Act Number:	09-231	
Bill Number:	6585	
Senate Pages:	5719-5750, 6109-6114	**38**
House Pages:	5605-5723, 10462-10466	**124**
Committee:	Planning and Development:820-825, 830-840, 873, 875-876, 879-885, 889, 896-903, 923-925, 943-945, 952, 958-959, 965-966, 970, 972, 975-981, 985, 988-989, 992-993, 996, 1005-1006	**64**
	Page Total:	**226**

S – 594

CONNECTICUT
GENERAL ASSEMBLY
SENATE

PROCEEDINGS
2009

VOL. 52
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5683 – 5943

Calendar Page 17, Calendar 688, File Number 457 and 940, substitute for House Bill 6585, AN ACT CONCERNING REGIONALISM, as offend -- amended by House Amendment Schedule A, favorable report of the Committees on Planning and Development, and Finance, Revenue, and Bonding.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Thank you, Mr. President. I move acceptance of the joint committees' favorable report and passage of the bill.

THE CHAIR:

Acting on acceptance and passage of the bill, sir, will you remark further?

SENATOR COLEMAN:

Mr. President, this is a comprehensive bill and part of a package of regionalism bills that were worked on by the Planning and Development Committee. This particular bill allows the CEOs of two or more municipalities which are members of the same federal Economic Development District to agree to promote regional economic development and to share the real and Personal Property Tax revenue from such new economic development projects.

The agreements that the two or more municipalities enter into would include, as an example, some of the following things: The identification of areas for new economic development; opal -- open space and natural resource preservation; transit-oriented development; capital improvements; regional energy consumption; the promotion and sharing of arts and cultural assets. Additionally, "collective bargaining," "purchasing cooperatives," "healthcare pooling," "regional, shared school curriculum," and "special education services" may also be terms included in the agreement.

This bill also requires DRS to enter into a Memorandum of Understanding with municipalities participating in such cooperative agreements, and it requires the regional councils of elected officials to identify opportunities and obstacles to enter local agreements that promote regional cooperation.

Also, a provision of the bill would provide for the imposition of a one-percent Hotel Tax, and the municipalities that are parties to a cooperative agreement may share in the revenue from the Hotel Tax.

And, finally, the Department of Revenue Services would be responsible for collecting and administering the revenue that's generated from this Hotel Tax,

through a Memorandum of Understanding entered into by the department and each municipality which is party to such an agreement. I urge support for the bill, Mr. President.

THE CHAIR:

Thank you, Sir.

Will you remark further on House Bill 6585? Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Mr. President, a few questions, through you, to the proponent of the bill.

THE CHAIR:

Senator Coleman.

SENATOR DEBICELLA:

Mr. President, just for legislative intent, House Amendment A that was passed, if I'm reading this correctly, stripped Section 6 of the bill which authorized the additional Hotel Tax. Is that correct; is Section 6 now stripped from the bill? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Mr. President, I may be working from an earlier file company. If we can stand at ease, Mr. President?

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

The Senate will come back to order.

SENATOR COLEMAN:

Thank you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, the answer apparently is you are correct, Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Then, Mr. President, the other question I have, and it's just I might misunderstand what the LCO note is actually saying, is it seems that the bill authorizes, once the Office of Policy and Management has approved a regionalization plan, that the DRS Commissioner, it requires them to enter into a MOA with each municipality about segregating part of the Sales and Use Tax derived from

income items or transactions that occur in the participating municipalities. Mr. President, through you, does that mean that part of the Income Tax and Sales Tax that comes to the State is going to be aggregate -- is going to be cleaved off here and given to municipalities, or I'm just not understanding that sentence in the ORL bill analysis? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, the bill authorizes a portion of the Sales Tax revenue, which would apparently go to the State, would be segregated through a Memorandum of Understanding and would be allocated to the municipalities that are participating in a cooperative agreement. Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

So, through you, Mr. President, then so this is saying that if a group of municipalities comes together and they are agreeing to have a regional plan, that the Commissioner of DRS is now required to

give them, to give those municipalities a portion of the State's revenue stream for Income Tax and Sales Tax for -- that comes from within their borders? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Thank you, Mr. President. And, through you, the provision of the bill only applies to Sales and Use Tax. And that would be -- essentially you're accurate in concluding that that revenue would be placed into a separated account and would be allocated to -- at least a portion of it would be allocated to the municipalities that are participating in the agreement.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. And, through you to Senator Coleman, do we know how much that amount would be that we would be taking from the Sales Tax that goes to the general fund and segregating off to give to these municipalities? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

I -- my recollection is that the fiscal note had estimated that to be about a million dollars, through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Well, and Mr. President, the -- this is the worry that I have is that the fiscal note actually says in the out years that when this provision goes through effect, it says this may result in a significant annual revenue loss from the general fund from the Sales and Use Tax, being FY 12. The revenue to the general fund will coincide with an equal revenue gain to municipalities participating in these agreements. The revenue loss to the general fund is unknown because the bill does not specify an amount or a method of determining the amount.

And so my worry about this, Mr. President -- and I will use an extreme case -- but because we have not spelled out in here how much money we want to give municipalities as an incentive, there's nothing stopping the DRS to say, hey, you know what? Three very politically connected towns have regionalized; let's give them $300 million of the Sales Tax that is

from their district, 100 percent of the Sales Tax from their district to those towns, which would of course devastate our State budget to the detriment of all the other towns in Connecticut.

And so my worry, Mr. President -- I don't think that's the intent that Senator Coleman has behind this bill -- but my worry is that the language in here is not prescriptive enough so that it opens the door to potential serious harm to the State of Connecticut in our general fund.

And, through you, Mr. President, is that a concern that Senator Coleman has or is that -- am I reading the fiscal note wrong? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Thank you, Mr. President. And through you, your reading of the fiscal note is correct. Your hypothetical is certainly not the intent of the bill. Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. And, Mr. President, I

think at this time I thank Senator Coleman for answering my questions.

Mr. President, at this point, although I like the idea of giving incentives to municipalities who come up with a plan to regionalize some of their services, I think the bill as it's currently drafted is a bit dangerous, because I don't think that's the intent that Senator Coleman has yet I think that could be the practicality. And don't take my extreme example; right? Let's say that the -- I'll use my own towns as an example, so if I don't offend anybody. If you take -- if Shelton, Stratford, and Monroe intend to regionalize and come up with a plan, then they are going to be able to keep, call it 40 percent of the Sales Tax from within those towns' borders. And if that were true, then we obviously would have a huge hole in our budget in FY 12 from the Sales Tax, which is the second-largest source of the funding for our general fund.

And so, Mr. President, I rise in opposition to this bill not because I oppose the concept but because the way it's written, I believe, potentially would lead us open to abuse. And so unless there is another amendment coming out to change this, I'm going to be opposing it tonight. Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark further? Senator Kissel.

SENATOR KISSEL:

Thank you, very much, Mr. President. Some questions, through you, Mr. President, to the proponent.

THE CHAIR:

Senator Coleman.

SENATOR KISSEL:

Thank you, very much. First of all, in reviewing the summary of the bill, it says the board of directors of each federal Economic Development District need to send a copy of the district's regional Economic Development Plan to OPM. And I have to honest; I'm not quite sure the communities that I represent in north-central Connecticut, where they may fall regarding a federal Economic Development District.

Quite often, and I'm sure Senator Coleman who -- whose district borders mine, the way economic development is characterized is they're always working through CRCOG, the Capitol Region Council of Governments, and I don't know whether that may be the exact boundaries of where these federal Economic

Development Districts are or where -- I could look at a map and figure out, you know, is Enfield part of Somers or is Somers, because it's in Tolland County maybe is in a different district. I'm just wondering; how can we get our arms around that first part of the equation, through you, Mr. President?

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, it is -- the federal Economic Development District Program is a relatively new program. It may be the case, as a matter of fact, I am not aware that there has been a district that is formed that would include, for example, your district and my district. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you. So is what I'm hearing is that this is brand new and that it's up to the federal government to pass some rules and regulations establishing these federal development districts and they haven't done that yet? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, I believe the process would require the government -- the federal government to notify the Office of Policy and Management and for the Office of Policy and Management to sign off on the proposed development district -- the district -- the Economic Development District proposed by the federal government. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Okay, great. And, all right, I'm going to use an example that has been discussed here in the Capitol for a number of months. It's controversial; there's a lot of municipalities or folks that aren't happy with it or comfortable with it, and it's called "Sunday sales." And I'm wondering; would this proposal allow two communities up in, let's say, bordering Massachusetts to have an agreement that they want to do Sunday sales of alcohol and that perhaps through an agreement with OPM, that those municipalities could keep the Sales Tax derived from that sale. Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, with permission of Senator Kissel, let me just correct the earlier response that I made, and that is just to get the process accurately. I'm informed that the municipalities that might participate or wish to participate in a federal Economic Development District actually put that plan together and submit it to OPM or submit it to the federal government and who submits it to OPM for approval.

And as far as the current question is concerned, may I ask, through you, Mr. President, for Senator Kissel to repeat that question?

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Sure. I don't know whether we would have to change something statutorily here in Connecticut, but it strikes me that what we're promoting here is that for municipalities to come together, come up with some ideas to develop some economic initiatives; my guess is that we'd want them to be creative and come up with ideas that are novel.

And one of my questions is: Assuming there were

no impediments to Sunday sales, let's say two border communities say we want to, by local ordinance, authorize the sale of alcohol on Sundays; let's say it's the Town of Suffield and Enfield. And would that be something where they would then be able to share part or all of the Sales Tax revenues from something like that? Is something like that even contemplated by this? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, that would not be contemplated as one of the permissible terms of one of the, well, what I refer to as the "cooperative agreements" between two or more municipalities. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you, very much, Mr. President. Well, I guess it may not be permissible because we would have to maybe pass legislation allowing municipalities to make their own determination regarding that or if they eventually file suit against the State of Connecticut and, like the automobile dealers, a court determines

that it's illegal for the State to arbitrarily prohibit the sale of an otherwise lawful item on Sundays. But that being the case, what exactly is contemplated as far in an economic initiative, a regional initiative between two communities? Just I'm looking for any kind of example that I can go back to my mayors and first selectmen and tell them this is sort of what the State is thinking of. Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Well, you find -- through you, Mr. President, to Senator Kissel -- in Section 1(b) of the agreement, there's delineated those areas that the agreements between two or more municipalities should include, and that would include new economic development. And from that I gather it means that economic development, meaning projects, construction projects, perhaps, or projects that involve the creation of jobs; open space and natural resource preservation; transit-oriented development, including housing; capital improvements; regional energy consumption, including strategies for cooperative energy use and development of distributive generation and sustainable energy projects; promotion

and sharing of arts and cultural assets. That would be examples of some of the items that would be included in such agreements. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you. Can -- if two or more communities are already working together, can they piggyback what they're already doing if it can be fit into these criteria?

