



# neccog

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Testimony regarding

## **Senate Bill 1**

### **An Act Concerning Tax Fairness and Economic Development**

made before the

### **Planning and Development Committee**

March 18, 2015

The Northeastern Connecticut Council of Governments (NECCOG) thanks the Committee for raising this bill and giving consideration to our comments. We would also like to thank Senator Looney and Senator Duff for introducing this bill — giving the opportunity for open discussion to potentially correct our current tax system — especially as it relates to our over reliance on the property tax.

There is a lot to digest in this bill and honestly the members of NECCOG have not had the chance to discuss its details or the time to understand all its implications. We understand and agree that PILOT (which we believe should be fully funded) is in need of repair and are supportive of reform that does no further harm to our towns. In terms of a state-wide car tax, which has been discussed in previous years and is no doubt a regressive tax, we need to examine the detailed impact on each town. There is genuine concern that revenues from such a system sent to the state with the promise of a certain amount coming back will not be realized — that state budget issues will divert/diminish these funds coming back to towns. The revenue sharing section, which appears to be based on the Minnesota system, is one that interests us as we have four towns within our region that are now committed to sharing revenue for a new commercial development. While we understand that towns need to be thinking outside of their own borders (NECCOG has a long history of practicing regionalism), we need to fully understand the implication and any unintended consequences of the Minnesota system on our state before moving forward.

Our specific comments today regarding Senate Bill 1 relates to the Town of Voluntown (Section 2(b) — lines 170-176). In doing this we wish to associate our remarks and strongly support those submitted by Voluntown First Selectman Robert Sirpenski. As stated in his testimony: *“If this bill is passed as is, the economic unfairness that the PILOT program has on imposed on the Town of Voluntown for the past twenty years will be permanently cemented in place and the gross inequities that currently exist will continue and the result will be a perpetual adverse economic impact on the residents of Voluntown.”* We believe that the suggested amendment to Senate Bill 1 from the First Selectman is reasonable and we urge your favorable consideration of this proposed change. PILOT reform is clearly needed in our state — however, such reform should not further exacerbate adverse situations already in place such as the Town of Voluntown is currently experiencing where the state owns more than 60 percent of its land area.

NECCOG, after it has the opportunity to meet and discuss Senate Bill 1, will forward specific comments on the bill to the Committee and others in the General Assembly. Responsible reform of our current tax system to increase fairness and promote responsible economic development that decreases the over reliance on the property tax is important and we are committed to working toward such reforms. What we do not know is whether or not the specific approaches put forth in Senate Bill 1 will accomplish those goals or are an opening to other approaches.

Thank you.

For further comment, please contact: John Filchak, NECCOG Executive Director - [john.filchak@neccog.org](mailto:john.filchak@neccog.org)