



First in Connecticut. First for its citizens.

March 3, 2008

Senator Coleman, Representative Feltman
Senator Harris, Representative Hennessy
Members of the Transportation Committee

**Re: Raised Bill 5674 AN ACT CONCERNING THE POWERS OF REGIONAL
COUNCIL OF GOVERNMENTS**

Dear Chairpersons and Members of the Planning and Development Committee:

It is my pleasure to present this testimony and request your support for House Bill 5674, with particular emphasis on section 5.

Connecticut cities and towns rely heavily on property taxes to fund day to day operations. In Windsor, 80% of our revenues come from property tax. The tax burden on homeowners and small businesses continue to increase under the current taxing structure. As you and your colleagues continue to debate restructuring of the property tax system, please be mindful of the importance of providing cities and towns with the ability to diversify local revenue sources. This is an important element of overall property tax reform

States across the nation realized years ago the necessity of a diversified local revenue stream and many have granted so called local option taxes. For example, since 1985 local communities in neighboring Massachusetts have been able to levy up to a 4% hotel - motel excise charge. Certain cities also have the ability to charge an additional 2.75% to fund convention center activities.

The time has come for Connecticut to adopt enabling legislation to allow local option taxes like a hotel – motel bed tax as well.

In Windsor, there are currently over 725 hotel rooms with an additional 130 set to come on line in 2008. This legislation has the potential to generate over \$150,000 per year in Windsor. These funds would be able to offset current tax-supported operations such as economic and tourism development and public transportation.

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Thank you for the opportunity to provide testimony in support of this enabling legislation. I respectfully request that the committee act favorably on this proposal to allow the diversification of local revenue sources and mitigate the future burden of local property tax.

Sincerely,



Peter P. Souza
Town Manager

c: Senator Eric Coleman, 2nd District
Senator John Kissell, 7th District
Representative Ruth Fahrback, District 61
Representative Peggy Sayers, District 60
Representative Faith McMahon, District 15