



For Immediate Release
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**CCM launches its “Election Campaign 2014” with new public policy report,
*Property Taxes In Connecticut:
How Overreliance Thwarts Towns’ Ability to Provide Essential Services*
Key issue for state and federal candidates**

The Connecticut Conference of Municipalities (CCM) today (Tuesday, September 9) released the first report of CCM’s “Election Campaign 2014” that is designed to educate and influence state legislative candidates and candidates for CT’s U.S. Representatives.

Property Taxes In Connecticut: How Overreliance Thwarts Towns’ Ability to Provide Essential Services *assesses in detail the state of the property tax in Connecticut in 2014 across the 169 towns and cities; and the level and adequacy of state policies now in place designed to reduce the overreliance on this tax.*

“Towns and cities in Connecticut are responsible for providing the majority of public services in our state: preK-12 education; public safety; roads and other infrastructure; elderly and youth services; other social services; recreation; and wastewater treatment, among others,” noted Matthew Galligan, Town Manager of South Windsor and CCM President. “They must do so while meeting numerous mandates, often underfunded or unfunded, from both the federal and state governments.

“In Connecticut, however, there is one revenue source that provides the majority of local funding -- the property tax,” Galligan emphasized.

“A property-tax dependent system only works fairly if two conditions exist: the property and income wealth of a community can generate enough property tax revenue at a reasonable cost to taxpayers to meet the need for services; or state aid is sufficient to fill local revenue gaps,” noted Ron Thomas, CCM Director of Public Policy and Advocacy. “For many communities in our state, neither condition exists. It is increasingly clear that the over-reliance on the property tax is inadequate for funding local government services in particularly preK-12 public education, and is no longer advisable nor sustainable.”

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Some key findings from the CCM report about the property tax in Connecticut include:

- **The property tax is Connecticut's biggest state-local tax** -- at 37% of all state and local revenues, it is larger than the income tax, sales, tax or corporate taxes.
- **The property tax is regressive: It is Income and profit blind** -- It is due and payable whether a resident has a job or not, or whether a business turns a profit or not.
- **Connecticut is more dependent on the property tax almost any other state** -- The per capita property tax burden in Connecticut is \$2,522, an amount that is almost twice the national average of \$1,434 - and 3rd highest in the nation.
- **The property tax is the biggest tax on Connecticut businesses** -- The property tax levy on residents and businesses in Connecticut was \$9.22 billion in 2012.
- **The property tax accounts for 71 percent of all municipal revenue statewide** -- And 19 towns depend on property taxes for at least 90 percent of all their revenue and another 51 municipalities rely on property taxes for at least 80 percent of their revenue.
- **Connecticut is the most reliant state in the nation on property taxes to fund preK-12 public education** -- It is increasingly clear that the over-reliance on the property tax is inadequate for funding local government services in Connecticut, particularly preK-12 public education, and is no longer advisable nor sustainable.
- **Property and income wealth vary widely from town to town in Connecticut.**

See pages 22 and 23 of the report for all the specific recommendations that CCM is pressing for -
- regarding on how Connecticut can reduce municipal dependence on the property tax. For example:

- **Reforming education finance for local public schools, including having the State assume the costs for special education**
- **Restoring the State Revenue Sharing Grant**
- **Fully funding all State Payments-In-Lieu-of-Taxes (PILOT) Programs for local governments**
- **Providing increased State financial and technical assistance incentives for intermunicipal and regional collaboration**
- **Eliminating or modifying unfunded or underfunded state mandates**

As the 2014 campaign season continues to heat up, CCM will issue a range of public policy candidates bulletins highlighting key state-local issues for candidates to address in the thick of the election battle. The bulletins are relied upon by incumbent lawmakers and challengers alike, municipal chief executives, and other state and federal leaders and are designed to educate policy-makers on solutions to key state and local issues.

Here are the other major issues CCM will analyze and provide key information on to educate state legislators, state officials, federal office seekers, local leaders, and the general public:

- **Education Finance Reform**
- **Unfunded State Mandates**
- **Infrastructure and Transportation Reform**
- **CT's Distressed Municipalities**

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In addition to these important issue reports, CCM will also undertake a series of other actions to get information to and from the candidates:

- A comprehensive federal questionnaire to all candidates for U.S. Representative -- with the candidates' responses on key local issues -- will be published online, in key conference publications, and provided to all Connecticut news media;
- A "2014 Election Campaign" page will be established on our website, consisting of contact information and other information regarding fall elections; and
- Municipal chief executive officials will be provided with a sample list of questions to ask candidates for state office.

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Attachment (1)