

Testimony
John Ward
Town Manager, Town of Granby
Before the Finance, Revenue & Bonding Committee
April 29, 2019

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

Thank you for the opportunity to submit comments in opposition to SB-1139.

The Town of Granby would be severely impacted under SB-1139, which eliminates the property tax on motor vehicles, except rental cars, and increases the uniform property assessment rate to 100%.

Changing the way motor vehicles are taxed at the local level will have severe fiscal implications for municipalities and the state. As proposed, SB-1139 would eliminate the local property tax on cars, which generates approximately \$3.4 million per year for the Town of Granby, a sum equivalent to eight percent (8%) of the expected tax levy for FY19. To replace this revenue with a corresponding mil rate increase would require a mil rate increase of three (3) mils.

To offset this loss of revenue, SB-1139 requires towns to increase the uniform assessment rate on homes to 100% and allows towns to phase out the elimination of the car tax over a five-year period. However, given increased costs associated with education, personnel, healthcare, and compliance with various unfunded mandates, it is very difficult to reduce municipal budgets to offset this loss of revenue.

We are also very concerned that that our town will be required to pick up a large percentage of teachers' pension costs without providing us with any opportunity to manage costs and negotiate changes in pension benefits and contribution rates. Like SB-1139, this proposal will shift millions of dollars in new costs onto homeowners and businesses.

Unfortunately, continued overreliance on the property tax to fund the delivery of local services is resulting in diminishing housing values, which will wreak havoc with our state and local economies. Clearly, SB-1139 is headed in the wrong direction.

Please reject SB-1139.