



Connecticut Association of Assessing Officers, Inc. Legislative Committee

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CAAO SUPPORTS RB 6545

Dear Members of the Planning and Development Committee:

The CAAO wishes to thank your committee for raising 6545 AAC Unregistered Motor Vehicles.

One of the largest growing forms of Tax Evasion in the state of Connecticut is the local motor vehicle tax. Every year, more and more CT residents are willfully registering their motor vehicles out of state in order to evade taxation in CT.

CAAO's major focus is on a fair application of the local property tax. Right now there are residents being taxed for motor vehicles while others are avoiding it and this destroys the fairness and equity. However, no one can deny the massive revenue loss with literally millions of dollars leaving the state each year. We are not just talking about taxes, but DMV registration fees, emissions fees, and parking tickets that cannot be enforced. Some of these individuals have gone so far as to purchase the vehicle out of state and use an insurance agent from out of state creating profit loss for CT businesses and tax loss to the state.

It is an easily identifiable problem that is mushrooming out of control due to the lack of any enforcement. Municipalities do not possess the enforcement tools to adequately address the issue and have tried to make progress legislatively and struck out. A few years ago, PA 17-2 created law requiring DMV to assist assessors in addressing this concern but a year later, DMV's recommendation's bill (PA 18-164), repealed it.

A year later, PA 19-119 Sec. 14 created a task force made up of DMV officials, law enforcement, and assessors to sit down and come up with recommendations on solutions. Regrettably, the legislature never made all of the task force appointments, they never met, never produced a report prior to their deadline, and the task force has since sunsetted.

RB 6545 will put no requirements on the DMV, law enforcement, or municipalities. It is a local option that would empower municipalities who choose to take an additional step in addressing this tax evasion.

CGS 12-71b(g) states that any vehicle not registered in this state is subject to tax in Connecticut if it most commonly leaves from and returns to a location in this state. That is the statutory definition of vehicles that should be registered in CT but are running out of state plates. RB 6545 would allow municipalities to adopt a local ordinance and establish a fine for those who fail to register their vehicles in CT. It also provides tools to collect the fine by empowering the municipality to file a lien against the vehicle owner's real property.

If Connecticut is to continue taxing motor vehicles, we must take steps to ensure the tax is applied fairly and equally to all residents. That cannot happen without diligent enforcement which must carry a penalty in order to work successfully.

We again thank you for raising 6545 and hope you to vote this out of committee.

Respectfully,

John Chaponis & Jennifer Lineaweaver