



OFFICE OF THE FIRST SELECTMAN

Michael R. Criss
First Selectman, Town of Harwinton

PLANNING & DEVELOPMENT COMMITTEE

February 15th, 2023

Good afternoon, my name is Michael R. Criss, I am the First Selectman for the Town of Harwinton and I am submitting testimony regarding S.B. 497 “An Act Eliminating the Property Tax on Motor Vehicles and Concerning Mechanisms to Replace the Resulting Loss of Revenue”.

S.B. 497 “An Act Eliminating the Property Tax on Motor Vehicles and Concerning Mechanisms to Replace the Resulting Loss of Revenue”.

Thank you for the opportunity to comment and submit testimony on proposed S.B. 497 “An Act Eliminating the Property Tax on Motor Vehicles and Concerning Mechanisms to Replace the Resulting Loss of Revenue”. The Town of Harwinton is in opposition of S.B. 497 because it eliminates the property tax on motor vehicles, a significant source of revenue which towns rely on to fund critical services and programs, including education, public safety, transportation, and other infrastructure. With state funding for small communities drying up and not being in line with inflation it is critical now more than ever that the motor vehicle stay in place. Even with the current cap on car taxes of 32.46, approximately one-billion dollars is generated from the car tax.

Although the bill proposes to provide municipalities with alternative sources of revenue to make up for the lost tax revenues, i.e., more taxes, we are very convinced that the landlord licensing fee and insurance surcharge are not viable or sustainable options. In particular, the landlord licensing fee will shift a tremendous cost burden onto rental property owners, making rentals unaffordable for low-income families, and discouraging new and continued investment in properties that provide affordable housing options in our community.

Other options, such as state reimbursement programs, leave towns in a difficult position because funding may be cut or swept to address state budget deficits, as has happened in past years.

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Towns must be able to rely on predictable revenue streams to operate efficiently, deliver critical services, and move forward with projects to maintain and upgrade critical infrastructure. Given rising inflation costs and flat or reduced municipal aid funding, many small towns are facing difficult budget decisions, including cuts to vital programs and/or increases in mill rates.

If this bill is to pass, it would cost the Town of Harwinton on average a loss of an annual 2.5 million dollars. This loss would then shift to personal property tax therefore increasing the mill rate and making homes in our community even more unaffordable as many of our homes are single family dwellings with a minuscule amount of rentals. We urge the state to stay away from a one size fits all approach to the ever growing tax problem and trying to balance the budget on the backs of its residents and municipalities.

We implore lawmakers to refrain from eliminating a major source of local revenue that towns rely on to meet the needs of our residents.

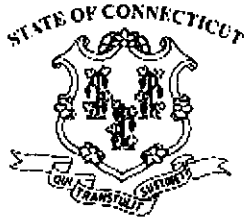
Thank you for allowing me to submit testimony in opposition to S.B. 497 on behalf of the Town of Harwinton. If you have any further questions, please feel free to contact me at any time.

A handwritten signature in blue ink, appearing to read "M. Criss".

Michael R. Criss
First Selectman, Town of Harwinton
Vice Chair, Northwest Hills Council of Governments
Legislative Chair, Northwest Hills Council of Governments

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General Assembly

January Session, 2023

Proposed Bill No. 497

LCO No. 2781



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
SEN. RAHMAN, 4th Dist.

**AN ACT ELIMINATING THE PROPERTY TAX ON MOTOR VEHICLES
AND CONCERNING MECHANISMS TO REPLACE THE RESULTING
LOSS OF REVENUE.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 That the general statutes be amended to eliminate the property tax on
2 motor vehicles and, to replace the lost revenue, (1) authorize
3 municipalities to (A) require a license for landlords to be permitted to
4 rent dwelling units or homes within the municipality and to impose a
5 fee for such license, and (B) establish an annual fee for each such unit or
6 home rented; and (2) impose a surcharge, to be distributed to
7 municipalities, on insurers of eight per cent of the revenue generated
8 from homeowners insurance policies and personal risk insurance
9 policies for motor vehicles.

Statement of Purpose:

To eliminate the property tax on motor vehicles and, to replace the lost
revenue, authorize municipalities to impose a licensing fee on landlords
and establish an annual fee for each dwelling unit or home rented and
impose a surcharge, to be distributed to municipalities, on insurers on
the revenue generated from certain insurance policies.