

**Before the Committee on Planning & Development
March 3, 2008**

**Statement of Lee D. Vincent
Assistant to the Town Manager, Groton**

**Raised Bill No. 5674,
AAC the Powers of Regional Councils of Government**

I wish to tell you that the entire Town Council and most of the other officials of the Town of Groton I am aware of, have been strongly in support of the purpose of this bill.

This bill gives the legislature an unusual opportunity. It allows some needed funds to be focused precisely and exactly where the need exists. The local sales tax would be levied on one specific economic activity that is the core of the tourist economy which requires special expenditures by the towns.

The village of Mystic – half of it in the Town of Groton -- is the tourist gem of New England. The municipal service impact of Mystic's attraction overwhelmingly occurs in the towns of Groton and Stonington which encompass Mystic. The justification for a special funding source for towns like Groton seems beyond question.

The average taxpayer would be shocked to learn how little tax revenue comes from tourism to a town that is elbow to elbow with tourists all summer long. But it is clear and certain that the property tax on a few dozen charming old boutiques and snack shops in our historic shopping district – even those properties that attract huge numbers of people needing protection – cannot begin to equal the extra cost of controlling traffic and protecting people and businesses.

Indeed, since a town is limited to taxing the property alone, the taxes in such an intense tourist neighborhood could be a good deal less than the tax we derive from the more modern and valuable buildings in the relatively quiet commercial strips that are patronized mainly by local residents. Even where the properties in a tourist magnet area carry high values on the grand list, the resultant tax is unlikely to pay for the associated costs of the first class municipal service we wish to provide.

We are obliged to provide essential services to crowded tourist areas. An example of the service that we offer in Groton is a visible and helpful police presence. That has included paired officers on summer bicycle patrols, day and evening, and a small police substation that is centrally located and intended to be staffed at all busy times for tourists. Groton has the same interest that Connecticut as a whole has: to make every visitor welcome, happy and safe, whether they come from across the river or across the country. To that end, a town like Groton – with fair and direct funding -- is in the best position to make the best choices of what service to provide and how to provide it.

Raised Bill No. 5674 can do an enormous amount of good without adding any burden to the State Budget and the challenging choices that lie within it. A one percent lodging tax is not likely to amount to a great windfall for any town. It is more likely, however, to approximate the cost of the services that are directly related to the business activity that would be taxed.