And at first blush, I have to say that the criteria that the towns are going to have to contemplate and put into their agreement is very broad: Sharing of arts and cultural assets; regional energy consumption; capital improvements; but, also, at least three education cooperative programs.

I mean, for example, let's say a couple of communities have already worked together to purchase salt and they want to build that into this agreement. It's not new but it's something that they're already doing. Could they use that as part of the cooperative agreement by building it into their documentation, saying we've done this for five years, we're going to continue to do it but we're going to expand upon this

and maybe purchase sand, and we're going to go into a cooperative venture to purchase Public Works' vehicles and things like that? Or if a community is already working with another community, is everything they've done up until now excluded and this would only contemplate new imitatives? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

The agreement, through you, Mr. President, could be used in order to include cooperative ventures between the participating municipalities that had been engaged in prior to the agreement. Including such ventures in the agreement would formalize that relationship for the purposes of this bill. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you, very much, Mr. President. Okay, moving along to the carrot now to entice municipalities to work together -- and not to say that municipalities need that because I know that they're always striving to work cooperatively to try to

maximize efficiencies -- but it strikes me that there's two things here: The optional Hotel Tax which a municipality could put into place through a local ordinance, but also there's this sort of nebulous agreement with OPM and the Department of Revenue Services where some element of Sales Tax would remain within the community.

For example, I represent Enfield, a town of about 44,500 people; it's got a very large retail district. And would Sales Tax revenues from that retail district be able to remain with the Town of Enfield or is this tax situation only for taxes that are generated by new developments? Through you, Mr. President.

SENATOR COLEMAN:

Through you, Mr. --

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Thank you, Mr. President. Through you, it is, I believe, the intent of this section that this would be Sales Taxes that would be generated by new development.

And I would add that the revenue that would be derived and the Sales Tax that is allocated to municipalities would be required to be used for

projects that are jointly agreed to by the participating municipalities. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you, very much. And regarding the optional Hotel Tax, if there's a community agreement between two or more municipalities, would each municipality want to have this optional Hotel Tax or if their -- if everything else was in compliance with the underlying statute, could one municipality opt for the Hotel Tax and maybe the other municipality not? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, I believe that the provision or the section that covered the optional Hotel Tax has been eliminated from the bill. Through you, Mr. President.

THE CHAIR:

Senator Coleman -- Senator Kissel.

SENATOR KISSEL:

Thank you. I don't know. Have -- all right.

Because it is -- it's almost twelve o'clock, have we passed an amendment that amended this bill earlier? I don't recall but I could be off on that. Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

The House passed an amendment that amended the bill, through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you. And because I'm reading off the most recent file-copy notes, I'm wondering; did the optional Hotel Tax get eliminated by the House amendment? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

That was, through you, Mr. President, what was determined in the discussion between Senator Debicella and I. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you. So the only revenue source that we have here is -- this agreement with Revenue Services, OPM, and the municipalities -- it's for new revenues created through this economic development. Do we have an idea as to whether it would be the entire portion of the Sales Tax associated with the new retail or whatever sales are associated with this new development or is it contemplated that we just don't know the answer to that; it could be 50 percent going to the State and 50 percent remaining with the town, and that that's a fluid concept that has to be worked out with OPM and DRS and the municipalities? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Mr. President, could Senator Kissel repeat his question?

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you. I think what I've sort of boiled it down to is that one of the major incentives here for municipalities to enter into these cooperative agreements is that the new economic development that

they generate would have some revenue spinoff in the form of Sales Tax revenues and that the language of the bill seems to contemplate that upon OPM and Department of Revenue Services' review, that they would be able to allow the municipalities to keep all or some -- excuse me -- some of those revenues.

And I'm wondering: (a) Is it contemplated that all the Sales Tax revenues from the new economic development would stay with the municipalities or could the Department of Revenue Services, with the blessing of Office of Policy and Management, say we're going to pick some other arbitrary figure such as 50 percent would remain with the towns and 50 percent would have to be sent to the State? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, the specific language of the bill requires that a portion of the Sales Tax be segregated for use by the municipalities. That particular, specific portion would be determined by OPM and DRS. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you. So by utilizing the term of art "portion," it's not contemplated that all those revenues would remain with the municipality, but because is says portion, it could be anything less than a hundred percent. So if DRS and OPM, in its wisdom -- in their wisdom, said 95 percent could stay with the municipality, it could be something as high as 95 percent? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Thank you, Mr. President. That is within the realm -- well, I don't know if it's in, within the realm of possibility but it is -- I suppose it's something that could happen if DRS and OPM determine that's what should happen. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you, very much. Well, let me ask this: I know that it won't have any binding legal effect, as far as legislative history, but as one of the co-Chairs of Planning and Development, is it sort of

the notion that it would be 50 percent or something in that neighborhood? And I only say that because the response that Senator Coleman gave me was that 95 percent could be in the realm of possibility, based upon the language of the statute. But it seems to me that there may be an idea, a rough idea as to how this might actually come to fruition. And I think that would be helpful, even if not binding upon us; it would send a message to OPM and Revenue Services that this Legislature was thinking that something in the realm of 50 percent stays with the towns and 50 percent would be given to the State. Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Mr. President, I can't provide or offer an estimate of what percentage would stay with the towns and what would go to the State. I'm sorry; I can't respond to the gentleman's question. Thank you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Okay; thank you. I appreciate that.

A different component of that analysis, is it contemplated that when the Department of Revenue Services in consultation with the Office of Policy and Management come up with a determination as to how much revenue stays with municipalities and how much revenue would then be given to the State, that let's say we have the Town of Wallingford working with an adjacent community and they have applied to this, and then we also have the Town of Enfield working with an adjacent community, would the determination as to how that revenue is broken apart be the same for everybody that applies for this? And the reason I think that's important is -- and not to single out my good friend and colleague, Senator Fasano's Town of Wallingford -- but I know that my constituents up in Enfield, if they saw that Wallingford was getting, like, 75 percent of all the revenues generated where as then OPM and DRS said, Enfield, you get 25 percent of the amount of revenues generated, they're going to say that doesn't seem right.

And so I'm wondering, once the determination as to how these revenues should be bifurcated between the State and the municipalities, whether that would be an equal percentage applied to all of these projects or does the Department of Revenue Services in conjunct --

cooperation with the Office of Policy and Management have latitude to create different kinds of formulas, depending on the municipal agreements presented to it? Through you, Mr. President.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Through you, Mr. President, I believe that the language of the bill contemplates such latitude. Through you to Senator Kissel.

SENATOR KISSEL:

Thank you, very much.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

No more questions through you to the good proponent of the bill. I'm interested to hear if there's any other debate on this, this evening. I have concerns, and it's not because I'm opposed to regionalization.

And I think utilizing a carrot-and-stick approach or incentives to help get municipalities to actually make the serious investment of time and effort and energy to reach out to other municipalities surrounding it or nearby, in looking at the criteria

here, it's complex. There's no two ways about it. There need -- each municipality has got to do an assessment, everything from what they're purchasing to what their culture and arts and tourism and all of that is. And then they have to go to a neighboring municipality or a municipality within this federal district and say can we do it better or do something different together. And then they have to work out what that together is going to mean, and because of geography, it's going to land in one town or anther town or it might have the possibility of sprawling a town line, but that's not necessarily the case.

At the end of the day, though, the part that really is problematic to me is this very open-ended notion as to what the carrot is going to be. They've eliminated the potential for the town to pass its own ordinance to have an additional one percent. And I know that in talking to some of my municipal leaders, they were very intrigued by that notion because that would devolve more likely than not on folks outside the municipality or even outside the State of Connecticut who might be travelers staying in a particular hotel, in particular, in my neck of the woods, because we have Bradley International Airport, quite a lot of hotels around that airport area as well

as in the greater-Enfield area; so now that's all off the table.

One thing that I know was very -- raised a lot of issues in my municipalities was whether we would be contemplating legislation that would allow a municipality to just add one percent across the board in a community. I know my municipal leaders were sort of saying, yeah, that would be great, but a lot of other folks that I talked to in the town, the small retail owners and other folks were very concerned about giving towns that broad-brush latitude because they were fearful that all of a sudden one particular community would be at a competitive disadvantage with surrounding communities.

What we have here is something completely different. This is going to, by necessity, take money away from the State. And in reading the fiscal note, it's large. First of all, it's large because it's anticipated that the Department of Revenue Services, in changing this formula that it has to work with local municipalities, will have to make a significant investment into an infrastructure change. And not being an expert, by any stretch, with the Department of Revenue Services, there is a notion that they have to change the system as to how funds are segregated as

far as the collection of Sales and Use Taxes.

But above and beyond that, above and beyond the fact that one of our large State agencies is going to have to change the way it does business, above and beyond the fact that we're creating a tremendous new responsibility on the part of the Office of Policy and Management, and above and beyond the part that we are requiring an awful lot from our municipalities, at the end of the day, we don't know what the reward is for those municipalities.

And I had used the example that the municipalities would be able to keep 95, up to 95 percent of the revenues generated from a proposal like this, but conversely, at the end of the day, you know, we could be looking at 2011, 2012, seeing incredible, huge holes in our State budget and the reward for the municipalities might be keeping 5 percent instead of -- and 95 would get shipped back to the State of Connecticut. And I can just hear my municipalities, after they've jumped through all those hoops, what their response would be; it wouldn't be really very positive.

And the last point I'll make, Mr. President, is this: I think that what we're doing by having it so open-ended and with the answer that I got that on the

language, as presented, the Office of Policy and Management and the Department of Revenue Services can make individual judgements, based upon each application? I see that that is perfect grounds for feuding, feuding in that you're going to have, hopefully, several of these municipal cooperation agreements going before Department of Revenue Services or going before the Office of Policy and Management, and then they're going to our -- their legislators, their State Representatives and Senators and say, hey, we got 50 cents on the dollar but Waterbury is getting 75 cents on the dollar or hey, we're getting 25 percent of the revenues generated by our project but the City of Stamford is getting 85 percent; that's not fair. And what am I supposed to tell them?

