Jennifer Gottlieb
Assistant City Manager

"Testimony in support of Raised Bill 5674" An Act Concerning the Powers of Regional Councils of Government

Introduce legislation that returns a portion of the state hotel occupancy tax to the municipality where hotel is located. In 2004, Rep. Melissa Olson introduced HB 5539 before the Commerce Committee on legislation. This bill proposed returning a portion of the state's hotel occupancy tax to the municipality where the hotel is located. While Norwich bears the burden of providing services to low income and immigrant workers that the tourism industry bears to our region, we have not received proportionate benefit from these industries. The City requests that our legislative team present the bill again so that municipalities may benefit from a portion of the hotel occupancy tax.

The City of Norwich is facing steeply increasing costs as it tries to provide decent services to the many low and middle wage residents that have flocked to our town so that they can work at the casinos. Casino employment is service employment that is not highly paid. Many of the new residents are foreign immigrants whose children require extensive english language services. The number of special education students has risen by 30% over the past six years. However, the residents have a little ability to absorb increased property taxes and investor owners will not be interested in Norwich if property taxes become so high that they cannot make an adequate profit on rents. The City of Norwich is in need of the revenue this bill represents.

The City of Norwich has never received an equitable share of Pequot Mohegan grant funds. The City of Norwich received 2.84 million dollars from the Pequot Mohegan Fund last year. While this is a slight improvement from the 2.5 million Norwich received in 2006, the distribution of funds is still not equitable. The resources of eastern Connecticut cities and towns are highly stressed by the presence of the casinos. Norwich must provide significant additional services in education, english language and emergency services for casino workers. An increase in traffic and accidents also requires additional investments in emergency services and infrastructure. However, Norwich's grant in 2007 is roughly equal to the grants of three distant towns that suffer no casino related impacts. These towns also have higher per capita income and lower populations. Cheshire, in New Haven County (pop. 28,543) received 2.7 million, Suffield (pop. 13,552) and Enfield (pop. 45, 212) in Hartford County, received 2.4 million dollars and 2.18 million dollars respectively. All three of these towns have significantly higher household incomes than Norwich.

Given that Pequot Mohegan revenues are down, we are unlikely to see the distribution become more equitable now. This bill will provide some relief to municipalities that provide the services to hotel residents as well as so many others.

100 Broadway, Norwich, CT 06360
Phone: (860) 823-3746 Fax: (860) 885-2131
E-Mail: jelazhari@cityofnorwich.org
www.norwichct.org