



January 2009

CCM's 2009 STATE LEGISLATIVE PROGRAM

CCM'S 2009 STATE LEGISLATIVE PRIORITIES

A NEW STATE - LOCAL PARTNERSHIP: WORKING TOGETHER FOR SERVICE CONTINUITY AND ECONOMIC RECOVERY IN 2009 and BEYOND

Connecticut faces tough economic times.

Yet these challenging times present opportunities for significant changes that will, over the long-term, improve the quality-of-life and the business climate of our state. This is the time to reinvigorate the State-Local partnership – because our hometowns and the State now need each other more than ever. Our residents and businesses deserve state and local governments that work together instead of at odds with one another. **Hometown Connecticut is not a special interest group.**

The temptation to cut state aid to towns and cities must be rejected. Such cuts would be a false economy, merely transferring the state financial crisis to the local level. It would result in a tax shift to already overburdened property taxpayers.

Local government and state leaders can work together to reinvent and **make government more efficient at all levels, ensure the continuity of local public services, and set the stage for significant property tax relief** as the state economy improves. We need to forge a new State-Local Partnership based on cooperation, increased technical assistance and resource sharing.

This must be a two-track effort:

First, we need to take action to **ensure that towns and cities get through the brutal economic situation of the next few years without slashing local public services and causing spikes in already skyhigh property taxes.** Towns and cities provide the public services that mean the most to people and businesses. Our quality-of-life, one of Connecticut's greatest assets, is at risk.

Secondly, we need to make **structural changes to set the stage for more efficient delivery of government services and real property tax relief.** There needs to be a serious discussion among state-local policymakers and private sector leaders about the way public services are delivered and paid for in Connecticut – and what changes are needed to ensure efficiency and fairness.

Service Continuity and Holding the Line On Property Taxes

- ❖ On a pilot, or trial, basis allow municipalities to levy local-option taxes (e.g., hotel tax, “land value” tax, sales tax, “piggyback” income tax, etc.). Connecticut lags behind the nation: 34 other states allow at least some municipalities more than one other significant revenue source such as sales taxes, income taxes or both. Make permanent the present rates of the municipal real estate conveyance tax;
- ❖ **Allow municipalities broader authority to**, at local option, increase and assess fees for municipal services and fines for violations;
- ❖ Continue progress towards increasing the State’s share of K-12 public education to 50%, on average;
- ❖ Identify a state revenue source where future growth will allow the State to phase-in state assumption of the fiscal and administrative responsibilities for special education;
- ❖ Identify a permanent funding source to restore the Town Aid Road Grant to pre-2003 levels, plus inflation. For example, allowing municipalities to establish and collect a \$10 surcharge on registered motor vehicles could raise as much as \$30 million if applied statewide;
- ❖ Earmark Native American gaming revenues for future property tax relief by dedicating any increase in revenue above expected FY 08-09 levels (\$387 million) to fully fund PILOT reimbursements and increase Pequot-Mohegan grants; and
- ❖ Use the State’s Rainy Day Fund to prudently maintain or, if circumstances allow, increase state assistance to towns and cities in order to prevent a tax shift from the state to the local level.

Increasing Government Efficiency Through Greater Cooperation

- ❖ Increase state financial and other incentives for intermunicipal and regional cooperation. *For example*, encourage the formation of Councils of Government (COGs) in each region and create incentives for consolidation of the regions. Empower them to:
 - **share future growth in state sales tax revenue** and distribute it on a regional basis. Also, increasing the state sales tax to 7% and sharing half of the increase would spur regional cooperation while also increasing state revenue;
 - **levy their own regional taxes** (sales, hotel, etc.) and distribute the proceeds for use on regional infrastructure and economic development projects;
 - **deliver services** and pool health insurance costs on a regional basis;
 - **negotiate multi-municipal master contracts** with municipal employee and teacher unions; and
 - **make land use decisions** on regionally significant projects.
- ❖ Reallocate existing personnel to increase the staff of the State Office of Responsible Growth so that it can meet its potential for providing technical and financial assistance to municipalities and

better coordinate the actions of state agencies. This will bring about more efficient government and regions overall; and

- ❖ Establish a broadly representative (state, local, private sector) [blue ribbon commission to discuss and develop alternative service-delivery models and cooperative ventures](#) to achieve greater overall governmental efficiency.
- ❖ Immediately establish the capability for the State to undertake [tax incidence analyses](#). This capability, delayed far too long, would allow CT to understand the real impacts on individuals, families, and businesses of federal, state, and local taxes and of proposed tax changes.

