



General Assembly

January Session, 2001

**Bill No. 1148**

LCO No. 3610

Referred to Committee on Finance, Revenue and Bonding

Introduced by:

SEN. DELUCA, 32<sup>nd</sup> Dist.

REP. WARD, 86<sup>th</sup> Dist.

**AN ACT CONCERNING USE OF THE HOTEL TAX TO FUND VARIOUS  
TOURISM-RELATED ACTIVITIES.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Section 32-305 of the general statutes is repealed and the  
2 following is substituted in lieu thereof:

3 (a) The Commissioner of Revenue Services shall segregate (1) one  
4 and one-half per cent of the gross receipts from sales within the  
5 meaning of subdivision (h) of subsection (2) of section 12-407 by any  
6 hotel or lodging house located in any municipality having a  
7 population of less than sixty-five thousand, (2) three and one-half per  
8 cent of the gross receipts from such sales in any municipality having a  
9 population of sixty-five thousand or more but less than seventy-five  
10 thousand, and (3) four and one-half per cent of the gross receipts from  
11 such sales in any municipality having a population of seventy-five  
12 thousand or more, provided the commissioner shall segregate three  
13 and one-half per cent of the gross receipts from such sales in the  
14 municipality having the most popular tourist attraction in the state, as

15 determined by the Office of Tourism, if such municipality has a  
16 population of less than sixty-five thousand. [Such segregated funds]

17 (b) Such funds segregated under subsection (a) of this section shall  
18 be allocated as provided in this subsection. (1) For the fiscal year  
19 ending June 30, 2002, and each fiscal year thereafter, the Commissioner  
20 of Revenue Services shall allocate the first amount of such funds  
21 received as follows: (A) For the fiscal year ending June 30, 2002, and  
22 each fiscal year thereafter, to the Connecticut Historical Commission  
23 for the purposes described in subsection (b) of section 10-320e, forty  
24 thousand dollars; (B) for the fiscal year ending June 30, 2002, and each  
25 fiscal year thereafter, to the Department of Economic and Community  
26 Development for the purposes described in subsection (b) of section  
27 10-320e, fifty thousand dollars; (C) for the fiscal year ending June 30,  
28 2002, and each fiscal year thereafter, to the State Commission on the  
29 Arts to promote and publicize the Impressionists Arts Trail, fifty  
30 thousand dollars; (D) for the fiscal year ending June 30, 2002, and each  
31 fiscal year thereafter, to the Connecticut Historical Commission for the  
32 Historical Resource Inventory, thirty thousand dollars; (E) for the fiscal  
33 year ending June 30, 2002, and each fiscal year thereafter, to the central  
34 tourism account, established pursuant to section 32-303, five hundred  
35 thousand dollars; (F) to the Connecticut Film, Video and Media Office  
36 established under section 32-86a, for the fiscal year ending June 30,  
37 2002, four hundred thousand dollars and the fiscal year ending June  
38 30, 2003, and each fiscal year thereafter, four hundred twelve thousand  
39 dollars; (G) to the Department of Transportation for ferries operated by  
40 the state pursuant to section 13a-252, for the fiscal year ending June 30,  
41 2002, six hundred fifty-eight thousand eight hundred ninety-eight  
42 dollars and the fiscal year ending June 30, 2003, and each fiscal year  
43 thereafter, six hundred eighty-eight thousand two hundred two  
44 dollars.

45 (2) For the fiscal year ending June 30, 2002, and each fiscal year  
46 thereafter, after the allocations required under subdivision (1) of this  
47 subsection have been made, the Commissioner of Revenue Services

48 shall allocate funds totaling no more than the total amount allocated  
49 for the fiscal year ending June 30, 2001, to tourism districts established  
50 under section 32-302. [as follows: The portion of the funds attributable  
51 to such tax receipts in a municipality shall be allocated to the tourism  
52 district in which the municipality is located] The amount allocated to a  
53 tourism district in each fiscal year shall be an amount based on the pro  
54 rata portion of the funds attributable to such tax receipts in the  
55 municipalities that comprise the tourism district, provided (A) ninety  
56 per cent of the amount attributable to such gross receipts from sales in  
57 Hartford shall be allocated to the Capital City Economic Development  
58 Authority and ten per cent of the amount attributable to such gross  
59 receipts from sales in Hartford shall be allocated to the Greater  
60 Hartford Arts Council, (B) seventy-five per cent of the amount  
61 attributable to such gross receipts from sales in New Haven shall be  
62 allocated to the New Haven Coliseum Authority, (C) seventy-five per  
63 cent of the amount attributable to such gross receipts from sales in  
64 Stamford shall be allocated to the Stamford Center for the Arts, (D)  
65 seventy-five per cent of the amount attributable to such gross receipts  
66 from sales in Norwalk shall be allocated to the Maritime Center  
67 Authority, and (E) seventy-five per cent of the amount attributable to  
68 such gross receipts from sales in Bridgeport shall be allocated to the  
69 Greater Fairfield district established in section 32-302, for the sole  
70 purpose of marketing tourist attractions located in Bridgeport. If for  
71 any state fiscal year the amount of the allocation under subparagraph  
72 (E) of subdivision (2) of this subsection is less than the amount of  
73 funds allocated during the fiscal year ending June 30, 1991, to the then  
74 existing Bridgeport Convention and Visitors Bureau, pursuant to  
75 sections 7-136b and 7-136c of the general statutes, revised to January 1,  
76 1991, the Connecticut Tourism Council shall provide a grant under  
77 section 32-300, from the tourism account, in the amount of such  
78 difference, to said Greater Fairfield district for the purpose set forth in  
79 subparagraph (E) of subdivision (2) of this subsection.  
80 [Notwithstanding the provisions of this section, during the fiscal year  
81 ending June 30, 1998, the Commissioner of Revenue Services shall

