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 99% of Connecticut’s population.

HB 7148  “An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2021, and Making Appropriations Therefor”

CCM recognizes the severe conditions of the state’s finances. Persistent budget deficits over the last few years have resulted in a reduction of state funding and services. Local governments have not been immune from this reality and we continue to make difficult decisions to address budget shortfalls, often due to the reduction of state aid.

CCM has long advocated for fully-funding PILOT for both state owned property and for colleges and hospitals. In recent years, state reimbursement for private colleges and hospitals has totaled only 30% of the tax that would be due had these properties been fully taxable. CCM appreciates the Governor holding towns and cities relatively harmless to additional PILOT cuts.

While the Governor has held towns and cities relatively harmless from sweeping cuts, there certainly have been reductions in Local Capital Improvement Program (14% cut), Property Tax Relief Elderly Free Program (38.5% cut), and local departments of health (9.7% cut). While this may not be as consequential as others areas of the budget, steady funding regardless of growth, along with the reductions referenced above are compound by the financial burden by some of the education reforms proposed by the Governor.

This massive shift on to the local property tax payer through the Teachers Retirement System will undoubtedly hit some communities dually hard when considering the drastic reductions in revenue they will incur as a result of the significantly shorter phase in period for reductions to ECS funding. We ask that in reviewing this proposal the Committee thoroughly consider whether it is in the best interest of the State to enact such a large local property tax increase and extensively examine the impact that it will have on local economies and communities.

While we do not support all the proposals of the Governor’s budget, CCM welcomes the dialogue that we hope will continue in the coming months. One thing that is clear is that this proposals only reinforce the urgency to address the structural changes needed to give
municipalities new tools for revenue diversification, shared services and cost containment to keep in line with the overwhelming number of other states.

The CCM has identified long-needed opportunities for revenue diversification to help relieve the burden on property taxpayers through our report, “This Report is Different - Securing the Future: Service Sharing and Revenue Diversification for Connecticut Municipalities.” Communities must be given the flexibility to use alternative revenue sources to meet pressing financial needs and/or grant property tax relief. They need policy changes that would result in greater revenue flexibility at the local level and generally less reliance on state aid. Also, removing the impediments to sharing services and amending municipal labor laws will go a long way towards realizing our goals.

CCM would like to be partners to the long-term solutions the Governor and the Legislature envisions.

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If you have any questions, please contact Brian O’Connor (boconnor@ccm-ct.org) or Mike Muszynski (mmuszynski@ccm-ct.org) of CCM (203) 498 – 3000.