



**Testimony Regarding SB 464, An Act Establishing the Hartford Financial Sustainability Commission**

Kevin A. Dillon, A.A.E.  
Executive Director  
Connecticut Airport Authority

Finance, Revenue, and Bonding Committee  
March 28, 2016

Dear Senator Fonfara, Representative Berger, Senator Frantz, Representative Davis, and distinguished members of the Finance, Revenue, and Bonding Committee,

My name is Kevin Dillon, and I am the Executive Director of the Connecticut Airport Authority (CAA). **I am submitting this testimony regarding SB 464, An Act Establishing the Hartford Financial Sustainability Commission.**

The CAA is concerned by language in Section 7 of the legislation which outlines a potential strategy of imposing levies on tax-exempt organizations in Hartford. As you know, the CAA owns and operates Brainard Airport in Hartford and the CAA is not required to pay taxes, as per C.G.S. Sec. 15-120rr. This statutory provision was necessary to satisfy Federal Aviation Administration (FAA) revenue diversion rules, which restrict the use of airport funds for non-airport purposes. Failure to adhere to revenue diversion guidelines can result in the FAA seeking treble damages from the offending airport sponsor, as well as withholding all federal grant payments to all airports across the State. The provisions within the CAA's enabling statutes regarding tax exemption and applicable payments, specifically C.G.S. Sec. 15-120rr and Sec. 15-120ss, were carefully crafted with FAA input to allow for a limited grandfathering of certain payments while simultaneously ensuring compliance with federal rules. When this statute was formulated, the FAA made it clear to all parties involved that the establishment of further payments would likely fall into the territory of revenue diversion.

After an initial reading of the proposal, it does not appear that this legislation intends to levy such charges on Brainard Airport property. However, the language in the bill is still in an early form, and the CAA wants to ensure that the significant challenges outlined above are clear as this proposal progresses.

Thank you for the opportunity to provide this testimony. Please feel free to contact my office at (860) 292-2054 if you have any questions or concerns.

Sincerely,

Kevin A. Dillon, A.A.E.  
Executive Director  
Connecticut Airport Authority