



Commerce Committee

March 10, 2020

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent 100% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

SB 277 AAC THE ENTERPRISE ZONE PROGRAM

CCM supports SB 277.

CCM supports the intent of the bill which would require DECD to study the benefits of the Enterprise Zone Program and incentives and benefits offered by the program, but would ask the Committee to consider additional language beyond a study that would offer towns and cities expanded options related to the program.

Exemptions under the Enterprise Zone (EZ) Program were traditionally reimbursed by the state but in more recent years, state budgets have not funded the required reimbursements to offset the revenue loss to municipalities. The lack of reimbursement has led to significant revenue loss to municipalities that host EZ's and required them to raise property taxes on residential business taxpayers to make up the loss revenue or reduce programs and services.

CCM would recommend the inclusion of language that would allow municipalities via vote of its legislative body to opt out of participating in the enterprise zone program.

Last year, the Finance, Revenue and Bonding Committee heard testimony on HB 7408, specifically Sections 10-14 which would allow a local legislative body to terminate Section 12-81, subdivisions (59) and (60), and Section 32-71, enterprise zone benefits on a going forward basis. A new business seeking future tax benefits could then work with a host municipality and its legislative body on a case by case basis to determine what is best for the community and the business. This recommended language would not impact businesses currently receiving enterprise zone tax benefits from a town, but simply allow a town or city to choose if the program and the incentives are still in the best interest of the municipality.

CCM urges the Committee to support SB 277 with the recommended changes.

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If you have any questions, please contact Randy Collins, Advocacy Manager of CCM at rcollins@ccm-ct.org or (860) 707-6446.