

Testimony
Christopher J. Bielik
First Selectman
Town of Beacon Falls
Before the Finance, Revenue and Bonding Committee
April 26, 2019

Thank you for the opportunity to comment regarding **S.B. No. 1139 AN ACT ELIMINATING PROPERTY TAX ON CERTAIN MOTOR VEHICLES AND ADJUSTING THE UNIFORM PROPERTY ASSESSMENT RATE.**

The Town of Beacon Falls is a small community of approximately 6,000 residents. We have an annual municipal budget of slightly more than \$7 million and our share of the budget for Regional School District 16 amounts to almost \$15 million, for a total annual obligation of approximately \$22 million.

As you know, municipal aid to towns and cities in this state has been declining for a number of years, which places additional stress on local property owners to fund operations at the local level. Beacon Falls has enacted strict financial disciplinary policies to ensure our residents are required to pay the minimum amount of property tax necessary while still maintaining an appropriate level of services. In five of the past six fiscal years, our local mill rate has either decreased by as much as half a mill, stayed flat, or increased by one tenth of one mill; the only exception was during our property revaluation year, where our grand list declined and the mill rate was adjusted up to essentially keep out of pocket taxes nearly level. Our record of fiscal discipline is one of which I am quite proud.

However, I am at a loss to understand why the legislature would consider a bill to eliminate a significant source of locally derived municipal revenue from the Motor Vehicle Tax. I am certain that most municipalities in the state have enacted policies similar to those we use in Beacon Falls. Services have already been pared to minimum levels, and to think we have additional cuts to be made out of our local budgets to offset the revenue which would be lost from this source is not a thought process based on reality.

As I'm sure you are all well aware, property taxes are among the most regressive taxes available, and they hit those on lower and fixed incomes disproportionately hard. Eliminating motor vehicle taxes would place the burden of making up for lost revenue squarely on the backs of local residential property owners and businesses, since local mill rates will of necessity have to be raised in order to keep tax revenues to support local operating budgets properly funded. .

Waving a wand to eliminate motor vehicle taxes may seem at a quick glance to be an opportunity to provide tax relief to the citizens of Connecticut, but in reality, it amounts to a shell game of simply shifting the burden of responsibility in another direction. I urge in the strongest possible terms to have the legislature avoid the 'law of unintended consequences' by keeping out of an

area that we municipal Chief Elected Officials have experience of dealing with directly in our own back yards; please do not support the measures outlined in SB-1139.

Sincerely,

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