



Planning and Development Committee

February 13, 2019

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. We appreciate the opportunity to testify on bills of interest to towns and cities.

S.B. 140 "An Act Expanding the Circuit Breaker Tax Relief Program."

S.B. 361 "An Act Concerning a Municipal Option to Establish a Property Tax Credit for Donations to Promise or Similar Scholarship Programs Established by the Municipality."

CCM **opposes** S.B. 140 and S.B. 361.

On behalf of cities and towns across Connecticut, the Connecticut Conference of Municipalities is writing to express our concerns with these proposals.

These proposals while well intentioned would, in essence impose "de facto mandates" by advocating various "options" that would expand criteria and eligibility for local property tax exemptions – positioning many towns and cities to feel compelled to enact. In a situation such as this, the State seeks to buy good will from a segment of the public by using extremely limited, local property tax dollars.

Given the current budget situation and the prospect of additional reductions in State aid, municipalities are already being forced to consider increases in local property taxes or reducing current services. Towns and cities remain almost exclusively reliant on the imposition of a regressive property tax system to fund all levels of local service and these proposals would further increase property tax rates that already subsidize the current mandated 77 property exemptions. Additional exemptions or increasing the eligibility for existing exemptions to the property tax simply shifts the burden of paying for local education and services to other tax payers.

If the Committee and the proponents of these bills seek to provide additional property tax relief to certain segments of the population, a more equitable solution would be to provide a tax credit against the State income tax. An income tax credit in lieu of a property tax credit, offered as a small measure of compensation for service would be then be shared by the entire state and not just the host community.

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If you have any questions, please contact Donna Hamzy Carroccia, Advocacy Manager of CCM at dhamzy@ccm-ct.org or (203) 843-0705.