



Testimony of Eric Gjede
Vice President of Government Affairs, CBIA
Before the Committee on Finance, Revenue & Bonding
Hartford, CT
April 29, 2019

**Testifying on
SB 1139: AN ACT ELIMINATING PROPERTY TAX ON CERTAIN MOTOR VEHICLES AND ADJUSTING THE UNIFORM
PROPERTY ASSESSMENT RATE**

Good afternoon Senator Fonfara, Representative Rojas, Senator Witkos, Representative Davis and members of the Finance, Revenue and Bonding Committee. My name is Eric Gjede and I am vice president of government affairs at the Connecticut Business and Industry Association (CBIA), which represents thousands of large and small companies throughout Connecticut.

CBIA opposes SB 1139.

SB 1139 changes municipal property taxation by repealing the current 70% assessment ratio for all properties and replacing it with a 100% assessment ratio. This legislation also eliminates the property tax on motor vehicles.

While on its face, SB 1139 treats residential and commercial properties equally in terms of the application of the new assessment ratio, it allows for a mitigation process that benefits only one classification of property.

The business community is concerned that this legislation ultimately results in a shifting of the property tax burden from residential properties on to commercial properties. If enacted, it is conceivable that rather than lowering the mill rate to keep the tax flat for all taxpayers, municipalities may elect to keep the current mill rates in place and only provide relief via tax credit to residential property owners. This would result in separate effective tax rates based on property classification, which undermines the simplicity and equity of our state's property tax system.

The reforms in SB 1139 do not help attract businesses to our state, particularly to our cities that critically need more commercial development.

For these reasons, we urge the committee to take no action on the bill.