I think that whatever policy we set forward, if we're going to have a standard set of things that the municipalities have to do, then at the end of the day, whatever the reward is for those municipalities should be equal across the board.

And it really -- it will go up and down, depending on how successful their new economic generation projects are. If it's much more successful if -- even if the percentages are the same, then they're going to get more revenue. So there's already

that built-in incentive for the municipalities to come up with something that's really gangbusters that will really create some new wealth in the state.

And if we say just 50 percent -- and I'd be -- I, to be honest right now, I'd be happy with that; 50/50. Let's do a 50/50 partnership with municipalities; they come up with a new way to raise revenue (a) we'll take half of it for our state coffers but they get to keep half. At least they would know what the target is.

But keeping it so open-ended like this, if I was a town manager, I'd be very hesitant to go to my town council or my board of selectmen and try to really pitch this, because they would say, well, if we do all of these things and we invest all these funds in trying to get this cooperative agreement with an adjoining town or two, what do we end up getting back? And the answer is: We don't know.

And, again, just like businesses need to have some kind of predictability in doing quarterly assessment and then two-year predictions and ultimately five-year predictions, I think municipalities need that kind of assistance as well. I think this is a great first step; it's really novel. But I think there's --

THE CHAIR:

Senator Looney --

SENATOR KISSEL:

-- a couple --

THE CHAIR:

-- for what purpose do you rise, sir?

SENATOR LOONEY:

Thank you, Mr. President. And with the indulgence of Senator Kissel, would ask that this item be passed temporarily.

THE CHAIR:

Senator Kissel. Thank you.

SENATOR KISSEL:

Happy to do it, sir.

SENATOR LOONEY:

Yes, Mr. President, also for an additional marking, an addition to the Consent Calendar. Mr. President, on Calendar Page 18, Calendar 698, House Bill 6339, would move to place that item on the Consent Calendar.

THE CHAIR:

There's a motion to place Calendar Number 698 on the Consent Calendar. Without objection, so ordered, sir.

SENATOR LOONEY:

Yes, Mr. President. Mr. President, also for a

S – 595

CONNECTICUT
GENERAL ASSEMBLY
SENATE

PROCEEDINGS
2009

VOL. 52
PART 19
5944 – 6203

Yes, Mr. President, thank you. Would move for immediate transmittal to the House of Calendar page 7, calendar 583, House Bill 6592 as amended.

THE CHAIR:

There is a motion on the floor for immediate transmittal. Without objection, so ordered, sir.

THE CLERK:

Calendar page 14, Calendar 688, file number 457 AND 940, substitute for House bill 6585, AN ACT CONCERNING REGIONALISM, as amended by House Amendment Schedule A, Favorably Reported, Committees on Planning and Development, Finance, Revenue and Bonding.

THE CHAIR:

Senator Looney. Senator Coleman.

SENATOR COLEMAN:

Thank you, Mr. President. Mr. President, I move acceptance of the Joint Committees' Favorable Report and passage of the bill.

THE CHAIR:

Acting on acceptance and passage of the bill, sir, would you like to remark further?

SENATOR COLEMAN:

Just some preliminary remarks, Mr. President. LCO

advises that in order to accomplish -- well, let me explain to the Members what I'm seeking to accomplish. Ultimately, I'd like to call an Amendment which will strike sections 2, 4 and 6 of the bill. What we have before us at the present time has come up from the House and section 6 has already been deleted. But, unfortunately, what the -- the action of the House was not incorporated into a file copy. So LCO is advising that we first reject House A and, if that is successful, then proceed to adopt Amendment LCO 9318, which would strike sections 2, 4 and 6. So first, Mr. President, I move rejection of House A.

THE CHAIR:

There's a motion on the floor for rejection of House A. Let me try your minds. All those in favor of rejecting House A, please signify by saying, aye.

SENATORS:

Aye.

THE CHAIR:

Opposed, nay. House A is rejected. Senator Coleman.

SENATOR COLEMAN:

Mr. President, I'd ask the Clerk to call LCO 9318.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO 9318 which will be designated Senate Amendment Schedule A as offered by Senator Coleman of the 2nd District, et al.

THE CHAIR:

Senator Coleman.

SENATOR COLEMAN:

Move adoption, Mr. President.

THE CHAIR:

There is a motion on the floor for adoption. Seeing no objection, please proceed, sir.

SENATOR COLEMAN:

May I have permission to summarize?

THE CHAIR:

There is a motion on the floor for summarization. Without objection, sir, please proceed.

SENATOR COLEMAN:

LCO 9318 deletes section 2 which is a mandate to OPM to approve regional economic development plans. It also deletes section 4 which is the sales tax incentive that received a lot of discussion yesterday

evening. It also deletes section 6 which is a provision for an optional hotel tax. I would move adoption of the Amendment.

THE CHAIR:

Motion on the floor for adoption of Senate Amendment A. Will you remark further? Will you remark further on Senate A? If not, let me try your minds. All those in favor, please signify by saying, aye.

SENATORS:

Aye.

THE CHAIR:

Opposed, nay. The Ayes have it, Senate A is adopted. Senator Coleman.

SENATOR COLEMAN:

What's remaining, Mr. President, is section one which establishes parameter for voluntary regional cooperative agreements. It includes provisions regarding federal economic development districts, non-compete agreements, property tax revenue sharing. Section 3 also remains and that provides that the OPM secretary must certify that a region has met the requirements of section one which pertain to the

process for agreements between municipalities. Section 5 also remains which calls for the regional planning organizations to identify obstacles to regional cooperation. I urge passage of the bill as amended.

THE CHAIR:

Thank you, sir. Will you remark further on House bill 6585 as amended by Senate A? Senator Fasano.

SENATOR FASANO:

Thank you, Mr. President. Mr. President, I appreciate the Amendment by Senator Coleman, I fully endorse the Amendment and the underlying bill. I think that it clears up many of the questions that were raised yesterday and I support the initiative. Thank you, Mr. President.

THE CHAIR:

Thank you, sir. Will you remark further on the bill as amended by Senate A? Will you remark further? If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

Immediate Roll Call has been ordered in the Senate. Will all Senators please return to the

Chamber. Immediate Roll Call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, please check your vote. The machine will be locked and the Clerk will call the tally.

THE CLERK:

The motion is on passage of House Bill 6585 as amended by House Amendment Schedule A -- Senate Amendment Schedule A.

Total number voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

The bill as amended passes. Mr. Clerk. Senator Looney, do you want to transmit?

SENATOR LOONEY:

Yes, Mr. President, thank you. Would move for immediate transmittal to the House of Representatives of Calendar page 14, Calendar688, House Bill 6585.

THE CHAIR:

H – 1054

CONNECTICUT
GENERAL ASSEMBLY
HOUSE

PROCEEDINGS
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in Western Connecticut.

It is just some very compassionate, some very caring people who have provided support groups and services to women, to men, two children who have been facing -- the families facing the difficulty that cancer brings; wellness programs, family programs. And we're delighted to honor them all here today. And I'm joined by Representative Taborsak, all looking very spiffy today, Mr. Speaker.

So I'm hoping that my colleagues will certainly join in with recognizing hat day today and we will be presenting the nice people from Anne's Place with one of our citations here shortly. And thank you all, not only for being here today, but for all the incredible work you've done supporting families facing cancer in Western Connecticut. Thank you, Mr. Speaker. Please join me in welcoming them.

SPEAKER DONOVAN:

Thank you very much.

Will the Clerk please call Calendar 309.

THE CLERK:

The Connecticut House of Representatives Calendar for Thursday, May 21, 2009. On page 36, Calendar 309, substitute for House Bill Number 6585, AN ACT

CONCERNING REGIONALISM, favorable report by the Committee on Finance.

SPEAKER DONOVAN:

Representative Brendan Sharkey, you have the floor, sir.

REP. SHARKEY (88th):

Good morning, Mr. Speaker.

SPEAKER DONOVAN:

Good morning, sir.

REP. SHARKEY (88th):

Mr. Speaker, I move acceptance of the joint committee's favorable report and passage of the bill.

SPEAKER DONOVAN:

The question is on acceptance of the joint committee's favorable report and passage of the bill. Will you remark, sir?

REP. SHARKEY (88th):

Yes. Thank you, Mr. Speaker. Mr. Speaker, we stand here in 2009 with a serious problem affecting our State. And that problem is something we all recognize, we all hear from our constituents, we all know about. That problem is the property tax.

The property tax is this -- is singly choking off economic development in our state of Connecticut. It

is creating disincentives for good, smart, development and growth of our state. It is discouraging young people from staying in our state after finishing high school and college because the cost of living is so high. It is causing seniors in our communities to have to sell their homes in order to be able to afford to stay in the state, or move to other states. It is, in short, creating a -- such a significant impact on the state of Connecticut that something really, I think we all recognize, needs to be done.

Now the property tax, as we all know, is a vestige of our colonial history. It was enacted at a time when the value and the ownership of land was a measure of one's wealth. And we developed our communities, our now, 169 time -- 169 towns in the state around the notion that property owners in these towns could be taxed based upon the amount of property that they owned, and in order to fund and finance the services that are being offered in those local communities. And in short, those property owners could help support, through taxes, the functions of local Government.

Well, what worked 350 years ago, Mr. Speaker does not work now in the 21st century. As we now know, the

property tax is in no way a reflection of an individual's ability to pay or their wealth. And what we also know is that the property tax is causing folks in our communities to consider alternative ways of raising enough revenue to keep property taxes low. Towns and cities are struggling now with the notion that they have to treat -- keep growing their grand list in an effort to try to offset the amount of property tax revenue that they can receive locally in an effort to keep property taxes steady and it's not working. It's not working.

What we know now is that in the entire state of Connecticut, if we consider all the taxes that are levied, that is both the State and the local level, the property tax currently generates 40 percent of all the taxes that we generate here in the state of Connecticut. Let me say that again, 40 percent of all the taxes that we generate here in the state are derived from the property tax, not much more than we produce from the income tax, significantly more than we produce from the sales tax and other smaller taxes that make up the whole of the 100 percent of taxes we impose on our communities.

