

Testimony of Mark Steiner, Waterford in Waterford, LLC
regarding HB 5713 AN ACT CONCERNING SPECIAL DISTRICTS.
Planning and Development Committee Public Hearing.
March 3, 2008

**Proposed Modification to Chapter 105 of the Connecticut General Statutes
Fire, Sewer and Other Districts**

Currently, pursuant to Chapter 105 of the Connecticut General Statutes ("GCS"), 15 people in a defined area can petition to establish a Special Tax District. A Special Tax District can also be established by an act of the Legislature.

- Chapter 105 of CGS provides for the establishment of "any fire district, sewer district, fire and sewer district, lighting district, village, beach or improvement association, and any other district or association, except a school district, wholly within a town and having the power to make appropriations or to levy taxes".
- There are currently two ways in which a Special Tax District can be established. Pursuant to Section 7-325(a), 15 or more residents of a defined area can petition the legislative body within the city or town, within which the district is proposed. Alternatively, the State Legislature, by special act, can create a Special Tax District. However, this is a cumbersome, time consuming process, with a less than certain outcome.
- Without going to the state legislature for a special act, there is no other mechanism in current law to utilize a special tax district for new development or redevelopment. on undeveloped or unoccupied property.

The language proposed to be added to Chapter 105 would allow the owner of undeveloped or unoccupied property (i.e., there are not 15 or more residents of a defined area), to apply to the local legislative body, to create a Special Tax District. If adopted, Connecticut's Statutes would conform to many other states.

- Connecticut and its cities and towns are at a competitive disadvantage because the change sought is already done in many other states.
- There are no other proposed changes to Chapter 105 so all other existing requirements for such a tax district remain.

Connecticut currently ranks 48th out of 50 states on a per capita basis in the production of new housing. The state also lags in new job creation. Lack of housing for prospective employees is a reason often cited by employers for not expanding in the state, or by prospective employers for not locating in Connecticut.

The proposed change could help stimulate new housing and other economic development, as well as remediation and redevelopment, by providing a cost efficient way to pay for infrastructure.

- Specifically, property owners would have the mechanism to finance the cost of roads, utilities and other public improvements in a cost effective manner using tax exempt bonds.

Giving the local legislative body the discretion to create Special Tax Districts provides them with a valuable tool to help shape good land use policy and to encourage the development and redevelopment it wants.

- The proposed change to Chapter 105 maintains the discretion of the local legislative body to approve it. This gives them a powerful tool that they currently don't have to influence and shape responsible development policy.

In Summary:

There is no downside to adding the proposed language to Chapter 105 of the Connecticut General Statutes:

- The Special Tax District remains subject to all existing state and local laws.
- The Special Tax District remains subject to the discretion and approval of the municipal legislative body.
- Any financing obtained by the Special Tax District is solely an obligation of the district. It has no impact on the state, town, or city within which the district is located.

Significant benefit will result from adding the proposed language to Chapter 105:

- The change can stimulate construction of new housing, which is badly needed in Connecticut, or other new economic development.
- The change can stimulate the redevelopment of brownfields and other previously used sites.
- The authority to establish Special Tax Districts remains with local authorities, and is discretionary. Therefore, cities and towns will get a powerful tool to incentivize the development they want.