.

I urge you to reconsider this proposal, particularly the tax collection process, which will undermine local control of an important revenue source and shift more of the tax burden onto homeowners to fund critical services for our residents.

Connecticut Council of Small Towns

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