



**Bart Russell, Executive Director
Connecticut Council of Small Towns
Testimony Before the Planning & Development Committee
February 18, 2009**

- Proposed **S.B. No. 89** AN ACT CONCERNING A LOCAL OPTION FOR A HOTEL TAX.
- Proposed **H.B. No. 5027** AN ACT CONCERNING THE INSTITUTION BY MUNICIPALITIES OF A LOCAL HOTEL TAX.
- Proposed **H.B. No. 5189** AN ACT CONCERNING A LOCAL OPTION TO IMPOSE A LODGING TAX.
- Proposed **H.B. No. 5524** AN ACT AUTHORIZING MUNICIPALITIES TO IMPOSE A TAX ON HOTELS AND MOTELS.

The Connecticut Council of Small Towns (COST) appreciates the Planning & Development Committee's recognition that towns must begin to diversify their revenue sources. We *strongly support* the above-referenced bills, which will provide towns with an opportunity to generate a steady stream of revenue and reduce the reliance on property taxes.

Towns are facing additional pressure associated with significant increases in costs for critical services and programs, including education, road construction and repair, building construction and public safety services. Local budgets have been straining from the enormous weight of these and other costs, as is evidenced by the increasing and historically high number of multiple referenda towns went through last year. We expect this situation will only get worse.

In addition to reasonable levels of municipal aid for education, roads and infrastructure, property tax reform must authorize towns to develop reliable and growing revenue streams so that towns will know that the money will be there for them on an increasing basis from year to year.

We therefore support efforts, as called for under the above-referenced proposals, to allow towns to receive a share of the hotel tax generated within their town.

Thank you for the opportunity to testify. Please contact me at 860-676-0770 if you have any questions.