



TRANSPORTATION COMMITTEE

February 29, 2016

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 96% of Connecticut's population.

My name is Leo Paul, I am the First Selectman for the town of Litchfield, and a member of CCM. I am here to testify on the following bill of concern to towns and cities.

HB 5055, "An Act Decreasing Wait Times at the Department of Motor Vehicles"

CCM opposes HB 5055.

The bill attempts to alleviate the significant wait times that residents have experienced throughout the state at the Department of Motor Vehicles (DMV). Among the measures that HB 5055 proposes in order to decrease wait times would be to eliminate the requirement that the DMV deny the renewal of a motor vehicle registration due to delinquent property taxes.

This measure would cost towns and cities tens millions of dollars in uncollected tax revenue and interest payments by significantly limiting the ability of municipalities to collect delinquent taxes. Additionally, the proposed language would remove an important incentive for people to pay their current taxes in a timely manner.

The Connecticut Tax Collectors Association has conservatively estimated that municipalities can expect a 5% reduction in current collection rates on motor vehicle taxes, with a higher percentage for our larger cities. This would negatively impact every town and city in Connecticut.

The impact to the town of Litchfield with a total motor vehicle levy of \$2,119,093 and a 5% reduction to collection rates would result in an estimated loss of \$105,594. The need to offset this revenue loss would fall to local taxpayers that have met their obligations and paid their taxes. This year alone, Litchfield has collected over \$407,000 in delinquent motor vehicle taxes and interest payments.

Information collected from more than 120 town and cities have allowed us to conservatively estimate that statewide financial impact of HB 5055 to easily exceed \$33 million.

Potential Revenue Loss for Selected Municipalities

Municipality	5% Revenue Reduction
Bridgeport	\$1,116,779
Hartford	\$1,299,058
New Haven	\$917,350
Darien	\$206,538
Wilton	\$300,400
Middletown	\$546,409
Waterbury	\$1,334,568
Wethersfield	\$377,673
Danbury	\$839,225
Rocky Hill	\$177,630
Ellington	\$212,662
Meriden	\$627,931
Manchester	\$720,972
New Canaan	\$237,188

With the enormous pressure not only on the State budget, but the budgets of every town and city, this bill would impose an unnecessary burden on local officials as they struggle to maintain key services and limit the need to increase property taxes.

CCM is not asking the DMV to be the tax collection agency for municipalities. State and local governments are partners in governing, the ability of the DMV to deny a registration to someone who owes delinquent taxes is simply an effective way to assist our towns and cities. While everyone would like to see reduced wait times at the DMV, any effort to realize these goals should not be done at the expense of towns, cities and their residential property taxpayers.

CCM asks the Committee to take no action on HB 5055.

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If you have any questions, please contact Randy Collins, Advocacy Manager of CCM at rcollins@ccm-ct.org or (860) 707-6446.