



Testimony of the Connecticut Restaurant Association

Senate Bill 436 An Act Concerning Municipal Revenue

March 15, 2010

The Connecticut Restaurant Association represents over 600 restaurants and affiliate members throughout the state, consisting of quick serve, casual, and fine dining establishments. The hospitality industry in Connecticut employs over 150,000 people. We are the most likely industry to provide a young person his/her first job, the most likely industry to employ a member of a minority group, the most likely to employ an unskilled worker, the most likely to give a new American his/her first job, and the most likely to give a woman her first management level position.

Our members vehemently oppose SB 436, AAC Municipal Revenue. This bill seeks to allow municipalities to impose local option taxing authority and to unilaterally increase various fees. Connecticut is already one of the most unfriendly states to do business in. Allowing municipalities to impose new or increased taxes and/or fees will only perpetuate that reputation. Neither higher nor new taxes on small businesses in Connecticut are the answer to the Connecticut's budget crisis. Instead, this measure will force businesses such as restaurants, to decrease their workforce, cut employees' hours, potentially increase prices and in the worst case scenario, close their doors for business.

Many of our members are multi-unit operations, meaning they have a restaurant in more than one city or town in Connecticut. Allowing municipalities' free range to tax would be disastrous for many of these operators. Take for example The Hartford Restaurant Group, owners of Agave, Wood n Tap, Vaughn's and TD Homer's. They opened their first restaurant, the Hartford Wood n Tap, in 2002. They have since grown to eight restaurants operating in five different municipalities and employing over 400 people. If this bill were to become law, Connecticut would no longer see businesses like The Hartford Restaurant Group growing and creating jobs. They would simply not be able to afford it.

Higher taxation and increased fees send the wrong message. It tells business owners who want to grow their business that Connecticut is not the place to do it. Rather than creating jobs here in our state, business owners will look elsewhere, to states that certainly do not allow municipalities' complete freedom when it comes to taxation and fees. The Connecticut Restaurant Association believes that lower taxes, pro-business legislation and reasonable regulations support our ability to prosper and make Connecticut more desirable for future business growth.