



Bristol Resource Recovery Facility Operating Committee

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Testimony of the
Bristol Resource Recovery Facility Operating Committee
to the Finance, Revenue and Bonding Committee
March 7, 2011

Senate Bill No. 1007

AN ACT CONCERNING THE GOVERNOR'S RECOMMENDATIONS ON
REVENUE

Berlin -
Denise McNair
Town Manager
(Treasurer)

Branford -
Anthony DaRos
First Selectman
(Secretary)

Bristol -
Arthur Ward
Mayor
(President)

Burlington -
Catherine Bergstrom
First Selectman

Hartland -
Wade Cole
First Selectman

New Britain -
Timothy Stewart
Mayor

Plainville -
Robert Lee
Town Manager

Plymouth -
Vincent Festa
Mayor

Prospect -
Robert Chatfield
Mayor

Seymour -
Paul F. Roy
First Selectman

Southington -
Garry Brumback
Town Manager

Warren -
Jack Travers
First Selectman

Washington -
Mark Lyon
First Selectman

Wolcott -
Thomas Dunn
Mayor
(Vice President)

Good afternoon Senator Daily, Representative Widlitz, Senator Roraback, Representative Williams and Members of the Finance, Revenue and Bonding Committee. My name is Jonathan S. Bilmes and I am the Executive Director of the Bristol Resource Recovery Facility Operating Committee. This organization is made up of 14 towns and cities in Connecticut representing over 10% of the state's population. We are concerned with the safe, environmental and cost-effective disposal of municipal solid waste and recyclables. In addition, since our Board is comprised of Mayors, Selectmen and Town Managers, we also represent the direct interests of our taxpayers, both residential and commercial.

We fully recognize that the state of the economy is front and center during the 2011 session of the General Assembly. But it is important that we remain steadfast in our efforts to ensure that the state's municipal solid waste stream is managed in the safest – and most cost-effective – manner for years to come.

Solid waste costs are a significant expense in our municipal budgets. I am asking you to reconsider the proposed elimination of a sales tax exemption that the BRRFOC has made use of as provided for in Sec. 12-412 (95) of the General Statutes. Repealing this exemption will result in additional costs for our municipalities and simply shift this tax burden from the state to the local level.

Sec. 12-412 (95) exempts from sales and use tax any services or tangible personal property to be incorporated into and used or otherwise consumed in the operation of a solid waste-to-energy facility, certified by DEP, whether such purchases are made directly by an authority or an operating committee, or are reimbursed by an authority or operating committee to the lessee or operator of such facility. Pursuant to our existing contract, repeal of this exemption will mean that Covanta Bristol, the operator of our waste-to-energy facility, will pass through to the citizens of the BRRFOC sales and use tax on all services and tangible personal property used at or otherwise consumed in the operating of the facility. Prior to the adoption of subsection (95) of Sec. 12-412, effective October 1, 1997, area taxpayers were saddled with these costs. We estimate that the repeal of this sales tax exclusion will increase regional taxpayer expenses on the order of \$200,000-\$400,000 (\$1 - \$2/ton)/year. Repeal of this exemption will directly impact the taxpayers of the Bristol project by increasing our tipping fees and the costs of environmentally sound solid waste disposal. Thank you for your attention to this matter.