So Mr. Speaker, we need to do something about the

property tax. We all here it. Here, everyone here in this chamber, when we stand for reelection or for election in our local communities, it's the number one issue that is being communicated to us from our constituents that we need to fix. We hear it from our towns and cities who are crying out for new revenue streams, new ways of helping them finance the cost of government without raising their taxes. We hear it from throughout, from our business community, who tells us that the property tax is dampening our economic competitiveness. It's making it more expensive for small and medium and large businesses to function here in the state and it also is making Connecticut more and more difficult to attract talent, workers for high skilled, high paying jobs in the state because the cost of living in this community is so high.

So what are the solutions, Mr. Speaker? Well, I believe that the -- that there are two primary ways in which we can approach the property tax on a holistic way, but I cannot emphasize enough that it requires structural change in how we do taxation and government in the State of Connecticut. In the first-place, we have to make our governments more efficient at the

State and the local level. We have to promote the idea that the efficiency at the local level has to be achieved. The system of 169 towns, each duplicating services throughout the state of Connecticut, is a concept and a system, that again, worked in the 1700s, but at -- in an age when Connecticut is no longer competing with Massachusetts and Rhode Island and New York for economic development, but instead, is competing with China and India for new jobs and new economic development.

We have to create a leaner and meaner system in the State of Connecticut at the state, and particularly, the local level. That it's not to say that we should be eliminating home rule. It's not to say that we should be eliminating the notion that what makes Connecticut special is the uniqueness of our 169 towns. No, to the contrary, what we need to do is enable towns, incent towns to find ways of maintaining their own unique characteristics, while at the same time, creating efficiencies that will help reduce their costs at the local level and thereby reduce the property taxes.

We also, Madam Speaker, we also now have to also consider new revenue streams for our municipalities so

that the property tax is not only the only way for towns and cities to raise revenue in our communities. Now, new revenue streams does not necessarily mean, and I personally don't believe, that we should be allowing cities and towns to raise locally based taxes, such as their own sales taxes or their own income taxes, as other states do. It's also not about creating county government or recreating county government, because I think there is a general consensus that county government is another layer of bureaucracy, another layer of government that will inevitably lead to another layer of taxation. That won't solve the problem.

All we need to do is look at some of our neighboring states around the country to see, particularly those close by to us geographically to realize, that that is also not a solution. But we -- what instead we need to do is find ways of generating revenue for cities and towns that does not involve their ability to raise and levy taxes on their own. We need to create a simple, easy way for cities and towns to create, again, efficiency on the one hand and new revenue streams on the other. So with those two ideas in mind, Madam Speaker, we present this bill

today.

This act is actually the result of about 15 months of work by a group known as the Smart Growth Working Group which consisted of Democratic legislators, Republican legislators and members of the public who spent 15 months looking at ways in which we could help our state grow economically without -- while also preserving our natural resources and the things that make Connecticut special. At the core of smart -- that notion of smart growth, growing smartly, is the idea that we have to reduce our reliance on the property tax at the local level, a tax that we all know is choking off our economic development and leading to bad decisions with regard to development; the loss of open space, the loss of farmland, and ultimately, is affecting our quality of life here in the state.

I want to thank all of those who did participate in the Smart Growth Working Group, those who chaired the committees. Several from both sides of the aisle, I'll try to remember to name all of them before we're done today, but I would mention in particular our Republican cochairs of our committees, Representative Aman, Representative Candelora, Representative Chapin

and Senator Roraback on the Republican side. Representative Tom Drew, Representative Tom Reynolds, Representative Hennessy and Representative Elissa Wright, all of whom cochaired along with a member of the public these subgroups that formed a culmination of recommendations on as to how we can make our State more economically competitive.

This bill is the centerpiece of that -- of the work of the working group. And what does the bill do? Well, Madam Speaker, the bill calls for the establishment of a structure within which we can promote regionalism in the State to increase our competitiveness and also, reduce the cost of local government. Section 1 of the bill calls for the establishment of federal economic development districts throughout the state.

It's a little known fact that Connecticut actually receives fewer dollars than any other state in the United States in federal economic development aid and that is simply because we have not allowed regions that currently exist in the state to qualify for federal money under the Federal Economic Development District Program, because the State of Connecticut has been refusing to allow those regions

to qualify for those federal funds.

We are leaving federal money on the table, Madam Speaker. We are leaving significant amounts of incentive economic development money that's available to our regions on the table because we are not allowing our regions to qualify for that federal money. So the first thing that the bill does is call on regions, completely voluntarily, on their own, without any mandate at all from the State, to voluntarily allow towns and cities to come together to form these economic development districts and qualify for these federal funds.

The second thing that the bill does is when those regions do come together and form these economic development districts, they also have to reach agreement among themselves on a few key pieces. One is that they will not compete with each other for new economic development programs and projects that may be coming to the region. Secondly, that they will agree to develop a regional revenue sharing program for new projects that may be coming to the region.

And let me explain that for -- in -- just for the edification of the chamber, just for a moment. The idea of this is that the -- whenever a new major

economic development initiative is being presented to a region, the host community of that project will receive the bulk of the property tax revenue that is generated from that project, but at some portion of those property tax revenues, would also be shared among the other members of the region. And the reason why we're doing that, Madam Speaker, is because we want every town in a region to have a stake in each other's development. So that again, they're not competing with each other for the new shopping center, the manufacturing plant, the new corporate headquarters that may be coming, larger projects of significance with regard to property tax.

We don't want our towns to be pitted one against another to try to attract new development at the expense of the other towns in their region, but rather try to work together and market a region for new economic development, as opposed to each individual town within our state. By doing that, every town in a region has a stake in each other's town development, because this year, if the new project comes along, the host town will get the bulk of that revenue from the property tax, but everyone will have a stake in it. And next year if it's the next town over, that will

get the lion's share of that property tax revenue, but again, every other town gets a piece of that success.

So these regional revenue sharing programs are, we think, key to the idea of breaking down barriers among towns and creating a more regional approach to economic development, which is so critical in our small, small state.

Finally, what the bill does is tell regions that they need to create something that they, in many cases, have already done through their own volition just out of common sense. We're saying that every region needs to create three municipal and three education-based programs to reduce costs and combine resources. It's not to say that every town needs to participate in every single program, but at -- every town in a region needs to come to an agreement so they are all participating in at least one of those programs on the municipal and the education side. This is a way to help, again, create the kinds of efficiencies that we're talking about.

That's -- that is not something I need to emphasize here and now, Madam Speaker, that none of these programs are mandatory. None of this is required of any particular town or city in our state,

none. All of what I just described would be done voluntarily by the individual town and by the region that comes together. The region decides what is a project of significant size that would warrant revenue sharing. What is the revenue sharing proportions? How would those things be disseminated? That would all be decided by the member towns by agreement.

That is the structure that we're trying to create, Madam Speaker, among our towns and cities to help move us in the direction of regionalism to create efficiencies and create new revenue streams. In this case, federal economic development money as well as revenue sharing from other towns from regional economic development. The bill also calls on, in section 2, calls on the OPM secretary to approve those economic development districts as they come forward and are developed. We already have four regions in the state that have already come together and done the preliminary work to qualify themselves for the federal funds, where they are currently blocked from applying from the federal -- to the federal government for economic development funding because our state policy has been to not allow those to be submitted to the federal government. Section 2 of the bill would

prevent that from happening.

Madam Speaker, also in section 4 of the bill, which is a very important section of this bill, that is the portion of the bill that actually creates the real incentive for towns and cities to engage in this program. It is based on the notion that if the State -- if towns and regions come together to create these efficiencies, those things don't necessarily come without costs. If they don't come, there's not something that towns and cities can do on their own without having to spend some money to do that and perhaps, without necessarily incenting towns and cities to provide -- to come up with these kinds of solutions.

So, Madam Speaker, in Section 4 of the bill, what we're calling for is a sharing of the state sales tax that is generated within that region that does come together and does -- do the things that we describe in section 1. They would then qualify themselves for a portion of the state sales tax that is collected at the state level from those participating towns and have it redirected back to the region.

That's an important incentive, Madam Speaker. It's something that, I think, our cities and towns

need, frankly, to create again, not only a new revenue stream that will enable them to keep their property taxes under control and help rebalance the disproportionate reliance we have on the property tax, but will also create, frankly, the political incentive to make some of these moves that will be required, because every local elected official, just as we hear, every one of our local elected officials hears from their property taxpayers that they want to keep their property taxes low and this is another way of making that happen.

You'll note, Madam Speaker, that in the bill we don't specify what amount of the property tax or sales tax that we are calling on as the incentive. The language is very specific that says, it will be a portion of the sales tax to be, essentially, to be determined. We recognize that in our current economic crisis, we cannot know right now what we can afford to put into this kind of a program at this stage. We don't know if it is affordable for the State to do, but we do want to create the structure and we do want to give the communication to our cities towns that we are serious about this. We do want to try to give them the incentives that they need to move in this

direction and that's the reason why we've kept the sales tax in as function of this bill.

We also relied on the sales tax, in particular, Madam Speaker, because frankly, the sales tax is a great incentive for regions to come together, because if in a region, most of the sales tax in most regions is generated within a core city entering suburbs where there is retail and other economic activity that generates sales taxes and sales tax revenues. So there's an opportunity then for towns that may be a little more outlying the core cities and entering suburbs, to see the benefit of associating themselves with the core of the region because that's where the sales tax is generated.

So this -- and it also creates the incentive to -- for smaller regions, towns that may only see themselves in the context of a three or four or five-town-region to, perhaps, see themselves associating with the larger communities and break down the number of regions, so that we have fewer regional groups; necessarily, larger groups that are qualifying for the federal economic development money. So the sales tax, I think, is an important driver for that kind of an incentive.

With that, Madam Speaker, the Clerk has an amendment. It's LCO 7685 and I ask that it be called and I be given leave of the chamber to summarize.

Deputy Speaker Orange in the Chair.

DEPUTY SPEAKER ORANGE:

Will the Clerk please call LCO Number 7685, designated as House Amendment Schedule A.

THE CLERK:

LCO Number 7685, House A, offered by Representative Sharkey.

DEPUTY SPEAKER ORANGE:

The Representative seeks leave the chamber to summarize the amendment. Is there objection to summarization? Hearing none, please proceed, Representative Sharkey.

