



STATEMENT REGARDING
House Bill 5160: *An Act Establishing A Municipal Option to Abate Property Taxes*
for Small Businesses
Planning & Development Committee
February 22nd, 2011

The MetroHartford Alliance is the Region's economic development leader and the City's Chamber of Commerce. Our investors include businesses of all sizes, health care providers, institutions of higher education, and municipalities. All of these investors share a common interest in the full economic and employment recovery of Connecticut, in a dynamic Capital City, and in the enhanced ability for the Region to compete for jobs, capital, and talent.

Given the economic climate, all of our municipalities face challenges in growing their grand lists and stimulating business development. We applaud the Governor and the Legislature for taking steps during the October Special Session to develop ways to provide new incentives to create jobs and for continuing during the Regular Session to explore new mechanisms to build upon those initial steps.

In order to remain competitive and keep mill rates down, it is critical that our cities and towns maintain consistent fiscal restraint in order to balance budgets and reduce the local tax burden on all property classes. The state can assist in this effort by placing a moratorium on unfunded mandates on municipalities. Additionally, properly managed, House Bill 5160 offers municipalities the flexibility to implement another tool to attract businesses to their communities. We urge that this proposal needs to be implemented in a way consistent with the objective of making cities competitive for infrastructure investment. Also, any reallocation of tax revenue sacrificed for the duration of the program should be proportionately shared among all classes of property.

We thank you for this opportunity to comment on the tax challenges our municipalities face and look forward to working together to drive economic and employment growth throughout the region and the state.