



CITY OF DANBURY

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Senator Osten, Representative Walker, and members of the Appropriations Committee,

Please accept this as written **testimony in support of HB 5172, AN ACT CONCERNING PAYMENTS IN LIEU OF TAXES TO MUNICIPALITIES FOR MANUFACTURING AND EQUIPMENT.**

As many committee members are aware, the Manufacturing Machinery & Equipment Exemption came about in 1990 as a means to create incentives for manufacturers to invest in new equipment and technology in order to help revitalize Connecticut's manufacturing sector.

The exemption largely did what it was aimed to do. However, subsequent acts by the Legislature in 2006 eliminated the state reimbursement to municipalities which granted these exemptions, creating a strain on municipal budgets.

As a chief elected official in the state of Connecticut, I fully support assisting our manufacturers in their continued efforts to help rebuild our economy. However, in order to do this in an equitable way, the state needs to reinstate its PILOT payments to municipalities in order to smooth the burden on local property taxpayers. In my view, statewide initiatives should also include state support.

This exemption costs Danbury taxpayers \$5,379,450, based on the 2020 Grand List. This is funding that can go towards investing in replacing aging infrastructure, additional support for our public schools, etc. I thank the committee for raising HB 5172, and I strongly urge its passage out of committee, and then passage by the full General Assembly.

Respectfully submitted,

A handwritten signature in black ink that reads "Joseph M. Cavo".

Joseph M. Cavo
Mayor