

March 7, 2022

Esteemed Chairs Cassano and McCarthy Vahey,
Members of the Housing Committee:

The Western Connecticut Council of Governments (WestCOG) appreciates the opportunity to comment on the following bills:

- Senate Bill 323, *An Act Establishing a Municipal Tree Removal Account*. Tree removal is an increasingly necessary and costly responsibility, as tree-killing invasive species spread, and storm damage to trees becomes more frequent and severe. WestCOG appreciates any efforts by state to mitigate these new expenses for local governments.

Two potential enhancements to this bill are:

1. Allowing delegation of this program to the state's regional councils of governments (COGs). Grants made under the proposed program may be of a size that does not lend itself to efficient administration at the state level. The COGs, which meet regularly with municipal staff responsible for tree maintenance and removal, are a natural fit for the application, review, and management of smaller municipal grants such as these.
 2. Providing for funds to be used to replace trees removed under the program. Given the numerous and well-documented benefits of trees, it is in the state's interest to maintain a healthy forest canopy. Providing funds to plant replacement trees would prevent this program from unintentionally functioning as a one-way ratchet that reduces tree cover. New trees planted under the program could be targeted to strengthen the resilience of the state over time (for instance, by selecting for species that are resistant to climate change, tolerant of road salts, or that increase the biodiversity of the state's forests).
- Senate Bill 324, *An Act Establishing a Working Group to Study Title Seven of the General Statutes*. Title 7, which governs municipalities, is outdated and disorganized in sections and has become an impediment to the modernization of local governments. A review of Title 7 is appropriate and timely, and WestCOG **supports** this bill.
 - House Bill 5359, *An Act Requiring a Study of the Feasibility of Permitting the Online Advertisement of Legal Notices by Municipalities*. With little information now distributed in print form, and newspaper readership diminished, it is no longer clear that legal notices in local print media are the best way to inform potentially interested parties and the public at large of municipal proceedings. Indeed, formal legal notices may be among the least effective means of reaching people.

WestCOG **supports** this bill but is concerned that, as worded, it may overfocus on the potential downsides of online advertisement. WestCOG recommends that the study

include analysis of not just impacts and barriers, but also of the opportunities that online advertisement may present. These may include, for example:

1. E-mail blasts, websites, social media, Twitter, and other modern forms of engagement may reach more people, and reach a more diverse set of people, than the fine print in the back of the paper, increasing overall participation as well as the representativeness of those participating.
2. Online advertisements may include more elements such as pictures, videos, plans, and attachments than conventional notices and may thus better inform and communicate.
3. Online notices may feed into electronic bid portals and procurement platforms, reaching more bidders and suppliers, facilitating more efficient review of responses, and potentially resulting in greater competition and lower prices.

The opportunities to online advertisement – whether cost savings, efficiency gains, improvements to the bidding environment, or broader public involvement – should be considered as part of this study.

- Senate Bill 326, *An Act Lowering the Mill Rate Cap for Motor Vehicle Property Tax and Concerning Reimbursements to Municipalities for Lost Revenue*. While this proposal would address one of the principal complaints about the property tax, namely the discrepancies in tax bills among municipalities for equivalent vehicles, WestCOG has two questions:
 1. The bill provides grants to municipalities to compensate for the revenue they lose. What certainty is there that those grants will be there in future years? Promises of funding can dry up in lean years. A cap that is contingent on actual provision of funds, where the cap is suspended when the state does not provide compensating funds, would address this.
 2. The grants phase down over time to compensate for only 20% of lost revenue. Is the expectation that affected municipalities will make up for this lost revenue through increasing the mill rate applied to all other property, or is there a different expectation?

WestCOG would also like to submit, that if the intent of this bill is to address a common pain point for the state's residents and/or to promote socioeconomic equity, you may wish to address car registration fees at the same time.

Connecticut requires two payments (registration and car tax), to two separate agencies (local tax collector and DMV) for a single vehicle. This separation – which is not a law of nature but a result of organizational structure – unnecessarily creates impacts on Connecticut residents and businesses. These include:

1. Double the touch – or pain – points in dealing with two separate organizations. A key to reducing public complaints with government is to eliminate unnecessary interactions with government. It is unclear why two touch points are necessary, as municipal and

DMV systems already talk to each other. (Per state law, DMV denies registrations with delinquent municipal taxes.)

2. Penalization of minor lapses. Unlike property tax periods, motor vehicle registration periods are unique to each vehicle and thus do not follow a memorable schedule. Consequently, vehicle owners may forget to renew their registrations; state law provides for a fine of \$1,000 for operating an unregistered vehicle (CGS §14-15a). This is a huge penalty for what may be an oversight and one may that have equity implications (e.g., disproportionate impacts on low-income households).
3. Failure to maximize federal tax deductibility. Ad valorem taxes such as the car tax are deductible from the federal income tax. Registrations are not.

These issues could be addressed by fully funding the tax grants at a 30 mill rate but **capping the property tax on motor vehicles at a rate slightly higher than the proposed 30 mills in exchange for eliminating registration fees, and automatically registering cars through the property tax.** This would slightly increase federal tax deductibility; revenue neutrality for DMV could maintained for through municipal remittances or deductions from municipal aid equal to the revenue gained by municipalities. (Alternately, registration fees could be a separate line item on local tax bills, although this option would not increase federal tax deductibility.)

Given the connection of local and state computer systems, there is the opportunity to go farther and reinvent how this – often frustrating to residents – aspect of government at the same time as you address tax rates.

Should you have questions, please do not hesitate to contact me.

Thank you for your consideration.

A handwritten signature in black ink that reads "Francis R. Pickering". The signature is written in a cursive, flowing style with a prominent initial "F".

Francis R. Pickering
Executive Director