For Immediate Release
Friday, May 29, 2015
Kevin Maloney (203) 710-3486
Ron Thomas (203) 430-5537

CCM calls on General Assembly to quickly fix Senate Bill 1 so it can better deliver fiscal relief to hard-pressed property taxpayers and reduce municipal over-reliance on the regressive property tax

With less than a week remaining in the 2015 General Assembly session, the Connecticut Conference of Municipalities (CCM) today (Friday, May 29) called on state legislators to quickly make critically needed changes in Senate Bill 1.

"CCM believes SB1 has the potential, with certain changes, to better provide hard-pressed property taxpayers with much-needed relief; and provide towns with much-sought-after revenue and reduce municipalities' over-reliance on the property tax," said Joe DeLong, CCM Executive Director.

CCM is urging the legislature to increase the municipal spending cap to 3.0 percent or the rate of inflation, whichever is greater; **and expand** the list of exemptions from the spending cap, in addition to debt service, to include pensions and/or health insurance costs; natural disasters or man-made emergencies; court orders; capital expenditures; and state aid reductions from the previous year (in case the State cuts non-education aid or education aid, or reduces sales tax revenue, etc.).

CCM is also calling on the General Assembly to allow municipalities the option of requesting a waiver from the State Office of Policy and Management (OPM) for exceeding the spending cap in the event that unforeseen circumstances require an increase in municipal spending; **expand** the override provision for the State to reduce municipal revenue sharing funding to require a 2/3 vote by the General Assembly to reduce revenue sharing funds (instead of 3/5 of the Finance and Appropriations Committees as now proposed); **and allow** towns to override the municipal spending cap with 2/3 vote of local legislative -- without a reduction in state funds.

Lastly, CCM is urging legislators to clarify whether the tax rate for special districts in towns without a uniform motor vehicle mill rate is excluded from the tax cap; **and clarify** appropriate local ramifications for exceeding the municipal spending cap.

"The antiquated and inequitable property tax system continues to cause numerous problems, including the fiscal distress and decline not only of our cities, but also of our towns," noted DeLong. "It encourages the continued economic and racial segregation of our state. It often prevents municipalities from meeting the public service needs of their residents and businesses without levying a heavy local tax burden. It promotes bad land use decisions and contributes to costly and destructive sprawl.”

Connecticut is the most reliant state in the nation on the property tax to fund essential services like prek-12 public education. In just the last 6 months, there have been three entities that have focused on Connecticut’s broken property tax system: (a) in December, the State Department of Revenue Services released a tax incidence study that confirmed the property tax is the most burdensome and regressive tax on Connecticut residents and businesses; (b) in March, US Secretary of Education, Arne Duncan, spoke of education disparities in the country -- and singled out over-reliance on the property tax for public education as a major culprit; and (c) the Federal Reserve Bank of Boston just-released Connecticut “fiscal disparities” study that highlights how our property tax-only system of raising revenue for necessary local services contributes to fiscal stress.

Connecticut property taxpayers have been begging for relief.