82 segregate one hundred fifty thousand dollars from any increase in  
83 receipts of such amount segregated under this section during the fiscal  
84 year ending June 30, 1997, and shall allocate such segregated amount  
85 to the Connecticut Film, Video and Media Office established under  
86 section 32-86a, provided the amount segregated and allocated to any  
87 entity under this section is not less than the amount segregated and  
88 allocated during the fiscal year ending June 30, 1997.]

89 (3) Any balance of the funds segregated under this section and not  
90 otherwise allocated pursuant to this subsection shall be transferred to  
91 the General Fund.

92 (c) Not later than January 1, 1999, and annually thereafter, each  
93 tourism district and each authority receiving funds under this section  
94 shall submit to the Connecticut Tourism Council a full audit of the  
95 books and accounts of the district or authority for the preceding fiscal  
96 year at the same time that an audit is submitted to the Office of Policy  
97 and Management under subsection (f) of section 32-302. Each such  
98 audit shall be conducted by an independent certified public  
99 accountant. The Commissioner of Revenue Services shall also  
100 segregate an additional one million dollars of the sales tax receipts  
101 from such sales in the state during each state fiscal year and allocate  
102 such funds to the cultural heritage development account established  
103 under section 10-373bb. The Commissioner of Revenue Services may  
104 adopt regulations, in accordance with the provisions of chapter 54,  
105 concerning accounting procedures necessary to carry out the purposes  
106 of this section.

107 [(b)] (d) Except as provided by law, a tourism district, convention  
108 center authority, coliseum authority or the Capital City Economic  
109 Development Authority, as the case may be, may borrow money to  
110 pay its obligations that cannot be paid at maturity out of current  
111 revenue from such allocations, but shall not borrow a sum greater than  
112 can be repaid out of the allocations anticipated during the year in  
113 which the money is borrowed. The tourism district, convention center

114 authority or coliseum authority, as the case may be, may pledge its  
115 securities to secure the repayment of any sum so borrowed.

116 [(c)] (e) Notwithstanding the provisions of subsection (a) of this  
117 section, if ninety days have elapsed since a plan for corrective action  
118 has been filed for a tourism district under subsection (g) of section 4-  
119 233 and the Secretary of the Office of Policy and Management, in  
120 consultation with the Connecticut Tourism Council, finds that the plan  
121 has not been implemented, the secretary shall notify the Commissioner  
122 of Revenue Services who shall then segregate ten per cent of the  
123 district's monthly disbursement of funds under subsection (a) of this  
124 section and deposit such amount into a separate account each month  
125 until the secretary finds that such plan is being implemented at which  
126 time [he] the secretary shall inform said commissioner who shall then  
127 disburse any funds accrued in the account to the district.

128 [(d)] (f) Notwithstanding the provisions of this section, (1) the funds  
129 segregated by the Commissioner of Revenue Services under subsection  
130 [(a)] (b) of this section that are attributable to a hotel opened [, or to  
131 new rooms added to an existing hotel,] in the city of Hartford on or  
132 after May 2, 2000, shall be allocated (A) ten per cent to the Greater  
133 Hartford Arts Council, and (B) ninety per cent to the Capital City  
134 Economic Development Authority to be used by the authority, among  
135 other purposes, for start-up and operating expenses of, and a  
136 replacement reserve for, the convention center, as defined in section  
137 32-600, and (2) commencing July 1, 2003, and continuing until such  
138 time as the Capital City Economic Development Authority shall certify  
139 to the Commissioner of Revenue Services that such an additional  
140 source of revenue is no longer needed by the authority to meet current  
141 or projected operating deficiencies of the convention center, fifty per  
142 cent of the excess of (A) the funds segregated by the Commissioner of  
143 Revenue Services each month under subsection (a) of this section that  
144 are attributable to gross receipts from sales in the Greater Hartford  
145 district established in section 32-302, exclusive of such amounts  
146 otherwise allocated to the capital city economic development district

147 pursuant to this section, over (B) the average monthly amount  
148 segregated and allocated to the Greater Hartford district under  
149 subsection (a) of this section, exclusive of such amounts allocated to  
150 the Capital City Economic Development Authority, during the fiscal  
151 year ending June 30, 2000, shall be allocated to the Capital City  
152 Economic Development Authority and used by the authority  
153 exclusively to pay, or to fund an operating expense reserve account to  
154 provide for the future payment of, start-up and operating expenses of  
155 the convention center. In the event that at any time the Capital City  
156 Economic Development Authority determines that amounts deposited  
157 and then held in such operating expense reserve account pursuant to  
158 this section are no longer needed to meet current or projected  
159 operating deficiencies of the convention center, the authority shall  
160 return such amounts to the Greater Hartford district for use in  
161 accordance with its purposes.

162 Sec. 2. This act shall take effect July 1, 2001.

***Statement of Purpose:***

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*