



**Testimony  
Betsy Gara  
Executive Director  
Connecticut Council of Small Towns  
Before the  
Finance, Revenue & Bonding Committee  
February 13, 2019**

**RE: HB-6032- AN ACT REQUIRING A STUDY OF MUNICIPAL RETENTION OF A PORTION OF THE REVENUE GENERATED BY THE SALES AND USE TAXES ON HOTELS AND LODGING HOUSES.**

The Connecticut Council of Small Towns (COST), supports the intent of **HB-6032**, which requires a study to allow towns to retain a portion of the sales and use taxes on hotel and lodging houses.

Connecticut is more reliant on property tax revenues to fund local services, including education, than any other state in the nation, according to the U.S. Census Bureau. Recognizing the need to reduce the burden on property taxpayers, COST supports efforts to create diversified municipal revenue streams to fund critical local programs, including education, special education, transportation and public safety.

Accordingly, we support the intent of HB-6032. However, we do not believe additional study is needed to move forward with a proposal to allow municipalities to retain a portion of these taxes. Currently, municipalities do not receive any portion of the sales and use taxes on hotels and are not authorized to impose an occupancy tax. Providing municipalities with this revenue would allow them to invest in critical infrastructure, strengthen their local economies, and enhance tourism opportunities.

Thank you for the opportunity to comment on this bill.

*COST is an advocacy organization committed to giving small towns a strong voice in the legislative process.*