

SOUTHEASTERN CONNECTICUT COUNCIL OF GOVERNMENTS

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LEGISLATIVE AGENDA FOR THE 2019 SESSION OF THE GENERAL ASSEMBLY ADOPTED BY SCCOG: 11/14/18

The Southeastern Connecticut Council of Governments (SCCOG), comprised of the chief elected officials and chief executives of twenty-two member municipalities, has adopted the following 2019 legislative agenda. This year the SCCOG decided to make its primary focus legislative solutions to address the impact that non-profit agency property tax exemptions have on municipalities. The first five recommendations below are the result of a SCCOG Task Force which studied this issue over several months; their report is attached.

- 1) Establish a moratorium on new property tax exemptions in Connecticut. Amend CGS 12-81 to prohibit the addition of any new exemptions from property taxation, without referral to and concurrence from municipalities directly impacted by the new exemption. Furthermore, any new exemption must be created by single-purpose legislation, prohibiting their enactment by inclusion in the State budget implementer bill.
- 2) Review and reduce the number of existing property tax exemptions. The Connecticut General Assembly shall mandate a thorough analysis of all current property tax exemptions contained in CGS 12-81, identifying a specific rationale or policy goal for each, estimating the exemption's cost in terms of foregone revenue to the host municipalities, and determining if the exemption is justified in terms of its effectiveness in achieving its policy goals in light of the lost tax revenue. Exemptions that are not justified shall be phased out/eliminated.
- 3) Incentivize Connecticut's nonprofits to rent property rather than purchase it by enhancing reimbursements for rental fees and programmatic costs housed within rental buildings or by providing some other practical motivation for state nonprofit contractors and landlords. Enact new legislation that allows municipalities the option of taxing newly acquired exempt properties for which no PILOT is being received (PILOT is received for hospitals, colleges/universities, and other state-owned property). The tax payment would be proportional to the cost of the municipality's non-educational services, and like other property tax paying entities, would be based on 70% of the assessed value of the property owned. This would compensate the municipality for the cost of services provided, and would more fairly redistribute these costs to those receiving the services from its other tax paying properties. Furthermore, it will result in a disincentive for non-profits to purchase/own property, and if they choose to own, will incentivize them to seek property in municipalities with lower tax rates (and theoretically in municipalities that do not already have a high number of tax exempt properties).

Member Municipalities:

Bozrah * Colchester * East Lyme * Franklin * Griswold * Borough of Jewett City * City of Groton * Town of Groton * Lebanon * Ledyard * Lisbon * Montville * New London * North Stonington * Norwich * Preston * Salem * Sprague * Stonington * Stonington Borough * Waterford * Windham

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- 4) Amend CGS 12-81 to require Connecticut's state agencies to fully fund payment of property taxes to municipalities assessing real-estate taxes on the State's nonprofit contractors and prevent said agencies from suspending or otherwise denying reimbursements for property taxes paid by its nonprofit contractors (i.e. Room and Board reimbursements).
- 5) The State shall annually fully fund the current PILOT program at established target reimbursement rates for hospitals, colleges/universities, and other state-owned property.
- 6) The SCCOG continues to support the third casino in the state as proposed by a partnership between the Mohegan Tribe and Mashantucket Pequot Tribal Nation; supports legalized sports wagering and other advancements in the gaming industry that keeps Connecticut competitive with neighboring states; and opposes any action that negatively impacts the State's compact with its two federally recognized Native American Tribes.
- 7) The State should continue to fund the water taxi service operated by the Thames River Heritage Park Foundation.
- 8) The SCCOG opposes any legislation that would hinder the Connecticut Municipal Electric Energy Cooperative (CMEEC) in performing its mission in providing electric services to several municipal utilities and participating wholesale customers located in Connecticut.

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