

House Republican Press Release

March 12, 2008
Press Office: 860-240-8700

REP. O'NEILL TESTIFIES IN SUPPORT OF BILL TO LIMIT LOCAL PROPERTY TAXES



On Tuesday, March 11, State Representative Arthur J. O'Neill, R-Southbury, testified before the Legislature's Finance, Revenue and Bonding Committee on legislation that would place a limit on the amount of tax increases towns and cities could impose on property owners.

If the legislation were approved, starting on July 1, 2009 a municipality's property tax increase will be limited to no more than 4% above the prior year; the limit would be 3½ % percent after July 1, 2010 and 3% as of July 1, 2011 and thereafter.

It would allow municipalities to opt out of the cap for two year periods. To opt out, a 2/3 vote of a municipality's legislative body would be required by September 30, 2008 and every other year thereafter together with approval of a simple majority of the municipality's voters in the following November's elections.

In addition to opting out, municipalities would be able to make general overrides which would require 2/3 approval of the local legislative body with voters able to reverse a new legislative action to override the limit.

Also, local legislative bodies could choose to invoke certain specific exemptions to the cap. For example, if employee health insurance premiums increased by more than 8% over the prior year, or if state aid decreased from one year to the next, these would qualify as exemptions. Other exemptions include expenses related to an emergency such as a fire, or natural disaster and there are others related to technicalities of municipal finance.

Finally, the proposal contains provisions that recognize the binding arbitration process regarding municipal employee contracts by requiring that arbitrators make an irrebuttable presumption that a municipality or district cannot exceed the cap. Thus there could never be a binding arbitration award that would force a town to exceed the property tax cap.

"The property tax cap, while not a cure all, would represent a great stride toward lower property taxes," said Rep. O'Neill. "The cap is the one thing that we know will work. It can be enacted in this session of the Legislature, but only if we in the General Assembly rise to the challenge."