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**Testimony of
Bart Russell, Executive Director
Connecticut Council of Small Towns
Before the Planning & Development
March 10, 2010**

RE: SB-303 AN ACT CONCERNING A HOTEL TAX

The Connecticut Council of Small Towns (COST) appreciates the Planning & Development Committee's recognition that towns must begin to diversify their revenue sources. We *support* **SB-303, An Act Concerning the Hotel Tax**, 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 in SB-303, to allow towns to receive a share of the hotel tax generated within their town.