



General Assembly

February Session, 2006

Raised Bill No. 542

LCO No. 2407

02407_____PD_

Referred to Committee on Planning and Development

Introduced by:

(PD)

AN ACT AUTHORIZING TWO OR MORE MUNICIPALITIES TO JOINTLY IMPOSE A SALES TAX.

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

1 Section 1. (NEW) (*Effective October 1, 2006*) (a) Two or more
2 municipalities may jointly enter into an agreement to impose a sales
3 tax in each such municipality of not more than one-quarter of one per
4 cent of the gross receipts from sales within the meaning of subdivision
5 (2) of subsection (a) of section 12-407 of the 2006 supplement to the
6 general statutes. The agreement shall be prepared pursuant to
7 negotiations and shall contain all provisions on which there is mutual
8 agreement between the municipalities. The agreement shall (1) include
9 procedures for collection which shall be consistent with the collection
10 of state sales tax, and (2) establish procedures for amendment,
11 termination and withdrawal. The negotiations shall include an
12 opportunity for public participation. The legislative body of each
13 participating municipality shall conduct a public hearing on the
14 agreement and may approve the agreement by resolution of the
15 legislative body. The agreement shall not be effective until approved
16 by each participating municipality. As used in this section "legislative

17 body" means the council, commission, board, body or town meeting,
18 by whatever name it may be known, having or exercising the general
19 legislative powers and functions of a municipality and "municipality"
20 means any town, city or borough, consolidated town and city or
21 consolidated town and borough.

22 (b) Any revenue received pursuant to an agreement under
23 subsection (a) of this section shall be used for activities undertaken
24 jointly by the municipalities that are party to the agreement.

25 Sec. 2. (NEW) (*Effective October 1, 2006*) The Commissioner of
26 Revenue Services and the municipalities party to an agreement to
27 impose a sales tax under section 1 of this act shall enter into a
28 memorandum of understanding to facilitate collection of the tax and
29 allocation to the district.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	New section
Sec. 2	<i>October 1, 2006</i>	New section

Statement of Purpose:

To authorize two or more municipalities to impose a sales tax to be used for funding activities that are jointly undertaken.

[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.]