



**Testimony  
Leo Paul**

**First Selectman, Town of Litchfield  
On Behalf of the Connecticut Council of Small Towns  
Before the Finance, Revenue & Bonding Committee  
March 9, 2017**

**RE: Re: HB-7050 – Teachers’ Retirement System**

My name is Leo Paul, I am the First Selectman of the Town of Litchfield and the President of the Connecticut Council of Small Towns (COST), which represents approximately 110 towns throughout Connecticut.

I urge you to **oppose the provisions in HB-7050** which would require municipalities to pick up 1/3 of the cost of funding the Teachers’ Retirement System. Under the proposal, municipalities will be required to contribute a total of \$407.6 million in FY 18 and \$420.9 million in FY 19 to the state’s General Fund. This will impose an untenable burden on local governments, forcing steep increases in property taxes.

Requiring municipalities to bear the burden of funding the Teachers’ Retirement System is patently unfair. The Teachers’ Retirement System is a state-run, state-managed pension fund. Municipalities have had absolutely no role in managing the teachers’ pension fund but, under this proposal, will be on the hook for covering 1/3 of the costs of the pension fund.

As proposed, this bill will have a dramatic impact on property values throughout the state. Towns will be forced to increase mil rates in ways that will negatively impact property values and efforts to attract or expand economic development opportunities in our smaller communities.

**Make no mistake – this proposal is a massive tax increase which will have very serious, long-term fiscal implications for the state’s small towns and our residents.**

Lawmakers need to take this issue off the table to give towns some breathing room to develop local budgets that control property tax levels and provide for the effective delivery of critical local services.