

February 15, 2023

Esteemed Chairs Kavros Degraw and Rahman,  
Members of the Planning and Development Committee:

The Western Connecticut Council of Governments (WestCOG) appreciates the opportunity to comment on Raised Bill 999, *An Act Increasing the Uniform Assessment Rate for Property Tax*.

Bill 999 would increase the assessment ratio from 70% to 75%. It is not clear to WestCOG what the purpose of such an exercise would be, as municipalities would be expected to react by decreasing their property tax rates by a corresponding fraction (i.e., multiply them by  $\frac{70}{75}$ , or 93.33%) so as not to generate an unbudgeted surplus. Instead, WestCOG suggests that your Committee **amend this bill to raise the assessment ratio to 100%**. This would:

- Simplify interpretation of property tax rates for average taxpayers. A tax that is levied as a percentage (or permillage) of a property's value is easier to explain, understand, and estimate than a tax that is levied as a permillage of a percentage of a property's value.
- Improve comparison of property tax rates with those of peer states. The 70% assessment ratio makes Connecticut look uncompetitive: a mill rate in Connecticut of 30 is equivalent to a mill rate of 21 in states that levy taxes on a property's full value.
- Implement Administrative Recommendation 1 from the Final Report of the State Tax Panel. For reference, this reproduced from page 10 of the report:

***Recommendation 1: Fractional Assessment.***

Eliminate the 70 percent fractional assessment and define assessed value as 100 percent of estimated market value. When this transition is made, all municipalities must lower their property tax mill rate to raise the same amount of revenue as they raise currently.

- Revenue Implications: Revenue Neutral.
  - Adopted without dissent

Note that the 70% assessment ratio is not only codified in the subparagraph the bill would amend; it also appears in other parts of Chapter 203 of the Connecticut General Statutes; any change to the assessment ratio should also address these instances.

Thank you for your consideration.



Francis R. Pickering  
Executive Director