



MAYOR JOSEPH P. GANIM  
BRIDGEPORT, CT

**Finance, Revenue and Bonding Committee  
Public Hearing March 22, 2016  
Testimony on SB 466  
“AN ACT CONCERNING PROPERTY TAXES AND PAYMENTS  
IN LIEU OF PROPERTY TAXES”**

Good morning Chairman Berger, Chairman Fonfara, and members of the Finance, Revenue and Bonding committee.

For the record my name is Joe Ganim, and I am the mayor of Bridgeport. We are Connecticut's largest city at about 147,000 residents.

I am here today testifying in support of Senate Bill 466, An Act Concerning Property Taxes and Payments in Lieu of Property Taxes.

This bill includes some modifications to legislation bravely enacted last year, best known as Senate Bill 1.

SB1 is helping to generate and distribute millions of dollars of new revenue to municipalities such as ours by allocating one half of one percent of the Connecticut sales tax into a pool of funds that is sent to receiver towns and cities according to demonstrated need, size of population, size of budget and other factors.

This also brought some long needed common sense and fairness to the way we tax motor vehicles locally in Connecticut.

Specifically, SB 466 would modify the motor vehicle property tax grant calculation and the spending cap for eligibility for such grants, while revising certain PILOT grant calculations to help municipalities.

I just want to reiterate what my fellow mayors have said at the capitol this year and so far today: The revenue generated and distributed by this bill and SB1 to cities like Bridgeport is not a luxury – it is truly essential to our fiscal survival.

Like many governments in Connecticut, our city is going through a very challenging financial time right now.

I was elected to this position just a few months ago in November and upon taking office in December, I was informed that we were running a deficit in the current fiscal year of close to \$20 million dollars.

This is in our current fiscal year ending at the end of June. What that means is that halfway through the fiscal year we are seeking to find \$20 million in cuts to spending, because raising more taxes is not an option.

So we have to find ways to save money, which my administration is diligently working on.

We have refinanced some of our bonded debt that has saved us millions for this fiscal year and next.

We have also instituted layoffs and consolidations of city government as we try to streamline the delivery of city services. This is an ongoing process but so far we have also saved millions taking these steps.

We have cut expenses in other areas, severely restricting take home cars, cable TV, and held the line on overtime payments.

In short, we are doing everything humanly possible to close our budget deficit.

And that is why the funding approved last year as part of Senate Bill 1 is so essential to our city government continuing to function.

By allocating 0.5% of the Connecticut sales tax into the fund distributed to municipalities, Bridgeport will receive nearly \$13 Million this fiscal year in funding through the municipal revenue sharing account and the PILOT grants that help cities such as Bridgeport who have high amounts of property on their grand lists that are not taxable.

And we all know, cities tend to have large medical centers, hospitals, colleges and universities worth millions of dollars that are property tax exempt.

These institutions are treasures and add to the economy of the region and provide needed services to our neighbors in suburban communities – many neighboring communities in the region benefit from the services that are located in Bridgeport.

Yet, as a municipality we are unable to locally collect tax revenue from those valuable, tax-exempt properties. So these new PILOT funds from the state are essential to help reimburse Bridgeport and other cities for some of the revenue we do not capture.

But that is not all SB1 is doing for Bridgeport.

SB1 capped auto property taxes at a mill rate of \$32 in Fiscal year 2017, making a real effort to eliminate the disparity in how vehicles are taxed from one community to the other.

But because of that, cities with higher mill rates for cars such as Bridgeport are collecting substantially less car tax revenue than we were before.

SB1 provides a state reimbursement of more than \$5 million annually to help cover us on some of the revenue we are losing due to the very sensible cap on auto taxes.

In total, SB1 provides close to \$13 million in new revenue for the city of Bridgeport annually.

This is not luxury money. This \$13 million per year is essential funding just so we can pay our bills.

And this funding provides so much value to our state and many of the communities surrounding our cities.

The cost of providing regional services falls largely on cities alone. I think we all recognize that this new investment of state dollars in our communities provided by SB1 is a partial way to equalize the burden for paying the cost of enhanced regional services provided by cities.

Take away this funding from SB1 and the modifications contained in SB 466, and our \$20 million deficit for the current fiscal year in Bridgeport explodes next year, forcing drastic cuts.

Slash public safety budgets, and crime rates shoot up, increasing the cost of dealing with the aftermath and discouraging needed private sector investment in our communities.

In Bridgeport we are already at critically low levels of staffing for our police department, we are trying to add 100 new officers just to get us back to a level where we can be more preventative about crime.

If we slash school funding we might lose talented teachers and risk diminishing the quality of public education in Bridgeport.

Or should we look at massive layoffs in city government? Who would plow the streets, repair much needed infrastructure or issue building permits, for instance?

These are the drastic measures that SB1 is currently preventing cities like Bridgeport from having to take.

Remember that every dollar you send to cities and towns means property tax relief at the local level and an investment in quality services for municipal taxpayers.

As stated earlier, municipal government stands on the front lines of providing essential, hands on services to the people of our state.

At the same time, we all recognize that this committee and the entire General Assembly is grappling with some unbelievable fiscal challenges with revenue numbers far short of expectations.

But in this very difficult budget year, I stand with the fellow mayors and lawmakers from Connecticut's urban communities in urging this committee to pass Senate Bill 466.

This bill sets in motion the changes enacted through SB1 last year. The revenue this will provide to cities is essential if we are going to balance our budgets without drastic cuts to needed services or major tax hikes.

And I wholeheartedly thank our legislative leadership for fighting so hard to provide a new revenue structure for the urban communities in Connecticut, our entire state will benefit.

In short I urge passage and I would be happy to answer any questions.