



Testimony of Eric Gjede
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Before the Finance, Revenue & Bonding Committee
Hartford, CT
April 20, 2021

**Testifying on
HB 6675: AN ACT CONCERNING A MUNICIPAL OPTION FOR A HOMESTEAD PROPERTY TAX EXEMPTION**

Good afternoon Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman and members of the Finance, Revenue & Bonding Committee. My name is Eric Gjede and I am the vice president of government affairs for CBIA, the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses with less than 100 employees.

HB 6675 allows municipalities to provide a partial exemption from property taxes for owner-occupied dwellings provided they are the primary residences of the owners. This exemption would not apply to commercial properties or dwellings occupied by someone other than the owner.

CBIA is concerned about any effort to shift the property tax burden from one classification of real property to another. HB 6675 allows for a partial exemption for only one classification of property. Given that municipalities operate under very tight budgets with few sources of revenue, it stands to reason that if such an exemption were implemented, the tax burden would need to be increased on other classifications of property. Even without this legislation, Connecticut already ranks one of the highest in the nation for the growth of its business property tax burden. This unfortunate distinction undermines efforts to attract new businesses to invest and grow in our state.

HB 6675 will not help attract businesses to our state, and in particular, to our cities that critically need more commercial development. The best way to grow municipal grand lists is to grow our economy.

We appreciate the committee's consideration of our testimony.