



CCM'S 2008 STATE LEGISLATIVE PRIORITIES **Need for Change in the Land of Steady Habits**

Connecticut needs to employ the same ingenuity, creativity and leadership that in the past vaulted us into the first ranks of the world economy and American public policy.

Connecticut has a rare opportunity to enact significant public policy initiatives that will, at long last, provide relief from soaring property taxes now and in the future. Confronting the property tax crisis head-on is necessary to sustain our much cherished quality-of-life and ensure that Connecticut succeeds economically.

In 2007 the Governor and the General Assembly took the first steps on the road towards securing Connecticut's prosperity. Funding for education – the key to property tax relief and a skilled workforce – was increased by the largest amount in a decade, and the State's share of total state-local education costs rose to 44%. Important new laws for "smart" or "responsible" growth were enacted to set the stage for better regional coordination and economic development. The State increased investment in transportation and clean water.

These building blocks present a solid foundation for farther-reaching change. In 2008 the State can reach goals that were not achieved last year.

Local officials recognize the difficult tasks faced by the Governor and the General Assembly in changing the way business is done in the "Land of Steady Habits." But incremental progress, while helpful, is not getting the job done. Property taxes continue to rise as the local costs of service needs far outpace grand list growth. Municipalities are pressured to allow development that many citizens do not want and that is not in the best long-term interest of Connecticut -- but it is the only alternative to higher property taxes.

Municipalities and the State are partners in governing Connecticut. Enacting initiatives to provide relief from property taxes benefit both levels of government and the residents and businesses that support them. Let's build a better Connecticut for the people who live here and the businesses that work here.

Property Tax Relief

- **Make permanent the existing rates of the local real estate conveyance tax.** The rates enacted in 2003 provide at least \$40 million in non-property tax revenue. Unless made permanent, that revenue will disappear on June 30, 2008, and will have to be made up with higher property taxes and cutbacks in local services.
- **Increase funding for K-12 local public education.** Build on the increases made last year to greatly increase the State share of education (ECS, Special Education, categorical and other grants). Education costs are responsible, on average, for as much as 66.8% of municipal budgets.
- **Increase funding for general government grants to municipalities.** Some grants, such as the Pequot-Mohegan grant and Town Aid Roads, have never fully recovered from the massive mid-year cuts in 2003. Funding should be returned to at least pre-2003 levels, adjusted for inflation.

- **Increase state investment in the Local Bridge Program, and restructure the program to make it more attractive to municipalities, and thus more effective.** The recent bridge collapse in Minnesota has underscored the need to increase the focus on this long-neglected program. It has received just \$5 million in new state funding since 1990. Local officials report that the program as presently designed is financially and administratively burdensome, resulting in towns seeking funding from private market or projects stalling.
- **Increase funding to fully reimburse municipalities for state-mandated property tax exemptions,** such as the payments-in-lieu-of-taxes programs for colleges and hospitals, state property, low- and moderate- income housing, and other exemptions.
- **Enact a statutory prohibition against new unfunded and underfunded state mandates.** Last session over 30 new unfunded mandates were passed that added to the administrative and fiscal burdens of towns and cities – and local property taxpayers dodged the bullet on many more. Driving up local costs with state mandates just means putting property taxpayers and the State on the hook to find more local revenue.

Stronger Regions: More Efficient Service Delivery, Better Planning

- **Increase staffing and other resources to the new state Office of Responsible Growth** so that it can fulfill its mission to (1) provide **needed technical and financial assistance to towns and cities** and regions, and (2) facilitate **smarter land use decision-making** in our state.
- **Create incentives for the voluntary establishment of newly empowered councils of government (COGs) in each of the 15 planning regions** so that municipal CEOs in each region meet, on a regular basis, to discuss and act on issues of mutual concern – including economic development, land-use planning and joint service delivery.
- Enable such COGs to (a) **share the property tax benefits of economic development** in order to encourage cooperation and responsible growth, (b) **share a portion of state sales tax** and other revenues collected within a region, and (c) exercise other powers **that encourage intermunicipal cooperation,** decision-making and regional success.
- Create a state incentive program to help pay for **one-time capital expenditures for equipment for joint municipal undertakings.**
- **Authorize COGs to (a) bond for capital projects** that would benefit the entire region, (b) **work jointly on planning and zoning issues, and to make regional land-use decisions,** and (c) **negotiate master contracts** for the teachers and municipal employees within the regions.

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State funding can cushion the blow being felt by property taxpayers as costs rise each year. Strengthening regions can give municipal officials a way to provide services in a more efficient and less expensive manner. These short- and long- term approaches are necessary if Connecticut is to correct the inequities of our property tax system.

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