REP. SHARKEY (88th):

Thank you, Madam Speaker. I need to say right at the outset that I regret that I have to bring this amendment. This -- what this amendment does is it changes the effective date of the sales tax initiative, that I described just before, to the fiscal year 2012, July 1st of 2011. We're pushing it

out beyond the next biennium into year three because we, first of all, need regions that have the time it will take to put their plans together to do the things that the rest of the things that the bill calls for.

But frankly, Madam Speaker, again, as we negotiate and our -- the Governor and our legislative leaders are negotiating over our next biennial budget, as well as trying to project for what's happening in year three and year four down the road, we honestly don't know what our revenue stream is going to look like. And we felt that it was important to not try to necessarily tie the incentive money from the sales tax right now into the next biennial budget and rather, push it to year three.

The Finance Committee, when it produced a budget earlier this year, did include $50 million in the Finance Committee's budget as an intercept of the sales tax to be used for this purpose, for regionalism initiatives. However, as we all know, that is all subject to negotiation at this point. If we don't push this out we are not going to be able to run this bill. We're not going to be able to create the structure that we be to establish and take the first steps towards regionalism. And so to some degree, we

are pushing, kicking the can a little bit down the road in terms of qualifying and figuring out exactly how many dollars we can give to our cities and towns for these regionalism initiatives.

My hope is that as part of the budget negotiations take place over the course of the next weeks and months, hopefully not months, that maybe this money could be restored in the next biennium for these types of regional incentives. But for right now, it is too uncertain, Madam Speaker, and we need to make sure that we are not tying our hands and the hands of future legislatures to specific dollar amounts for this purpose. We want to create the structure, but not necessarily the funding.

The other portion of this amendment, Madam Speaker, strikes section 6 entirely of the bill. Section 6 was the portion of the bill that would have established a regional hotel tax. Regions that came together along the lines of what is called for in section 1 would have been eligible to levy a 1 percent lodging and hotel tax on hotels within their region to be shared, again, among all towns within a participating region.

Again, for the same reason, Madam Speaker, the

financial uncertainty of our State and our own budget negotiations right now mitigated against specifying that type of new revenue stream at this time. And again, it is our hope that we will be able to include this type of incentive and perhaps, others that would be available to cities and towns in the future when we have more certainty about our fiscal condition, but for right now, we felt it was inappropriate to put that type of language in the bill. And for that reason, we're in this amendment, we're striking those two specific portions that deal with money in the next biennium out of the bill. And I move adoption.

DEPUTY SPEAKER ORANGE:

The question before the chamber is on adoption of House Amendment A. Is there objection? Will you remark? All those in favor, please signify by saying -- oh, would you like to speak on the amendment, Representative Aman?

REP. AMAN (14th):

Yes, I would, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Would -- you may proceed, sir.

REP. AMAN (14th):

Thank you very much, Madam Speaker. I do have a

few questions for the proponent of the amendment, hopefully, not seven hours worth of questions, but we do have some questions for the good Representative.

First of all, as the bill is currently -- or with this amendment, will there be any new taxes on the residents of Connecticut in any form of -- as a result of this bill? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, no.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

That was also my understanding of it. Will this bill, as amended, have any financial impact on the budget that we are currently in the process of being negotiated, and hopefully, voted on sometime in the near future? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, no.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

There have been a variety of bills put forward with different amounts of money, some of them in the 40 and 50 million dollar range that were tied to regionalism. Through you, Madam Speaker, how have those particular bills that are also being discussed, what impact do they have on this bill or how do they interrelate? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, it's a good question from the distinguished ranking member of the Planning and Development Committee. The Governor had proposed a $40 million bond -- bonded program for giving towns and cities incentives to make joint purchases of equipment through the LEOSA program and it also includes bonded money for the TAR, the town aid road money. That is not affected at all by this bill. In fact, those recommendations from the Governor have been incorporated into the Finance Committee's bond bill, which is yet to be voted on.

So the Governor's initiatives on regionalism that

involved bond money have been incorporated in to the bond package that was established by the finance committee and is still in negotiation as part of the budget initiations. Also, there was enabling language that was produced in a bill from the Finance Committee that would have -- that actually enabled that $50 million, that I discussed earlier, as an intercept of sales tax money in year two of the biennium. That bill is continuing on, as I understand it. I don't know exactly where it is in the process right now, but that bill is completely independent of this bill. The two are not liked in the sense that if that bill dies, this -- that it will not have any impact on this bill as amended. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Representative Aman, we're on the amendment.

REP. AMAN (14th):

Correct.

DEPUTY SPEAKER ORANGE:

The question is to the amendment.

REP. AMAN (14th):

Okay. And so speaking on the amendment, the last section 6 that's been deleted from the bill talked

about shares sales taxes for hotels. There are a variety of other bills that called for shared -- usually shared sales taxes. Through you, Madam Speaker, is any of those other bills still operational, still working through the system? And again, would they have any impact on this particular bill whether or not they eventually do or do not get passed? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Thank you. Through you, Madam Speaker, I don't know the exact place where all of those bills that the distinguished ranking member has identified. I don't know exactly where each of them are in the course of the process. I know that the bill that we passed out of the Planning and Development Committee that called for a local option hotel tax, that is, I know, has now died because it was not taken up by the Finance Committee.

Other bills, I'm not sure of, but regardless of what other bills are out there that may even still be alive, none of those will have any impact on this bill. This is a stand-alone bill that will survive

even if those other bills either rise or fall, or are subject to the budget negotiations that are ongoing. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

I, again, I thank you for the answers regarding the various tax revenues. I guess my only other point on this is, has, as these groups are formed, is there going to be, or any pledges, or the looking at this possible sales tax revenue in -- coming in the year 2012 to the regions, it says a portion of it. Is there any definition of how much that portion has to be, or any real commitment to the State at this point to fund this portion of the budget? Or is it only something that we're saying in the year 2012 we would very much like to do it if we can afford it and a decision will be made at that time? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, it is the latter of what Representative Aman described. The original

version of this bill actually called for a specific amount of the sales tax generated within a region to be returned back to the region that does the programs that are identified in section 1. That language was changed in -- when we went to the Finance Committee with this bill to specifically strike the specific amount and use the term "a portion of the sales tax," specifically for the reasons that, I think, Representative Aman is hinting at, which is that we don't want to be necessarily dictating exactly how much the state can and will provide to cities and towns. We just don't know at this point how much you can afford.

And so, rather than specify an amount or tie our hands, it was felt that it was more prudent to identify it with less specificity -- with no specificity. There's nothing in this bill that absolutely binds the State to providing any money for these regional purposes at this time or, in fact, in year three or beyond. We're asking towns and cities to take a, somewhat of a leap of faith with us by creating the program and creating the structure and we hope that at some point down the road we will be able to follow through at our end, but nothing in this

bill, or as amended, would require the State to do that at this time. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Representative Aman.

REP. AMAN (14th):

Yes. I'd like to very much thank the Chairman for his answers. I think by putting the section 4 out until July of 2011 and by eliminating the new possibility of new taxes. That does make it a bill that we can go forward on, and I urge my colleagues to support the amendment.

I will have some other questions on the bill after the amendment is voted on. Thank you, Madam Chair.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Care to remark further on the amendment? Would you care to remark further? Representative Clark Chapin, you have the floor, sir.

REP. CHAPIN (67th):

Thank you, Madam Speaker. Some questions to the proponent of the amendment, through you, please.

DEPUTY SPEAKER ORANGE:

Please proceed, sir.

REP. CHAPIN (67th):

Thank you, Madam Speaker. I believe the Chairman indicated that one of the primary reasons we're pushing off the effective date to 2011 in this amendment is based on the uncertainty of the budgeting process at this point in this year's session. Is that correct? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker, and again, through you, in the section 4, there were -- there was some discussion about that potential revenue loss or change in revenue based on the budget as it moves forward. Was there any other thing in the underlying fiscal note, any other cost to the State of Connecticut besides that particular revenue loss that applies to this section? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, I believe that the fiscal note also indicated that the Department of Revenue Services would have to incur some additional cost in an effort to help manage the collection of and then redistribution back to a region of those sales taxes. So I believe there was, if I remember, a fiscal note associated with the cost to DRS of implementing that program. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you, I thank the gentleman for that answer. I think it has refreshed my memory. If it's serving me correctly, that it was $430,000 for, I forget if it was Department of Revenue Services or another state agency, to implement this new system to redistribute those revenues. Having said that, can the gentleman confirm if that's the number? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, as I'm looking at, now, at the fiscal note, there does not appear to be a specific dollar amount associated with the cost to DRS. DRS was the only agency identified as having a cost associated with implementation. The term that was used for those costs was significant, but it did not specify how much that -- or exactly what that meant. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you, so if we're pushing off the implementation or effective date in the section by passage of this amendment, is it conceivable that the agreement that would be entered into, the MOU, could actually outline a plan where no revenue would be shared? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

If I understand the gentleman's question

correctly, I believe that yes. I believe the MOU, first of all, would only be established between DRS and regions that have qualified themselves for that sales tax revenue. So the MOUs would only exist between DRS and those particular regions that have already formed by agreement. So I doubt that there would be a scenario where DRS would be entering an MOU. It's, actually, I would say that there is no MOU that would be established between DRS and a region that is not participating or has not qualified for the sales tax incentive. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker. And again, through you, since we are pushing off the effective date, if this amendment were to pass, in line 75 and 76, it talks about the portion of the sales and use tax that's derived from items or transactions. Would those items or transactions be only related to sales and use tax generated from the specific regional project that's approved under this bill? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, no. The intent is that all sales taxes generated within a region would be collected by DRS and then a portion of those revenues would be redistributed back to the region itself. So the idea is not that it's only the sales tax generated from projects, but rather sale -- all sales taxes generated for the State from the region. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and if there was a disparity between the amount of sales tax generated in each municipality on a per capita basis, under this agreement that we're potentially delaying by passage of this amendment, would that disparity also be recognized in the MOU, therefore having that -- those grants go to these municipalities on a per capita basis that varies from one town to another? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, the way the bill is drafted right now is that it would be redistributed back to the region for sharing by the towns on a per capita basis. So it's not necessarily proportionate to how much sales tax that individual town has generated, so there will be winners and losers in this. Obviously, towns that in the sense that towns that generate sales taxes in a large proportion to smaller towns that produce fewer sales taxes, the smaller towns would benefit proportionately somewhat more, because they would be getting more than what the amount of sales tax that they actually generated within their town. So in essence, it's a, somewhat of a benefit, more to the town that has fewer commercial properties that produce sales tax. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you, so under this scenario, although towns may contribute, or the transactions that occur within those municipalities may differ as to the amount of sales

tax paid into the state, the amount coming back under this MOU would -- would those amounts, on a per capita basis, would then be equalized from town to town? So for example, in my particular region, lets say, New Milford, combined with Washington, if, for the, purposes of this discussion if we said a dollar per person, the tone of Washington would receive a dollar per Washington resident and the town of New Milford would receive a dollar per New Milford resident? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, if I understand the distinguished gentleman's question correctly, I believe the answer is yes. If I understood the -- in other words, the sales tax is generated by towns in the region, collected by DRS, and then redistributed back to the -- a portion redistributed back to the region on a per capita basis. So yes, that pot of money collected from the region would be redistributed back; a dollar to every individual within the town based upon population. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker, and I notice in the file copy the effective dates that this amendment proposes --

DEPUTY SPEAKER ORANGE:

excuse me Representative Chapin. Is this the amendment that --

REP. CHAPIN (67th):

Yes, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Okay. Thank you.

