



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

March 25, 2021

Re: Support of HB-5172

To the Connecticut General Assembly Appropriations Committee:

Please accept this letter as testimony to be read into the record for the public hearing on HB-5172 scheduled for Friday, March 26, 2021.

The Town of Simsbury is in favor of Proposed Bill No. 5172: An Act Concerning Payments in Lieu of Taxes to Municipalities for Manufacturing Machinery and Equipment. The original intent of Public Act 90-279 "Manufacturing Assistance Act of 1990" was to assist manufacturers and provide a five-year exemption from personal property taxes on manufacturing equipment. Municipalities were to be reimbursed for the lost revenue that resulted from this exemption. Public Act 06-83 changed the five-year exemption to an exemption on manufacturing equipment in perpetuity. The state then issued Public Act 11-61 which eliminated its promise to reimburse lost revenue to municipalities as originally promised through Public Act 90-279.

Simsbury has 10 businesses with \$9.3 million in manufacturing equipment exempt from personal property taxes. This equates to an annual revenue loss for Simsbury of about \$347,000. Due to this exemption, which is an unfunded state mandate, the burden of the \$347,000 in revenue loss is shifted to the remainder of property tax payers in town, which includes residential properties. The property tax is a regressive means of taxation, and unfunded state mandates such as the exemption for manufacturing equipment further increases the burden on property owners.

For a community of our size, the annual revenue loss of \$347,000 is sizeable. To put in perspective what the value of \$347,000 means for Simsbury:

- 2.5 police officers (Town analysis indicates we are currently understaffed by at least 3 police officers), or
- 3.5 park maintenance staff (Town analysis indicates we are currently understaffed by 2-3-parks staff); or
- The entirety of annual budgets for smaller departments such as the Town Clerk's Office and the Engineering Department; or
- Two-thirds of our entire cash budget for capital items under \$250,000 in value that support our assets and infrastructure.

Please do not hesitate to reach out to Simsbury should you desire more examples or information that may help to inform your decision. You can contact us through our Town Manager, Maria Capriola, at townmanager@simsbury-ct.gov or 860-658-3230.

Regards,



Eric Wellman
First Selectman



Sean Askham
Deputy First Selectman

Cc: Board of Selectmen
Maria Capriola, Town Manager
Melissa Appleby, Deputy Town Manager
Francine Beland, Town Assessor
State Representative John Hampton
State Senator Kevin Witkos