



City of New London

OFFICE OF THE MAYOR

Testimony of Daryl Justin Finizio, Mayor, City of New London, on S.B. No. 1070 (Raised) **AN ACT CONCERNING PAYMENT IN LIEU OF TAXES** and H.B. No. 6953 (Raised) **AN ACT ALLOWING THE BIFURCATION OF MUNICIPAL TAX BILLS** before the Planning and Development Committee, March 11, 2015

Madam Chair and Mr. Chairman: thank you for adding to the agenda two bills, S.B. No. 1070 and H.B. No. 6953, which could make our tax system fairer. I'm here to speak in favor of both of these bills.

I fully support the tiered PILOT structure outlined in S.B. 1070. New London is less than six square miles of land, almost half of which is tax-exempt. We are home to a community hospital and three colleges, and while we appreciate the benefits they bring to our City, our taxpayers are disproportionately burdened by having so little taxable land available with which to fund city services.

Likewise, I support this bill's more equitable distribution of the Mashantucket Pequot and Mohegan Fund. Again, this reform helps counter the disproportionate burden placed upon municipalities with large percentages of tax-exempt land.

I also strongly support the bifurcation of municipal tax bills proposed in H.B. 6953, which would allow municipalities to tax motor vehicles at a different mill rate than other personal property. Our current system unfairly penalizes vehicle owners in municipalities with high mill rates, and it particularly penalizes the urban poor.

It makes no sense for the same vehicle to be taxed at 74 mills in Hartford, 38 in New London, and 15 in Darien. A vehicle's value doesn't change depending on its location. Why should a vehicle's taxes vary so much from municipality to municipality—particularly when the effects are so regressive?

During our last revaluation, many New London homeowners saw their property tax bills go down or go up only slightly, even though our mill rate went up 38%. But that same increase in our mill rate hit New Londoners hard when applied to their car tax. Two thirds of New Londoners rent, and for nearly all of them, the car tax is the only tax they pay directly to New London. Because of property revaluation, they saw their car taxes go up 38% even

though our budget only increased 5%. In a city with a per capita income of under \$23,000, this is a tremendous hardship.

By allowing us to tax vehicles at a lower rate than other property, we could provide some relief to the people who were hit hardest by this last revaluation, bring our car taxes more in line with that of neighboring communities, and lessen the incentive for people to keep their vehicles registered somewhere other than where they actually live.

Again, I commend this committee for looking at innovative ways to make our tax system fairer. These bills are a step in the right direction.