

Finance, Revenue and Bonding Committee
In Opposition to HB 5187: An Act Adjusting the Fiscal Guardrails

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Co-Chairs Fonfara and Horn, Ranking Members Fazio and Polletta, and distinguished members of the Finance, Revenue and Bonding Committee:

Thank you for the opportunity to submit written testimony in opposition to HB 5187, An Act Adjusting the Fiscal Guardrails.

My name is Mary Rosengrant Chiappalone. I am a partner at Biondi and Rosengrant, LLC, a real estate appraisal firm based in Waterbury, and serve on the Waterbury Regional Chamber Board of Directors, where I most recently held the position of Chairwoman. I offer this testimony both as a small business owner and as a long-time advocate for economic stability and responsible fiscal policy in our region.

From the perspective of the real estate and broader business community, fiscal stability is not an abstract policy goal — it directly affects property values, investment decisions, lending confidence, and long-term development planning. Connecticut's existing fiscal guardrails have played a significant role in restoring confidence in our state's financial management. The spending cap, volatility cap, and structured deposits into the Budget Reserve Fund have reduced structural imbalances and signaled a disciplined approach to budgeting.

In my profession, predictability matters. Commercial and residential property markets respond to signals about tax stability, state creditworthiness, and long-term fiscal health. When the state demonstrates consistency and restraint, investors and developers are more willing to commit capital. Conversely, uncertainty around fiscal policy can stall investment and suppress growth.

HB 5187 proposes adjustments to the methodology used to calculate the revenue transfer threshold and would increase the maximum capacity of the Budget Reserve Fund. While these changes may appear technical, even formula modifications can meaningfully alter the discipline embedded in the current system.

The strength of the existing guardrails lies in their clarity and structure. The volatility cap, in particular, ensures that unpredictable revenue streams — such as those tied to capital gains — are not relied upon for ongoing spending. This framework has helped prevent the

boom-and-bust budgeting cycles that previously led to deficits and sudden fiscal corrections.

As someone who analyzes long-term market trends and property values, I believe consistency in fiscal policy is essential. Connecticut has made measurable progress in stabilizing its finances and improving its reputation. Adjusting core elements of the guardrail framework risks introducing uncertainty at a time when stability should remain the priority.

A well-funded Budget Reserve Fund is important, and maintaining strong reserves benefits both taxpayers and the business community. However, any changes to reserve policy should be evaluated carefully to ensure they do not unintentionally weaken the overall guardrail structure that has proven effective.

For these reasons, I respectfully urge the Committee to proceed cautiously and to preserve the integrity of the existing fiscal guardrails. I oppose the changes proposed in HB 5187 and encourage the legislature to maintain the disciplined framework that has helped restore fiscal stability and economic confidence.

Thank you for your consideration of this testimony.

Respectfully submitted,

Mary Rosengrant Chiappalone

Partner

Biondi and Rosengrant, LLC

Immediate Past Chairwoman, Waterbury Regional Chamber Board of Directors