

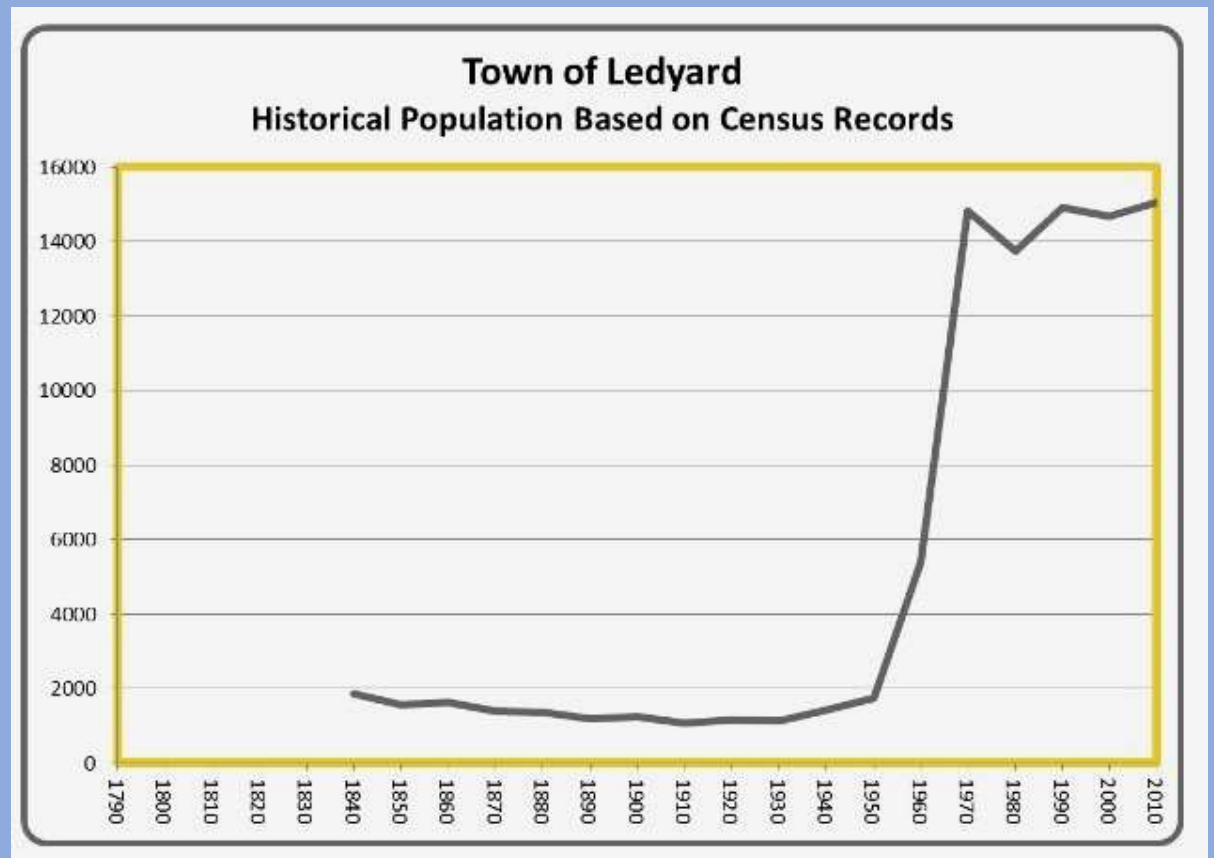
Town of Ledyard

Taxation of non-Indian Business FF&E at MPTN

Tuesday October 17, 2023

TOWN HISTORY

- Part of New London Colony (est. 1653)
- Part of Groton (Inc. 1702)
- Town of Ledyard (Inc. 1836)
- Current population 15,336 per CT Data Collaborative



Credit ConnecticutHistory.org

MAJOR EMPLOYERS NEARBY

- Foxwoods Resort Casino (MPTN)
 - General Dynamics (Groton)
 - Pfizer (Groton)
- US Submarine Base (Groton)

LAND AREA / COMPOSITION

- 40 Square miles
 - 95%+ Residential use
 - 5% Zoned Commercial / Industrial
 - Less than 1% utilized
- Commercially/Industrially

LEGAL HISTORY OF TAXATION ISSUE

- Currently, under CT law, no Indian is taxed directly or indirectly for any activity on the Reservation. If the Tribe or its member(s) owns personal property maintained on the Reservation, it is exempt from taxation.
- 2nd Circuit Court decision followed longstanding Supreme Court precedent that upheld the authority of the State and Town of Ledyard to collect personal property taxes on non-tribal businesses on the Reservation- a decision that is consistent with many other court decisions throughout the country.
- AG Blumenthal participated vigorously in the case to defend this important taxation power.
- The payment of business taxes on non-Indian property is a partial offset to the services still provided by the Town.

TOWN SERVICES PROVIDED TO MPTN

EDUCATION:

150+/- children residing on non-taxable MPTN lands attend Ledyard Public Schools.

Base educational cost FY24 is \$16,496 (Lowest cost per pupil in SE CT, ranks 159 of 164 in CT spending.)

Special Education Costs average \$50,000 per SPED student.

Ledyard receives two partial offset payments: FPL503 (Federal) and ECS (State)

BASE ED COSTS (150 x \$16,496) = \$2,474,400

SPED (49 x \$50,000 Avg.) = \$2,450,000

LESS: FPL503 (150 x \$5,240)= (\$786,000)

LESS: CT ECS (150 x \$4,746)= (\$712,000) (rounded)

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Ledyard's Current Annual Cost to educate after FPL503 and ECS: \$3,426,423

***Ledyard also pays tuition for children residing on non-taxable MPTN lands to attend MAGNET schools.**

TOWN SERVICES PROVIDED TO MPTN (Con't)

Public Safety:

Since 1992, the number of sworn officers in Ledyard increased from 15 to 23, despite a limited increase in population.

Since 2017, Ledyard Police Chief has reviewed MPTN pistol permit applications and issued temporary State permits when appropriate. (This may change)

Excluding “Routine Patrols” on the roads highlighted on the map, the average number of calls for service on these roads by Ledyard Police is 1,409 per year (Data 2018-2022). Patrols add another 2,097 avg. / Yr.



In Summary, Ledyard receives approximately \$665,000 in Business FF&E from commercial vendors doing business at MPTN, including California Pizza Kitchen, Nike, Kate Spade, Dunkin Donuts and others. Payment of these taxes is standard practice to these seasoned business operators, and acts as a partial offset to the aforementioned services provided.

A loss of this revenue to the Town of Ledyard will adversely effect our ability to continue to provide the previously outlined services to MPTN.