

**Testimony Regarding House Bill No. 5049, An Act Implementing the Governor's Budget
Recommendation Regarding General Government**

**Government Administration & Elections Committee – Public Hearing
February 22, 2016**

**Matthew W. Hart (Town Manager)
Town of Mansfield**

I appreciate the opportunity to testify on House Bill No. 5049, specifically those elements of the bill that relate to the payment in lieu of taxes program (PILOT).

Mansfield is home to the University of Connecticut's main campus in Storrs, with a total population of 26,543 and a year-round population closer to 13,000. Outside of the university, we are still in many ways a rural community with a limited tax base consisting of residential and some commercial properties. With state support, we are building the mixed-use Storrs Center project to serve as our downtown, and this initiative has positively impacted our grand list.

Last year, the Town of Mansfield was pleased to support those elements of Senate Bill No. 1 designed to adequately fund and to stabilize the PILOT grant for those towns that host a significant amount of state property. With the presence of UCONN and the former Bergin Correctional Institute, Mansfield is very reliant on the PILOT grant, receiving approximately \$7.19 million in FY 2015/16 under this program. Mansfield is unique in that the value of state-owned property, at approximately \$1.2 billion, actually exceeds the value of private property in town (our most recent grand list totals approximately \$1.1 billion).

Under statute, Mansfield should be receiving 45% on the assessed value of state property (32% beginning in FY 2017/18). The actual grant amount is closer to 22% of assessed value for FY 2015/16. As detailed in the attached spreadsheet, Mansfield's PILOT grant has fluctuated over the past 10 years and has not approached the statutory calculation of 45% of assessed value. Please make no mistake; state property certainly has an impact on the host municipality. While UCONN offers many benefits to Mansfield in terms of employment, arts and culture and other university-related amenities, it also has a real impact on our municipal services, including code enforcement, community services, education, public safety and public works.

As a result of last year's reform to the PILOT, under the Governor's Proposed FY 2016/17 Budget Mansfield's PILOT payment is expected to increase to \$9.8 million, or 26.77% of the assessed value of state property in town. This demonstrates real progress on the part of the General Assembly and Governor. HB 5049 does not specifically modify the Governor's Proposed FY 17 allocation for the PILOT grant. However, the law currently prohibits a reduction in PILOT below what was received prior to June 30, 2015. HB 5049 would remove that prohibition and allow a reduction below the FY 2014/15 figure. Given the recent progress made with last year's SB 1, I would ask the legislature to oppose this change permitting a reduction in PILOT below what was received prior to June 30, 2015. Falling below FY 2014/15 levels would clearly be a move in the wrong direction.

To summarize, I ask that you do nothing to endanger last year's reforms to the PILOT that were designed to adequately fund and to stabilize the PILOT grant for municipalities that are the most significantly impacted by state property. A town like Mansfield is not going to be able to grow its grand list to a size that will adequately fund the service demands associated with a major state institution such as UCONN. As you well know, over the past two decades the state has invested billions into UCONN and it is now one of the nation's premier public institutions. In order for the state to maximize the investment that it has made in our community, it is important to ensure that the town receives an adequate and stable PILOT grant from the state.

I appreciate the opportunity to speak with you today and am happy to answer any questions you may have.

TOWN OF MANSFIELD
PILOT GRANT
STATE OWNED REAL PROPERTY
GRANT IN LIEU OF TAXES

October 1 Grand List	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
University of Connecticut	\$ 483,020,780	\$ 941,613,470	\$ 1,002,219,242	\$ 1,007,933,938	\$ 1,047,181,652	\$ 1,047,417,552	\$ 1,060,861,563	\$ 1,064,605,653	\$ 1,074,891,430	\$ 1,126,547,658	\$ 1,154,840,324	\$ 1,204,124,045
DOT & Right of Way									2,337,580	2,337,580	2,337,580	2,337,580
Northeast Correctional Facility	18,089,770	17,727,976	17,727,976	17,727,976	17,727,976	17,727,976	17,727,976	17,727,976	17,727,976	17,727,976	17,727,976	17,727,976
Eastern CT State University	3,049,340	3,521,560	3,521,560	3,521,560	3,521,560	3,521,560	3,521,560	3,521,560	3,521,560	3,521,560	3,521,560	3,521,560
Other Real Property	1,243,760	2,515,660	2,515,660	2,104,396	2,104,396	2,104,396						
Totals	\$ 505,403,650	\$ 965,378,666	\$ 1,025,984,438	\$ 1,031,287,870	\$ 1,070,535,584	\$ 1,070,771,484	\$ 1,082,111,099	\$ 1,085,855,189	\$ 1,098,478,546	\$ 1,150,134,774	\$ 1,178,427,440	\$ 1,227,711,161
Fiscal Year	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17 *
Calculated PILOT Grant	\$ 7,034,461	\$ 9,561,593	\$ 10,563,536	\$ 11,077,579	\$ 12,245,857	\$ 12,388,291	\$ 12,991,826	\$ 13,271,322	\$ 13,816,114	\$ 14,465,820	\$ 14,821,671	\$ 16,502,280
Actual PILOT Payment	\$ 7,703,004	\$ 7,620,956	\$ 8,020,784	\$ 8,396,689	\$ 8,055,354	\$ 7,265,843	\$ 7,058,654	\$ 7,021,354	\$ 6,784,862	\$ 7,648,878	\$ 7,192,804	\$ 9,818,046
Prior Year Mill Rate	.03093	0.02201	0.02288	0.02387	0.02542	0.02571	0.02668	0.02716	0.02795	0.02795	0.02795	0.02987
Reimbursement Rate	49.28%	35.87%	34.17%	34.11%	29.60%	26.39%	24.45%	23.81%	22.10%	23.79%	21.84%	26.77%

* As Proposed by the Governor on February 3, 2016

Note 1. The Mansfield Training School Facilities have been combined with UConn Depot Campus

Note 2. Full funding equals 45% of taxes receivable