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Chairman Coleman, Chairman Feltman, Senator Fasano, Representative Bacchiochi, and members of the Planning and Development Committee, thank you for the opportunity to testify today. I'm here this afternoon to testify on behalf of the House Republican Caucus on two bills before the committee.

The first bill is ***HB 5638 - AN ACT AUTHORIZING MUNICIPALITIES TO ESTABLISH A SENIOR CITIZEN VOLUNTEER SERVICES TAX CREDIT PROGRAM.***

We all know that the property tax hits seniors disproportionately hard. Many seniors are living on social security, pensions, or other forms of fixed income. The day-to-day choices for seniors are difficult enough; they don't need to be faced with a life-altering decision of whether or not to sell their home because they can't afford to pay the property taxes on it.

HB 5638 is a creative proposal that has the added benefit of helping municipalities as well. Under the proposal, towns and cities would be allowed to enact a program whereby seniors who do volunteer work for the town can earn a property tax abatement – a reduction in their property tax bill of up to $750 a year. For every hour worked, the participant would receive an abatement equal to the amount of the state's minimum wage.

This proposal is modeled after a tax workoff program adopted and in place in Massachusetts. For more information on the Massachusetts program, our Office of Legislative Research has done a good, brief description of the program and cites the benefits. According to the report, in 2004, 2,400 seniors received $1.3 million in property tax relief as a result of the program, which has been implemented by about a third of all towns in the state.

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A creative program like this one is a win-win. Towns get a mechanism to encourage volunteerism, and seniors get to remain active while receiving a much needed tax break.

I hope the committee will vote to pass this bill out of committee.

The second bill that I will speak on today also has to do with property taxes. It is ***HB 5672 - AN ACT ESTABLISHING A MUNICIPAL LAND USE GRANT PROGRAM.***

Many leaders at the local level are calling for their state legislators to give them more options to generate more revenue in their towns. Currently, they are limited almost exclusively to the property tax, which puts a lot of pressure of homeowners and businesses.

This bill is a variation of an idea that seems be gaining some support throughout the legislature. One half of the proposal would allow a town to keep a portion of the sales tax revenue that is generated from businesses in the town. We propose that towns be able to keep 5% of that revenue.

However, we also recognize that this piece alone would encourage all towns to add more strip malls and fast-food restaurants, perhaps to the detriment of the character of many towns.

Therefore, we added a second option for a state grant that would be based on the amount of undeveloped land in a particular town. Under this proposal, each town would qualify for a state grant equal to approximately $50 per acre of undeveloped land. We would rely on The Center for Land Use Education and Research at the University of Connecticut for land coverage data that would allow us to determine the amount of undeveloped land in a given town.

As with many proposals that the House Republican Caucus submits, we put this forth as a concept to be debated. The percentages and amounts of grants are not set in stone.

The beauty of this proposal is that towns would get to choose between the two grants. A town with a significant commercial base will probably choose the sales-tax-based grant. More rural towns would probably opt for the grant based on their undeveloped land. There is a built-in incentive for developed areas to continue to develop and for more rural areas to limit development.

Cities and towns would be given full flexibility as to how they spend this money. It could be used for education, public safety, open space, or any other area that townspeople consider to a priority.

Thank you for the opportunity to testify on these two bills.