

Capitol Region Council of Governments

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DATE: March 25, 2008
TO: Chairmen and Members of the Finance Revenue and Bonding Committee
FROM: Melody Currey, Mayor of East Hartford and Chair of the CRCOG Policy Board
SUBJECT: Testimony in Support of Raised Bill No. 5940, An Act Concerning A Share of Sales Tax Revenue for Local Programs, and the Open Space Tax Credit Program and House Bill No. 5885 An Act Concerning the Municipal Share of the Real Estate Conveyance Tax

CRCOG is the regional planning organization that has served the City of Hartford and the 28 surrounding suburban and rural communities for more than 40 years. CRCOG wishes to express its support for a number of provisions addressed in Raised Bill 5940 as well as support for House Bill 5885. This statement reflects CRCOG's past positions on these issues as well as CRCOG's 2008 Legislative Priorities.

Regional Performance Incentives Program

With regard to Raised Bill 5940, CRCOG wishes to focus its comments on Section 1 of the bill. CRCOG strongly supports the Regional Performance Incentives Program, which provides incentives to towns to find ways to reduce costs, improve efficiency, and expand services by working together. Regional service sharing can enhance our effectiveness in law enforcement, infrastructure management, and other areas of service delivery, and it can do so while maintaining quality, reducing costs and improving consistency. We thank the General Assembly for the program pass last session on service sharing incentives and expect to produce many worthwhile outcomes over the coming year for our towns and the region as a whole.

CRCOG has also long supported producing enabling legislation for Councils of Governments and Councils of elected officials to operate as regional assets districts which would allow for the raising of revenues that could be used to benefit important regional assets, such as museums, regional parks and trail systems and regional transportation facilities.

This bill provides an opportunity for producing revenues dedicated to combining the thrusts of these two unique programs and CRCOG is in full support of that effort.

Continuation of the Local Share of the Real Estate Conveyance Tax

With regard to H.B. 5885, CRCOG continues to support strongly the continuation of the local portion of the conveyance tax. Last session, the Legislature extended the .25% of the municipal real estate conveyance tax until July 1, 2008. This resulted in a one-time municipal revenue gain of \$40-\$45 million. CRCOG sees this gain as beneficial to supporting the livelihood of the region and our municipalities.

In another challenging budget year, CRCOG's 29 municipalities stand to lose a multimillion dollar portion of their operating costs if the conveyance tax were to sunset. The end of this tax would have extremely negative impacts on critical town programs. The loss of the Conveyance

Tax revenues cuts across municipalities, from small towns to big cities. Towns use this revenue to meet their obligations to fund K-12 education, public safety, transportation and other essential local services. In times of fiscal distress at the local level, continuation of the local share of this revenue – that is much smaller than the state share – is an important part of the resources needed to avoid greater property tax increases at the local level.

We would urge the passage of Bill 5885 to extend this valuable tool our towns and those across the state use to cope with rising costs and limited resources.

Thank you to the members of the Committee for your attention to our comments. We are happy to respond to any questions you may have.