



TOWN OF EAST GRANBY

INCORPORATED 1858

EAST GRANBY, CONNECTICUT 06026

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Testimony in Support of HB-5172: An Act Concerning Payments in Lieu of Taxes to Municipalities for Manufacturing and Equipment

Dear Senator Osten, Representative Walker, Senator Hartley, Representative Nolan, Representative Datham, and distinguished members of the Committee on Appropriations,

I am the First Selectman of the Town of East Granby and I am writing in support for HB5172 which would reinstate the reimbursement to municipalities for the Manufacturing Machinery & Equipment Exemption.

The Manufacturing Machinery & Equipment Exemption was enacted in 1990 with the goal of assisting manufacturers in the state and providing incentives for them to invest in newly acquired equipment and machinery. This exemption from property taxes for the first five years was to be fully reimbursed by the State to municipalities. In 2006 the exemption was expanded from the first five years to fully exempt in perpetuity. Since 2011, the state has fully exempted all manufacturing machinery & equipment and it has eliminated reimbursement thus creating an unfunded State mandate.

As manufacturing has grown and expanded in the state, this exemption has become a burden on towns that do not have the ability to offset the revenue loss without raising tax rates. I encourage you to reinstate the reimbursement to all Connecticut municipalities.

Sincerely,

James M. Hayden
First Selectman