

**TESTIMONY OF RALPH ENO
FIRST SELECTMAN, TOWN OF LYME
AN ACT CONCERNING TAX FAIRNESS AND ECONOMIC DEVELOPMENT**

Senator Osten, Representative Miller, members of the Planning and Development Committee, thank you for this opportunity to submit testimony to you electronically.

My name is Ralph Eno. I am First Selectman in the Town of Lyme and my remarks today not only reflect the position of the Board of Selectmen, but also the Board of Finance. We are opposed to **SB 1: AN ACT CONCERNING TAX FAIRNESS AND ECONOMIC DEVELOPMENT**, particularly the component which would create a statewide mill rate for motor vehicles.

The General Assembly's effort to address the inequity in the present system where similar vehicles of the same value are taxed differently depending on where the owner lives is a laudable endeavor. Using the property tax however as the mechanism to achieve parity is unconscionable.

We all recognize that the property tax is an extremely regressive levy in that it is not based on an individual's ability to pay. Its only saving grace is that it is raised and spent locally where the taxpayer has the opportunity to determine not only how much the levy will raise in any given year, but also where the proceeds will be spent.

The concept of a statewide mill rate essentially disenfranchises taxpayers in towns with mill rates lower than the projected average as some amount of their property tax dollars will not come back to them. Rather, it will be distributed to communities with mill rates higher than the average. I cannot comprehend the thought process that justifies redistributing proceeds from the state's most regressive tax to make other taxpayers/municipalities whole. Surely, there must be other, more equitably raised revenue streams which might be applied to attain the motor vehicle tax fairness objective.

Restructuring the PILOT grant program makes sense. Municipalities with significant amounts of tax exempt property justifiably need relief. The only caveat would be that other communities need to be held harmless as part of any reconfiguration. Also, the restructuring should not affect the amount of grant funds available to towns under the Pequot Mohegan Grant, which operates in tandem with PILOT.

The Regional Revenue Sharing System with its 40% revenue diversion component would seem to be a disincentive for municipalities where the actual commercial/industrial development would take place. The legislative initiative to create alternative revenue streams for Connecticut's cities and towns is commendable however and shows promise.

Thank you for the opportunity to submit testimony.

Respectfully,
Ralph Eno
First Selectman
Town of Lyme