



TESTIMONY OF MAYOR MARCIA LECLERC, TOWN OF EAST HARTFORD

March 9, 2015

SENATE Bill No. 1 AN ACT CONCERNING TAX FAIRNESS AND ECONOMIC DEVELOPMENT

Senator Osten, Representative Miller and members of the Planning & Development Committee, my name is Marcia Leclerc, and I am the Mayor of the Town of East Hartford. I would like to submit to the record the following testimony regarding the three components of SB 1 and the potential impact to the community of East Hartford.

As a first ring suburb of our capital city, East Hartford faces similar challenges to our urban core. We are facing climbing mill rates, increased amounts of non-taxable properties, ever-rising education budgets, and more demands on our social services, veterans, senior and disabled Tax Relief, transportation costs for Dial-a-Ride, and ADA Transportation. Urban municipalities face similar issues and are searching for solutions to ease the constant stress on our resources and the balancing of our ever-tightening budgets.

East Hartford is a community with limited raw land for new development and little opportunity for significant Grand List growth as a means to relieve the burgeoning tax burden on our residents and businesses. When coupled with limited resources for our schools, and an inadequate and aging housing stock, a community like East Hartford is vulnerable to a disproportionate share of concentrated poverty, property wealth, and the decline and stagnation of business development.

The concept of establishing a regional tax base sharing initiative, much like those in the Minneapolis-Saint Paul area, may be beneficial to "Distressed" communities like East Hartford and warrants a deeper and broader discussion on how communities can benefit and not be harmed in transition.

East Hartford is supportive of the legislation that would "improve the state's system of providing financial compensation to towns for property tax revenue lost due to state-mandated property tax exemptions." Our community remains over burdened with state mandated exemption totaling over \$300M and places an additional burden on our local tax payers. Additional relief and reimbursement would help to level the playing field and help to make our community a more desirable place to reside or build a business.

The third component of this bill is to reform the property tax on motor vehicles in order to establish more uniform rates of taxation across all Connecticut municipalities. Establishing a uniform tax on motor vehicles in a community like East Hartford where the mill rate is 45.4 and the cumulative revenue generated is \$9.5M would see taxes on vehicle drop substantially. Doing a quick mathematical calculation the implementation would place a significant and disproportionate tax burden onto already tax stressed homeowners and businesses and further exacerbate our taxpayer flight to communities with lower real estate taxation. Without implementation of all three components of this bill I believe there will be further unintended consequences on vulnerable communities like East Hartford.

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