Relieving Spending Pressures on Local Governments

Repeal or defer, for the duration of the economic crisis, many of the existing unfunded and under-funded state mandates on municipal general governments and boards of education, including:

- ❖ Enact a Constitutional amendment or [statutory prohibition to prohibit the passage of unfunded or underfunded state mandates](#) without a 2/3 vote of both chambers of the General Assembly;
- ❖ Provide relief from the **municipal responsibility to [collect and store the possessions of evicted residential tenants](#)**, and new [FOI web-posting requirements](#);
- ❖ Allow towns and cities that meet certain thresholds of fiscal distress to [re-open negotiations](#) on existing labor contracts;
- ❖ Repeal, or delay until adequate state funding is available, **newly enacted mandates** concerning police treatment of [16 and 17-year olds](#) as juveniles (now effective 01-01-10) and requiring that all [school suspensions](#) be done in-school (now effective 07-01-09);
- ❖ [Temporarily suspend](#), as a way to stimulate infrastructure investment for the duration of the downturn, application of laws that require higher pay for workers on state-funded capital projects (the so-called ‘prevailing wage’) - this will boost the economic power of state and local tax dollars; and,
- ❖ [Allow municipalities to defer revaluations](#) to (a) provide savings from the cost of conducting them, and (b) provide a measure of relief to hard-pressed residential property taxpayers.

Improving the State-Local Partnership for Economic Development

- ❖ Assign a [“municipal ombudsman”](#) in each state agency that interacts regularly and directly with local governments to improve coordination for economic development, planning, transportation, etc. Such an initiative would increase efficiency in economic development, while designation of an existing employee would avoid the need to add staff to perform this function.
- ❖ Create [state-local economic development teams](#) -- including appropriate state agencies, regional and municipal officials -- to work jointly and simultaneously on permit applications for development projects.

- ❖ Allow municipalities to utilize licensed professional engineers to certify that work on economic development projects is being done in conformance with state permit requirements, to reduce permit-approval backlogs in state agencies. (A good model is the “licensed environmental professional” program within DEP), or otherwise create an expedited approval process for the duration of the economic slump;
- ❖ Use federal stimulus allocations and state bond funding to make strategic investments in local infrastructure. Infrastructure investments are proven to generators of economic development, and energy efficiency projects will result in long-term savings. Provide that 60% of all federal stimulus funding go directly to regions and municipalities. Establish expedited regulatory review and approval processes so that needed capital investments are not delayed by bureaucratic red tape.

Business as usual no longer cuts it in Connecticut. Tough times require tough decisions and decisive actions.

Municipal leaders from across Connecticut are eager to re-build a partnership with state officials to get the job done. It’s time to reinvent state-local government in Connecticut. We’re all in this together, and the long-term well being of our citizens, our businesses and our quality-of-life depends on the ability of towns, cities, regions and the State to work as one.

ADDITIONAL 2009 STATE LEGISLATIVE AGENDA ITEMS

(listed by likely committee of cognizance)

EDUCATION

- ❖ Revise PA 07-3 (effective 07/01/09), which makes changes to the Magnet School Program that will result in a significant loss of education dollars to local school districts, to still achieve the intended outcome of greater choice without hampering existing education programs. Specifically:
 - repeal the language that (i) reduces sending district ECS funding, by 50%, for students attending a magnet school and (ii) mandates non-participating districts allow students to attend a magnet school and pay tuition for such students; and,
 - provide incentives to municipalities to participate in school choice programs such as the Magnet Schools.

ENERGY & TECHNOLOGY

- ❖ Amend C.G.S. § 12-80a, which allows the State to assess the personal property of telecommunications companies by (i) establishing a minimum residual depreciation value of 20% for the personal property of wireless telecommunications companies, and (ii) basing property tax payments on local mill rates, rather than a state uniform rate.

FINANCE, REVENUE & BONDING

- ❖ Make permanent existing real estate conveyance tax rates. These rates are scheduled to sunset on July 1, 2010. The legislature enacted the current rates in 2003, when state aid was dramatically reduced (the 2003 mid-years cuts have never been fully restored). At the time, municipalities required a new revenue stream to prevent severe cuts

in local services or steep hikes in property taxes. This predicament is more real today than ever. Without this critical funding source, struggling local governments stand to lose approximately \$30-\$40 million in revenue.

