

Testimony of Henry J. Teskey
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Before the Finance, Revenue and Bonding Committee
Legislative Office Building
Hartford, Connecticut
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Good morning Senator Fonfara, Representative Berger and members of the Finance Committee. My name is Hank Teskey and I am the Director of Tax at Electric Boat Corporation in Groton, Connecticut.

We are here today in opposition of a portion of **Raised Bill 5636-An Act Concerning Municipal Taxing Districts, the Sales Tax, the Apprenticeship Tax Credit, Certain Fees and the Tax Credit Report**. We are here to comment on Section 10, which allows for the creation of a special taxing district in New London. As we understand it, the purpose of this legislation is to provide additional tools to the City of New London in their effort to develop the portion of New London known as Fort Trumbull. Electric Boat Corporation fully supports the City of New London in that effort as we work in partnership to make New London and all of Southeastern Connecticut a great place to live and work. However the bill has some provisions that don't seem to advance that purpose and seem unfair in application.

Specifically, Section 10(f)(2) of the Bill provides that notwithstanding any provision of the general statutes, the cost of the improvements may be assessed "*upon the property benefited by such improvements*" with the balance of such costs paid from the general funds of the District. This represents a dramatic and unwarranted departure from the provisions of C.G.S. Section 7-325, which provides for the proportionate taxation of properties within a separate taxing district with the very narrow exceptions of (i) the construction of a drain, sewer, sidewalk, curb or gutter, or (ii) a flood or erosion control system. As written, the proposed bill would allow other members of the district to impose the costs of broad categories of improvements upon a very small number of property owners, without those property owners having any real representation in the decision. Such a provision violates basic concepts of fairness and representation, if not the constitution itself.

This new law provides for a new procedure for the creation of a taxing district, but there is already a long established statewide procedure. Finally, this new law authorizes a list of potential improvements that is much broader than existing law. For example, it includes water treatment facilities, parking facilities, bulkhead dredging and construction, environmental remediation and other infrastructure improvements, which are broad and far reaching.

Moreover, this legislation gives a very small number of representatives the power to bind the district, and potentially all the taxpayers in the City of New London, to a significant amount of debt, up to \$190 million.

We see no reason to extend the taxing power of the district beyond those already provided in C.G.S. Sections 7-324-329. The mere fact that so many sections of the proposed bill begin with the phrase “*notwithstanding any provision of the general statutes*” is clear evidence that the provisions of the proposed legislation go well beyond legislation enacted previously. We see no reason to enact special legislation just for this area in New London, with a virtually unlimited scope of improvements, and with virtually unlimited authority to impose the costs upon one or more taxpayers without fair representation.

For these reasons, we oppose Section 10 of this Bill, and ask that you do the same.

I thank you for the opportunity to speak to you today on **Raised Bill 5636**.