REP. CHAPIN (67th):

I notice in the file copy the effective date is July 1, 2010, and this amendment proposes to change that to make it effective July, 2011. In line 76 of the file copy, we're apparently talking about sales tax derived from items or transactions occurring on or after July 1, 2010. So the effective date in the file copy matches the starting point when we're going to start calculating the sales tax derived. But the amendment doesn't change that July date in line 76. Can the gentleman explain why that date isn't also changed in the amendment? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, I think what we wanted -- excuse me, what we wanted to -- pardon me.

What we wanted to do in the amendment was to not necessarily reflect a particular date upon which the sales tax would start. The idea is that on or after July 1st of 2010, in this case, if it's -- if the effective date is not until July 1st of 2011, obviously, any of the sales tax is generated subsequent to that date would be -- would then be eligible for this distribution. Now, keep in mind, regions do not qualify for any of this until after they have done the elements that are required section 1 of the bill. So it's only in from that point forward that they have actually qualified themselves as a region, will their sell tax revenue be counted towards this program.

So it's not like if this will be a cumulative effect, where it will be accumulating the calculation of sales tax from July of 2010 forward. It's really -- it will only really be in effect as of the date that the region qualifies for the sales tax incentive.

Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and I thank the gentleman for his answers. Madam Speaker, I do have concerns with the amendment and pushing off effective dates. Primarily, I'm starting to see this more and more as the session goes on and we're without a budget. One of my fears is we have projected deficits in the out years and what I'm afraid may happen is those projections may change significantly, depending on the amount of business that we conduct this year, where we make the sections become effective, not in this biennium, but in the subsequent biennium.

So I do have concerns about doing that sort of thing that does include this amendment. I do, however, think that the amendment does make the bill better and I thank the chamber for the time. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, Representative Chapin.

Will you care to remark further on House Amendment Schedule A? House Amendment Schedule A?

Representative Gibbons, you have the floor, ma'am.

REP. GIBBONS (150th):

Thank you, Madam Speaker. Perhaps I'm not remarking on the amendment. This is just delays -- the amendment just delays the implementation and strikes the hotel tax. Is that correct? Because I had questions, I think, on the underlying bill and the tax collection and how it's redistributed. So I'm not sure if I'm speaking on the amendment.

DEPUTY SPEAKER ORANGE:

That's -- well, that's the way I understand it to be as you stated, but if you'd like Representative Sharkey to tell us then --

REP. GIBBONS (150th):

Through you, Madam Speaker, I have a question again, on the collection of the sales tax and how it's redistributed, but is that on the underlying bill or in the amendment? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, it is in the underlying bill.

REP. GIBBONS (150th):

Thank you then. I will close out my remarks and wait until the amendment is passed or defeated and speak on the underlying bill. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, ma'am.

Will you care to remark further on House Amendment Schedule A? Do you care to remark further on House Amendment Schedule A? If not, let me try your minds. All those in favor, please signify by saying, aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER ORANGE:

Those opposed, nay.

The ayes have it. The amendment is adopted.

Will you care to remark further on the bill as amended? Will you care to remark further on the bill as amended? Okay. Representative Aman of the 14th, you have the floor, sir.

REP. AMAN (14th):

Thank you very much, Madam Speaker. I do have several questions, also to get the legislative intent of the bill as a whole and maybe to make things a

little clearer to members of the chamber through the questioning that I have for the proponent of the bill.

And to start off, through you, Madam Chair, is there anything in this bill that requires any municipality to take any action whatsoever if they do not want to participate in the program? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, no. We -- it was one of the hallmarks of this entire program in the effort of the Smart Growth Working Group to recognize that efforts that require cities and towns to do anything towards regionalism, was a non starter. So that everything in this bill is designed to be purely voluntary, by not only the towns themselves, but also the regions that they create. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

I thank the Chairman. In the section that -- the bill that talks about the federal economic development

districts, I guess I'll combine two questions into one. The first off it's understanding that currently, many communities are not part of a federal economic development district. And so my first question will be -- is, how are these new districts -- are going to be formed? Why have towns not been part of the district? And probably to tie in there a third question regarding that same idea of these federal economic development districts, is if you have two communities that happen to be on opposite sides of the border when this -- these districts are set and they would like to combine up with some of the other provisions of the bill, how would this be handled by the communities? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Thank you, Madam Speaker. Through you, I'll try to answer those questions in sequence. First, there are no towns currently that are in the state of Connecticut that are currently members of an economic development district. The economic development district is a federal designation through the Economic Development Administration in Washington. You cannot

qualify to create -- to be an economic development district unless you have gone through certain steps that the federal government requires, including the establishment of a regional plan of economic development, a strategic plan called a CEDS, C-E-D-S, which then has to be approved by the State, which it gets to the gentleman's second question.

The reason why we don't have any towns currently members of an EDD and why we don't have any economic development districts here in the state at all is because the State of Connecticut has taken the position that it will not approve the applications for economic development districts, because from what I -- from what we understand, the State has taken the position that it wants to hold and control federal economic development monies that will be coming into cities and towns. So therefore, that's the reason why there are no towns currently that are taking advantage of this federal money that is on the table.

The last question is, I believe was, to what degree do towns that may be on the fringe of a region, who may want to be part of a region and be included in an economic development district, to what degree do they have the authority or the ability to make

themselves part of economic development district? That's a good question and that's not something that I think we have an answer to right now. Because the -- I -- what we're hoping is -- that's going to happen is that towns will formulate these economic development districts around existing regional planning organization boundaries, at the very least. That those RPOs are setting the framework for towns that have already had a history of coordinating and working together in a regional context.

To the extent that other towns that may not be -- that may be on the fringe of those regions may want to be, I think, it's a question of petitioning the rest of the towns that are part of that other -- the rest of that group and just urging their inclusion in those regions. But again, that would be a voluntary act on the part of both the region and the town itself. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

Yes. Going on to some other questions about the agreement, the bill very clearly says there has to be threes forms of agreement on a municipal function and

three forms of agreement on a school related function or a total of six areas that have to be in agreement. And my question is, it says agree, but does a municipality have to participate in all six of them, or can they say, yeah, we agree that these are good things to do, but we don't want to participate in one or more of the six items that the regions come together on.

And again, and says at least six, so they could have more. And so I guess my question really comes down to, does a municipality have to go with everything that the region says they're going to work together on, or can they pick and choose? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, good question. I think I may have mentioned this at the introduction of the bill, but I point the gentleman to lines 35 through 38 of the file copy. We are specifically saying that no. Every town in the region does not participate in every single municipal and educational program. All we're calling for is that every town in

the region should be participating in at least one of those three on both the municipal and the education side. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

Yes. That is also what was my understanding. I just had -- people have been asking me as they walk, if they had to participate in all of these things and getting very concerned. So I wanted to get that on the record very clear.

In the sharing of tax revenue from the property taxes, it's my understanding that how the municipalities share in the tax, property tax revenue from a new project, that that will be determined entirely by the municipalities that are participating in the shared agreement. And that the only thing this bill requires the towns to do is that where the property is located, that's the mil rate that's going to be used, but as far as how the dollars that are generated from the mil rate, that will be up to the municipalities to decide how it could be shared, what percentage a community gets, and a community could actually get nothing or a hundred percent from that

share -- amount of money. If this -- it's my understanding correct? Through you, Madam Chair.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, that is a terrific description of exactly what the program calls for. I would add one other piece to that, though, and say that the towns of the region can also decide what the size and scope, what will be the project, what the threshold of the project would be that would qualify for regional property tax revenue sharing. In other words, not every new house that gets built in a town would have their -- that sales or that property tax shared among all the region. The towns themselves would decide what's the size and scope of the project that would qualify for sharing of the property tax revenue. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

Okay. The -- there's a section of the bill, section 2 that talks about OPM, and this is one of the very few shalls in the entire bill. And it says that

OPM -- the secretary shall approve such plans not more than 30 days after receipt of such plan. Two related questions to that is, one, if OPM doesn't like the plan that is presented, can then turn it down and tie it into that if they don't like it and they say -- and they take that position, or if they go longer than 30 days, what happens at that point? Through you, Madam Chair.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, the intent is to not really allow OPM the discretion to decide whether they like the plan or not because it's not -- it's the intent of this bill to not give that authority to OPM. That authority really rests with the federal government ultimately, in terms of establishing whether the economic development district would be recognized federally.

What we are trying to do here is just simply eliminate any blockages that could occur at the state level by the State's refusal to allow the regional SEDs to be submitted to the federal government for approval and that's the intent of this section.

Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

Thank you, Madam Speaker. The -- again, I'm glad to hear that again, this puts all of the control and authority in the regions that OPM is serving as a conduit to the federal government, but other than, maybe, it's an advisory position, does not have the ability to determine or override the regions themselves.

In line 85 of the bill there's a line that says, the council shall consider such matters of a public nature common to two or more members. And I'm wondering who is the council and how are they appointed, or to the council, what makes up the council itself? Through you, Madam Chair.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, this is not -- section 5 is not new language. It's language that's amending the current statute language, statutory language in section 1-124d. That's the section of the

statutes that establishes regional planning organizations and specifically, a council of elected officials.

