



2019 Testimony

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Finance, Revenue and Bonding Committee

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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 169 towns and cities and 100% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

SB 1139 "AN ACT ELIMINATING PROPERTY TAX ON CERTAIN MOTOR VEHICLES AND ADJUSTING THE UNIFORM PROPERTY ASSESSMENT RATE"

CCM opposes SB 1139.

SB 1139 would result in the elimination of the property tax on motor vehicles, except rental vehicles and allow municipalities the option to develop a plan to phase out this tax over a five year period. The bill would additionally change the current process of calculating property tax liability based on 70% of assessed value to calculating tax liability based on 100% of assessed value.

CCM has long argued that the property tax system is regressive and the property tax on motor vehicles is a prime example of why comprehensive reforms are needed. The assessment of property taxes on vehicles, which can vary widely for the identical car based on location, is costly for both municipalities and residents alike. At the same time, motor vehicle property taxes generate approximately \$925 million annually for towns and cities and if we proceed to eliminate this tax, it must be done through a carefully thought out process that does not create a new class of winners and losers.

Simply eliminating the tax on motor vehicles, even if done through a five year phase out, and shifting that burden onto real property will shift a significant burden onto businesses that do not own vehicles, urban homeowners that do not own cars and utilize public transportation and to seniors.

CCM is not opposed to the concept of eliminating the car tax and has committed to working with Legislative leaders on this issue, but any plan that reduces \$925 million in local revenue must provide for a means to replace that replacement. To simply shift that revenue loss onto an already strained property tax base is problematic to say the least. Furthermore, eliminating the

motor vehicle property tax seems to move in a direction away from badly needed revenue diversification.

CCM **is opposed to the bill in its current form** since it only shifts the costs of eliminating the property tax on motor vehicles onto real and personal property taxes without providing municipalities with alternative or diversified revenue sources.

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