

TESTIMONY SUBMITTED TO COMMERCE COMMITTEE

March 20, 2012

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Connecticut Development Authority*

**S.B 144 AN ACT EXPANDING THE STATE'S TAX INCREMENTAL
FINANCING PROGRAMS.**

The Connecticut Development Authority (CDA) respectfully offers the following comments in opposition of SB 144, AN ACT EXPANDING THE STATE'S TAX INCREMENTAL FINANCING PROGRAMS.

While the intent of the legislation appears to be a financing mechanism to support worthy projects, it also presents obstacles and in some cases complicates programs.

The language shifts to the State the debt burden associated with property tax incremental financing being proposed by municipalities -- it would finance local projects with state revenue streams.

This bill is likely to drive up the amount of state financial assistance required for a project which would decrease the added state retained revenue as a result of the bill. Currently any project requiring assistance of more than \$10 million under this program requires a special act of the legislature.

As a result, we respectfully oppose the proposed changes.