So this language is adding the responsibilities and duties of a council of elected officials, and simply says that, as you read on further the bill, that the council will identify those opportunities to enter local -- obstacles to enter local agreements. In other words, asking our RPOs to identify areas where they are having troubles in integrating and creating regional initiatives because of some other bureaucratic or state statutory requirement, or regulatory requirement that keeps them from doing so. So all this section does is call upon our RPOs to identify obstacles to how they might equal to carry out -- otherwise carry out the provisions of section 1 or otherwise carry out other types of regionalism initiatives. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Aman.

REP. AMAN (14th):

I thank the Chairman of the planning and development commission for a very thorough explanation of the bill. I think, was pushing the tax part out

and the revenue sharing part out a couple of years, it will give us a chance to get these regions up and operating and see what the problems is. The idea that the RPOs or the CROGs, et cetera, will have the two-year period also to look at what the problems are as far as getting communities and working together. It will give us a chance in the next legislative sessions to re-examine how we are setting this up and I'm sure there'll be some changes. But I think this bill does to its purpose of encouraging various towns to join together for the common purchasing, the common working together, the common development that all of us are looking for to be able to increase the efficiency of the State, to allow us to continue to produce services for our citizens at a lower rate -- cost and rate. So I do urge my colleagues to vote for this bill as it is amended. Thank you very much, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir. Will you care to remark further on the bill as amended? Care to remark further? Representative Stripp, my good friend, you have the floor, sir.

REP. STRIPP (135th):

Thank you, Madam Speaker. How are you this morning, Madam Speaker.

DEPUTY SPEAKER ORANGE:

I'm just fine. How are you, sir?

REP. STRIPP (135th):

Top-notch. Thank you, Madam Speaker. Madam Speaker, I have a few questions to the proponent of the bill, if I might. Through you, Madam Speaker, I thought I heard the words "regional income tax" used. Now I hope that's not the case, but through you, Madam Speaker, can I assume that in no fashion, no way does this bill involve a regional income tax? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, my reaction to the gentleman's question is, "yikes." No. Absolutely not. There's nothing in this bill that would in any way suggest that there would be any imposition of a regional or local income tax. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Stripp.

REP. STRIPP (135th):

I thank the gentleman for that, Madam Speaker. Madam Speaker, the issue of sales tax. Now I assume the sales tax is going to be computed where the transaction takes place. So somebody from outside the region comes in and buys something in the region, that would be sales tax that would be involved in the bill. What would happen in the case of use tax, say, I were to go out of state and buy a car, or lease a car and has a use tax involved that I would pay every month. Would that be somehow computed through the Department of Revenue Services and included in this pool? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes. The intent is that sales and use taxes combine, would be created and segregated by DRS for the purposes of this pooling. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Stripp.

REP. STRIPP (135th):

Thank you, Madam Speaker. Madam Speaker, another

part of the bill talks about educational cooperative programs and further, under that section it talks about collective bargaining. Could the proponent of the bill give me a few examples of how collective bargaining might be part of the cooperative efforts, particularly involved in the area of education? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, it's an excellent question and one that we dealt with very extensively in the Smart Growth Working Group that I described earlier. One of the things that I think both labor and management, and both boards of education and the municipal side agree, was that all towns and cities and boards of education would potentially benefit from the creation of regional collective bargaining. In other words, having agreements, labor agreements established between and among labor and management, in this case, boards of ed and towns, on a regional basis. And by doing that, one of the benefits would be to prevent the phenomenon that currently exists where if one town goes ahead with their collective

bargaining and reaches an agreement, whether it be a generous agreement or a not so generous agreement from labor standpoint, for example, that that oftentimes becomes the baseline for all the other towns in the region to follow whether or not those towns are -- have the ability to pay those benefits or those agreements.

So the idea of a regional collective bargaining initiative would actually create a lot more stability and consistency in the labor agreements that are reached throughout the many towns in a region. So that is the kind of thing that we're anticipating with regard to collective bargaining, and specifically on the education side. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Stripp.

REP. STRIPP (135th):

Madam Speaker, a question through you, regarding this regional collective bargaining agreement. Assuming that it's not in the agreement itself, would that mean that teachers that are hired by the region, as opposed to by the towns, and would a teacher that's hired by one town find that sometime in their career they'd be required to teach in another town in the

region? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, that's a question of a level of specificity that I'm not sure I can answer at this point. The idea is not that we would have all the answers to those kinds of specific questions in this bill or in this program. Rather, we would want to encourage towns and cities and boards of education to work on those kinds of agreements and work out those details among themselves as part of their existing collective bargaining agreements. I would also add that that's the reason why we included in section 5 of the bill, which Representative Aman and I discussed, the idea that regions should identify obstacles to regionalization in their regions and this would fall, I think, squarely into that category potentially.

If there are any state labor laws that might prevent the kind of thing that Representative Stripp is discussing, we would want to try to identify those things and mitigate them so that it could further the goal of allowing better and more cross-pollination, if

you will, and more regional cooperation. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Stripp.

REP. STRIPP (135th):

Madam Speaker, through you, I'd like to thank the gentleman for his answers. They're very helpful in my deliberations on the bill. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Care to remark further on the bill as amended? Representative Chapin of the 67th, you have the floor, sir.

REP. CHAPIN (67th):

Thank you, Madam Speaker. Again, some questions to the proponent of the bill, through you, please.

DEPUTY SPEAKER ORANGE:

Please proceed.

REP. CHAPIN (67th):

Thank you, Madam Speaker. In section 2, I believe the gentleman indicated that these reports wouldn't be considered automatically approved once submitted. Is that correct? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes. That's our intent.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker. And again, through you, can the gentleman tell me whether the submission of this plan is required under federal law? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, the federal government does require a signoff from the state government for submission of a regional economic development district application. So to the extent that the state is required to sign off on that before submission to the federal government, the answer to the gentleman's question is yes.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you, the requirement by the federal government for the State to signoff, can the gentleman tell me whether that requirement was put in effect simply for the purpose of notification to the State or whether the intended purpose of that sign off was to provide an opportunity for the State to either reject or accept the report? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, I don't know, frankly, what the original intent of the federal regulations were as to -- I -- it may have been simply that the federal government just simply wanted the states to know that a region within their boundaries had actually applied. So I don't -- but I -- that's all conjecture. I don't really know what the intent of the federal regulations are. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you, so the establishment of these federal economic development districts solely has to do with the receipt of federal funds on regionalism? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, it's in part, yes. The avail -- to make available the federal money that is currently on the table and not received by Connecticut cities and towns, but it also helps to create a framework for a regional initiative, as well. It establishes a foundation upon which economic development activity can be planned for on a regional basis. So it coincides. There are two different goals here that are being attempted and they coincide with each other. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker. And again, through you, I believe I heard the gentleman indicate that he wasn't aware that any federal economic development

district had been established in the state of Connecticut as of this time. Is that correct? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes, that is my contention.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you, in the OLR write up on the file copy, it says that these districts must contain at least one economically distressed area. Can the gentleman tell me whether anything in this bill as it relates to these MOUs between Connecticut municipalities who want to join in a regional effort, that MOU with the State of Connecticut? Does it have any sort of criteria, as I indicated, is that the federal requirements? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

If I understand the gentleman's question correctly, I believe his question was whether -- well, maybe I can ask him to rephrase his question just so I'm clear.

DEPUTY SPEAKER ORANGE:

Representative Chapin, would you please rephrase your question, sir.

REP. CHAPIN (67th):

Thank you, Madam Speaker. Under section 3, municipalities who enter into regional economic development agreements, as outlined in section 1, is there any requirement that any one of those municipalities that would enter into such agreement would have to be an economically distressed area? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, no. The fed -- my understanding of the federal regulations is that individual distressed towns and cities, under federally -- definitions can actually receive some money directly from the federal government. Currently, we don't really take advantage of that, but

regions also have to have certain distressed qualifications.

So there does need to be some level of distress that occur in at least one of the communities that is part of the region that -- for submission to the federal government. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker. So as I've listened to the debate and other people asked questions regarding section 2, and through the gentleman's answers to my questions, if section 2 were removed from the bill would it in any way impact the rest of the bill? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, well, I believe it would, because I think the problem that we heard through the Smart Growth Working Group, and I know that as a cochair of one of the subcommittees, Representative Chapin, I think, is aware of this, we heard testimony consistently that this was a problem

that our regions were bringing to our attention.

There -- our existing RPOs were telling us that as they developed their SEDs, that federal economic development, regional economic development study to qualify for the EDD status from the federal government, that the State of Connecticut has, as a policy, denied and refused to signoff on those plans for federal submission. So that section of the bill is somewhat -- is actually somewhat critical to ensuring that these regions do form these EDDs and, in fact, are -- will at least, be on -- the state won't be in a position of being able to block the development of these EDDs for submission to the federal government. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you, is there any way that a community who is not a part of a federal economic development district would be at a disadvantage in regards to section 1 and 3 of the bill, regionalizing with neighboring municipalities as well as in the future, potentially sharing sales, sales and use tax revenue? Through you, Madam

Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, if I understand the gentleman's question correctly, the answer is yes, because in order to be able to qualify for the regional sales tax revenue incentive, the region does need to be established as a federal economic development district. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you, in the OLR summary of the file copy, it does state that any federal regional economic development district must contain at least one economically distressed area. And economically distressed area is defined as per capita income is 80 percent or less of the national average.

So based on the gentleman's last answer, it would seem that if this bill were to pass, not every municipality would have an opportunity to regionalize. Specifically, in order to have that opportunity to

regionalized under this bill, they would have to, at least one of those municipalities in the region would have to have per capita income of 80 percent or less of the national average. Can the gentleman confirm that that is in fact true? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, I believe that the -- actually, the federal economic development regulations specify that it doesn't necessarily have to have one specific town in the district that is distressed. I believe the federal regulations simply require that as a whole there be a distressed element within the community, which may be over a course of multiple towns whose income qualifications or distressed status would qualify them under them under the federal economic development district requirements. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker and again, through you,

in light of that answer, is it fair to say that perhaps the town may not be classified as economically distressed, in that per capita income is 80 percent or less of the national average, but you could have a census area or a census block that could fall under that classification?

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Yes. Through you, Madam Speaker, the answer, I believe, to that is yes.

DEPUTY SPEAKER ORANGE:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Madam Speaker, and I thank the gentleman for his answers. Madam Speaker, I have already indicated on the amendment that's already been adopted some of my reservations to support this bill. I think at this time there's a -- there is uncertainty as to which towns have these types of areas and therefore, could be designated under section 2 of the bill. And I hope the debate does continue on this because I honestly haven't made up my mind on this, but I look forward to further debate on it. Thank

you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further on the bill as amended? Representative Timothy O'Brien, the good Representative from New Britain.

