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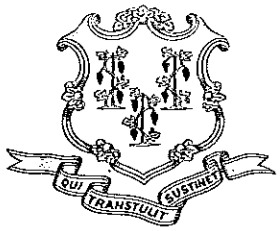

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February 18, 2008

Good afternoon Senator Coleman, Representative Sharkey and members of the Planning and Development Committee. I am here to testify in support of SB 379 An Act Concerning Land Value Taxation, SB 389 An Act Revising the Date for Commencement of the Fiscal Year by Municipalities, SB 393 An Act Concerning Municipal Revenue Diversification.

SB 379 An Act Concerning Land Value Taxation would allow municipalities to institute Land Valuation Taxation, allowing municipalities to tax vacant parcels at a higher rate than structures in order to encourage development and discourage blight. This approach should increase property value in the core cities as well as discourage suburban sprawl; it has been successful in other states. Adoption of this proposal would also assist municipalities in increasing revenue while providing incentives for economic development and disincentives for leaving parcels undeveloped.

SB 389, An Act Revising the Date for Commencement of the Fiscal Year by Municipalities, would provide that the municipal fiscal year begin on September 1. Under this model municipalities would begin their fiscal years after the state budget has been adopted thus allowing them to pass realistic budgets. The fact that the municipalities and the state share the same fiscal year deadlines creates a situation in which the municipalities are forced to guess as to the amount of state aid they will receive while preparing budgets in the spring of each year. This bill would represent a common sense change.

SB 393 An Act Concerning Municipal Revenue Diversification would allow municipalities to adopt certain local taxes on such things as parking and hotel occupancy. This would allow towns to recoup revenue from those who use municipal services but who do not reside in the municipality. It would be of assistance to cities that provide homes to non-profits with regional benefits.

Thank you for addressing these crucial issues.