GOVERNMENT ADMINISTRATION & ELECTIONS

- ❖ Initiate a streamlined system to [expedite the approval and distribution process for all state grants.](#)
- ❖ [Revise PA 08-03 of the June 2008 Special Session](#), which requires public agencies to post minutes and notice of special meetings on their websites, to (1) delay the implementation date of the requirements; (2) provide greater clarity on definition of “public agency” and “if available”; (3) extend the deadline for actual posting on the website to 14 days after minutes have been approved; (4) clarify retention time on web sites; and, (5) provide protection for municipal officials if, due to technical difficulties, certain items are not able to be posted within the timeframe allowed. The State should ensure that any laws imposed on municipalities also apply to the General Assembly.

LABOR & PUBLIC EMPLOYEES

- ❖ [Amend the State’s prevailing wage rate law \[CGS 31-53\(g\)\]](#) by (a) increasing the thresholds for both new and renovation construction projects to \$1 million, (b) indexing the thresholds for inflation thereafter, and (c) implementing a prevailing wage law exemption for local renovation projects related to the installation of alternative sources of energy. The prevailing wage thresholds that trigger the mandate have not been adjusted in Connecticut since 1991. Prior to 1991, state legislators adjusted these thresholds on a six-year schedule.

- ❖ [Modify state-mandated compulsory binding arbitration laws](#) under the *Municipal Employee Relations Act (MERA)* and the *Teacher Negotiation Act (TNA)* by maintaining the power of local legislative bodies to reject arbitrated awards by a two-thirds vote, but provide that the contract goes back to negotiation in the event of such a rejection – instead of going to a second, final and binding arbitration panel. In sum, make the system governing municipalities the same as that for the State.
- ❖ [Amend the municipal employee collective bargaining statutes](#) to clarify the statutory definition of “department head” for purposes of excluding such personnel from collective bargaining. Specifically, (a) amend section 7-467(4) so that the definition of a Department head will include an employee who heads any department in a municipal organization, has substantial supervisory control of a permanent nature over the municipal employees, and is accountable to the board of selectmen of a town, city or borough not having a charter or special act form of government or to the chief executive officer of any other town, city or borough directly or through a superior within the municipal organization, and (b) amend section 7-467(5) to delete “major” and simply define “department” as “any functional division in a municipal organization which shall include identified departments and divisions within a department notwithstanding the provisions of any charter or special act to the contrary.”

Current law uses the vague term “major” which allows for some municipal department heads (managers), such as town assessors, public works directors, or planning and zoning directors, to also join collective bargaining units.

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PLANNING & DEVELOPMENT

- ❖ Improve and clarify the method of communication between local and regional officials and state agencies regarding [changes to the state Plan of Conservation and Development](#). If the plan is going to be strictly enforced by the state, local and regional officials should be given the opportunity to work with state agencies in a more structured way on the plan. The plan should have a bottom-up, rather than a top-down approach.
- ❖ Create a [Land Use Court](#), similar to those of housing and domestic violence, to more efficiently adjudicate zoning and other related disputes.
- ❖ Curb blight and encourage community development by standardizing the [definition of blight](#), while providing municipalities the tools with which to handle the issue of blight most appropriately and effectively. (Disputes regarding blight could be overseen by the new Land Use Court.)

PUBLIC HEALTH

- ❖ Improve the [provision of local public health services to private schools](#) through

modification of the formula for state reimbursement by clarifying of the definitions in C.G.S 10-217a for (i) student eligibility, and (ii) the level of service that should be provided -- without expanding services provided by municipalities, but rather allowing the services that are currently provided to continue at a quality level.

PUBLIC SAFETY

- ❖ Provide state reimbursement to municipalities for costs associated with [emergency services operations on state highways](#).
- ❖ *Enable towns to make roadways safer by [allowing municipal police departments the local option to utilize photographic enforcement of red light violations](#). To accomplish this, amend CGS 14-107 to include traffic control signals (14-299) to the list of registered owner - presumed operator violations.*
- ❖ *[Repeal the statute that requires one union for all uniformed employees of municipal police departments and municipal fire departments](#) – and allow municipalities, by local option, the preference to form distinct unions. Present law requires rank and file employees and supervisors to be in the same union.*

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