



## Testimony of Marcia A. Leclerc, Mayor of the Town of East Hartford

### Re: H.B. 5172 An Act Concerning Payment in Lieu of Taxes to Municipalities for Manufacturing Machinery and Equipment

February 17, 2021

Senator Osten, Representative Walker and members of the Committee,

My name is Marcia Leclerc and I am the Mayor of the Town of East Hartford. I am here today to testify in favor of House Bill No. 5172. For those that are not familiar with my community let me share some background that will help to shape why I am in support of the full funding of PILOT MME.

East Hartford, a distressed municipality, is an inner ring suburb to the capital city with a population of 50,000. We are no stranger to all the challenges of a major city including lack of land for development, an abundance of tax exempt properties that supply regional and statewide services, an abundance of subsidized housing, broad and diverse populace of worship, home to state owned property, a college and a university, we provide public land amenities on the riverfront for public use, maintain two major trails systems and home to the largest manufacturer and highest concentration of manufactures in the state and carry the largest loss of revenue for the PILOT MME program and has the fifth highest mill rate in the state.

East Hartford has a per capita income of \$25,303, which is 37% lower than the Connecticut average and 15% lower than the national average, a median household income of \$50,750, which is 29% lower than the Connecticut average and 8% lower than the national average, an unemployment rate in East Hartford pre pandemic was 7%, which was 59% higher than the national average and as expected that number has increased well into the double digits as unemployment numbers in our state climb and will further drive our poverty rate of 14%, which is 4% higher than the Connecticut average even higher.

Below is a snapshot of the lost tax revenue under the MME program for the past three years. While we support the state's efforts to exempt such equipment we do not believe that the taxpayers of our distressed community should continue to carry such an unfair tax burden. This underfunded mandate penalizes all residential and business property taxpayers in towns that host such tax-exempt equipment. In East Hartford the **lost tax revenue in 2019 was over \$10 million.**

TOWN OF EAST HARTFORD-MME EXEMPTION ANALYSIS							
GRAND LIST	TAX/FISCAL YEAR	EXEMPTIONS	TAXABLE VALUE	MILL RATE	TAXES DUE	STATE REIMBURSE	LOST REVENUE
2019	20-21	328,283,110	328,283	49.92	16,387,893	6,308,383	10,079,510
2018	19-20	283,707,580	283,708	49.11	13,932,879	6,308,383	7,624,496
2017	18-19	273,870,620	273,871	47.66	13,052,674	4,447,536	8,605,138
2016	17-18	262,681,910	262,682	47.05	12,359,184	4,447,536	7,911,648

Many of the top recipients of PILOT MME are distressed municipalities like East Hartford with higher than average unemployment rates and lower per capita incomes and who have higher than average mill rates. East Hartford has the 5th highest mill rate in the state at 49.92 as of July 1, 2020. Ultimately these costs fall disproportionately on the residents and businesses of communities who will bear the financial impact through increased property tax consequences and who can least afford it.

The state of CT has been a strong supporter of manufacturing and the Governor and the legislature has invested significant money in programs to expand manufacturing in CT including educational programs and facilities as well as business loans and grants for manufacturers. These programs have been established to ensure expansion and capital for manufacturing while ensuring a workforce pipeline for employers and a career path with higher wage earning potential and benefits for CT workforce. Communities can no longer support the state of CT's obligation that diminishes its responsibilities and places the financial burden on residents who see their mill rates rise, year over year, and due in part to the state not keeping its promises to communities who are home to manufacturing businesses.

In closing I want to thank each of you for your service to our state and the hard work that is required, but so vitally important, to ensuring a fair, just and equitable Connecticut for every town and every resident. I urge you to support House Bill No. 5172 PILOT Manufacturing Machinery and Equipment and recognize that forcing host communities and their tax payers to continue to carry the disproportionate financial burden is unfair and unjust.

Respectfully submitted,



Marcia A. Leclerc