

**Connecticut General Assembly
Motor Vehicle Property Tax Taskforce
February 6, 2024 Taskforce Meeting
Comments on Taskforce Report**

Dear Honored Co-Chairs, Sen. Rahman and Rep. Chafee, and distinguished Members:

Thank you for the opportunity to share my thoughts and suggestions regarding our draft Taskforce Report.

While I support the concept of modifying or replacing the local motor vehicle property tax with a more equitable and sustainable revenue source, I do not agree with the recommendations set out in our report. Here are my primary concerns:

For one, permitting municipalities to set their own assessment ratio, subject to the percentage necessary to replace the town's forgone revenue attributable to the elimination of the motor vehicle property tax, will likely add a layer of administrative complexity and create inequities between municipalities as they compete with one another to attract residents and businesses. Furthermore, I question how the state would enforce this rule – would it require an additional audit requirement on the part of the state?

Second, and more importantly, I believe that the proposed solution to eliminate the local property tax on privately-owned motor vehicles and to increase the assessment ratio for real estate would only exacerbate the burden on real estate taxpayers. As I have commented previously, the local motor vehicle property tax is an important revenue source and municipalities in Connecticut have limited options to raise revenue for essential and important services and programs. We are the third most reliant on local property taxes in the entire nation. Residential assessments have increased significantly due to the state's housing market where demand exceeds supply. Following their recent revaluations, some CRCOG towns are seeing residential assessments increase in excess of forty percent (40%), including assessments on their most affordable homes. At the same time, commercial assessments are decreasing due to commercial office vacancies and this problem will continue to grow as municipalities complete their post-pandemic revaluations. All of this is putting more pressure on fixed-income and low-income taxpayers during a time when we are trying to increase home ownership for workforce development and other important reasons.

In lieu of the recommendations set forth in the draft report I would encourage us to inform the General Assembly of the progress that that we have made in our deliberations and to request more time and additional resources to develop a more equitable and sustainable solution. As part of this effort, I strongly urge us to retain one or more tax policy experts to help us critically examine options,

models, and long-term revenue projections. I am happy to offer a motion to modify the report to this effect.

Thank you again for the opportunity to serve as a member of this important Task Force and to offer my comments on our draft report. I can be reached at mhart@crcog.org with any questions.

Sincerely,



Matthew W. Hart
Executive Director
Capitol Region Council of Governments