REP. O'BRIEN (24th):

Thank you, Madam Speaker. Through you, can I ask a question to the sponsor of the bill?

DEPUTY SPEAKER ORANGE:

You may. Please proceed, sir.

REP. O'BRIEN (24th):

Thank you. Through you, Madam Speaker, I was very interested in hearing the discussion between the Chairman and the -- and the -- and Representative Chapin about the construction of these regional economic development districts. And specifically, there's a concern that I have as we look forward to the idea of regionalism as a solution to the greater question of property taxes, that we do not end up with regions that are not complete and full regions.

Specifically, I think we can all recognize that regions should be fully functioning areas with all the different elements of our state; central cities,

suburbs, smaller towns. If we want to have regions, they have to be fully functioning, integrated, well-planned regions that are set up in a way where we as a State or as a region organize our public services, organize the way we do things in our State, in a way that makes sense for everybody. Where we can say that here are the things that make the most sense to do in the central cities. Here are the things that make the most sense to do in the suburbs and in the small towns where we can make those kind of broad public policy decisions.

Since this bill hinges so very heavily on these federal economic development districts, it upsets me to hear that it's possible, and I would ask this as a question, is it possible for these districts to be in the vicinity of one of our state's central cities and yet not include in the region the central city that that region is nearby? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, my understanding of federal regulations is that no. The scenario that Representative O'Brien is describing would not be

recognized at the federal level. This is not to say that towns and cities can't make up their own minds as to who they would want to be associated with, if you will, but to qualify as a federal economic development district it needs to include some element of a distressed community within that region, presumably for economic development purposes, the federal government, the state government, we all would agree that a region is a -- the kind of functioning region that we typically consider surrounding a poor urban center with suburban communities surrounding it. I think that's what the federal government also is looking for when it establishes economic development districts, because otherwise, every individual town could be their own little economic development district, which would have no meaning for the purposes of either federal or state policy. So the intent is that yes, that towns and cities would have to regionalize and would have to associate themselves with a core community, presumably one that would -- and one that has characteristics of being a distressed community. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Brien.

REP. O'BRIEN (24th):

Thank you, Madam Speaker. That -- the answer to that question certainly makes me feel better. So to clarify, through you, Madam Speaker, the answers to Representative Chapin's question are more directed at regions that, for example, do not -- are in a more rural part of the state and don't necessarily have a central city nearby. To the question, that his interpretation of the question is that that would inherently disqualify the towns in that entire area from participation, that it is the federal guidelines activating the lower-income or high unemployment would, for that purpose, be interpreted to be able to cap that area, the towns in that area for that purpose. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, well, yes. Except I wouldn't want to exclude the possibility that there may be more rural -- using the term "rural" now -- rural communities that may have distressed characteristics within them.

Certainly, for example, I know there are federal

economic development districts that are established in parts of Appalachia, for example, that are not necessarily tied to a major core city, but certainly have the characteristics of being distressed and they are rural. So I wouldn't want to distinguish it as there are communities that could be rural that also may be distressed and may not be tied to a central core city, but nevertheless may qualify for a federal economic development district status. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Brien.

REP. O'BRIEN (24th):

Thank you, Madam Speaker. And that, I think, clarifies the question very well. Thank you, and thank you to the Chair.

Just for legislative intent, the -- there is a reference in the bill to two or more communities in the federal economic development region being able to initiate the planning process that's contemplated in the bill. And for legislative intent, that does not mean that two communities within the federal region can participate in the planning process that could then result in those towns being able to activate the

provisions of this bill concerning the sales tax.

That in -- that for the purposes of this bill, the region, the federal economic development region, as a whole, or all of them together, or none of them would be able to activate the provisions concerning the sales tax and that's the intent of the bill. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes. If A region is being formed as an economic development district, the intent is not to have, perhaps, separate towns within that economic development district split off and do the other activities that are contemplated in section 1 and then qualify themselves.

The region has to work together. All towns have to come to an agreement about all the things in section 1. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Brien.

REP. O'BRIEN (24th):

Thank you, Madam Speaker. I'd like to thank the Chairman for his questions, and I'd also like to thank

for his Herculean efforts trying to bring together all of the very disparate interests in solving the problem of regionalism, smart growth, pretty tax reform.

Certainly, we have a long way to go from here. This bill, at best, is the bedrock for future change. I think that it can serve as a very important and effective bedrock. I plan on supporting the legislation. I thank the Chairman bringing out this bill and I hope that it is the beginning of good things to come. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark on the bill is amended? Representative Sawyer of the 55th, you have the floor, ma'am.

REP. SAWYER (55th):

Thank you, Madam Speaker. I have a few questions for the proponent of the bill, please, madam.

DEPUTY SPEAKER ORANGE:

Please proceed, ma'am.

REP. SAWYER (55th):

Thank you, Mr. Chairman. Do we have two or four towns that come to you with plans that really fit into this, that are super ready to go? Not quite shovel

ready, but you know, that are so positive and exciting that they -- there's stuff they can't do right now because they don't have this bill. Through you, Madam chairwoman.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Well, by the bill, I don't know. I know, for example, that there are, as I mentioned earlier, there are four towns and I believe it includes Representative Sawyer's district, that have formed and created their own federal economic development plans, these SEDs as I described them earlier, but they are of limited use at this stage because they do not have federal recognition, therefore they are not receiving -- all towns in the region are not receiving federal economic development money. So to that agree, yes, towns are coming to us and wanting to get federal the recognition, now. And if the question is, are towns and cities looking for additional revenue streams, the answer is, absolutely. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

Thank you. So in the case of some of these small towns and we'll just use the sewer project as an easy one. A multitown -- three towns, maybe a possible fourth to join in in the future. We've had special legislatures so that they could do it. And one of those towns was allowed to use some federal rural money because it -- of the population density. And they could get a little bit of money for the sewer project for that town's portion. Under this, do you see that perhaps, the other towns that did not qualify for the rural dollars because they are two too suburban, would they qualify for some of those rural dollars because we would see them as a matching set, say, of -- if one qualifies to the other? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, I'm not intimately familiar with the federal rural program. I'm assuming that's part of the EDA, and if so, yes. Then there are towns and cities right now that are -- that would like to be able to access federal economic development dollars and are prevented from doing so because they

have to be part of a district, an economic development district. And the economic development district is a federal designation which is -- they're currently blocked from being able to participate in because state government has refused to allow them to do so. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, ma'am and a follow-up question, if I might. Did this bill start off with it being -- having more mandatory requirements, and now, it is more permissive as this bill has come through the process? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker we didn't start out -- this bill has -- is a product of the Smart Growth Working Group that I described earlier and we did not start out that initiative with a -- any preconceived notions about how we should go about doing this, but one of the things that, as we started to develop a plan and look at what towns and cities and other

experts have told us about how we should go about trying to look at the concept of property taxes and how to solve the problem, the one thing that we heard loud and clear from day one was if you try to mandate anything on cities and towns there's going to be resistance and understandably so. Any efforts that we have done in the past to try to mandate any types of these kinds of initiatives have always failed, and for reasons that I think are understandable from the community.

So I can honestly say to the gentlewoman, that no. Any earlier versions of this bill really did not include anything, as I recall, that would require or mandate a town or a city to do anything. The idea was to make this purely permissive for cities and towns who could opt to do this, but common sense would suggest -- opt not to do this, but common sense would suggest that given the plight of the property tax in our communities all over the state, that has become a leveling factor, I think, politically speaking for large cities and small towns and I think we're all now faced with that problem. And anyone who chooses not to try to take advantage of property tax mitigation initiatives may have to answer to their residents on

election day if they don't. So we felt that the incentives were there without having to mandate anything on cities and towns. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

I thank the gentleman for his answer. A little while ago he described the situation where we would have a binding arbitration situation in one town and he gave this wonderful scenario where the agreement went to the favor of the towns and the lower money came in. Could it also go absolutely the opposite way, where you have one town and the agreement is established and it's -- goes on the expensive side and we have, perhaps, towns of lower socioeconomic levels trying to be a participant in this grouping and they would then be forced to pay or participate at a much higher level than perhaps they would normally? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, absolutely. I think

in the analysis that I was offering I meant -- I hope I was communicating clearly that it goes both ways. That regional -- that local collective bargaining agreements can either go to the expensive side or to the -- or sparse side, or spartan side, if we could use those terms, and that they become -- but oftentimes the way our system works in Connecticut, they often become the standard for other nearby communities to have to follow, regardless of whether those communities really are able to either afford or whether the workers in the other communities on the sparser contracts are -- deserve more.

Obviously, the town's ability to pay always comes into it as a factor, but the practical reality of how our collective bargaining system works is that negotiated agreements wind up becoming -- are often times copied from town to town and they become the floor instead of them working independently. That's the reason why, both on the management side as well as on the labor side, there has been agreement that perhaps, it's time to do regional collective bargaining to eliminate some of those uncertainties, or at least mitigate some of those uncertainties. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

Madam Speaker, I'm so glad he brought up the issue of the town's ability to pay, because my next question to follow up that question is, will the arbitrators be allowed, under our current law, to look at this new money that's possibly going to be coming in and consider that in the town's ability to pay?

This new structure that we're talking about, they may be able to raise new money. That's a wonderful thing. I mean, the towns would be excited about that, they have new money coming in, but does that shift that pendulum in the town's ability to pay? Can they look prospectively as the -- at the possibility that there's going to be more money possibly coming in at the end of this when they go to make the decisions through binding arbitration?

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Thank you. Through you, Madam Speaker, that's an extreme hypothetical that it's hard to know. I'm not necessarily an expert in collective bargaining. I

don't know that there would be anything to prohibit -- if a town is able to generate new revenue for themselves, whether it's by a new development or through other new revenue streams, I presume that would, of course, be part of the calculus that an arbitrator would potential -- or a negotiating team would potentially be looking at, but that's no different than any other potential revenue stream that might be offered in terms of the context of a town's ability to pay. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Madam Speaker and I appreciate the gentleman's answer and where his knowledge base lays. Having negotiated for quite a long time in town, under certain contracts, and they talk about the town's ability to pay. And what they look at, a number of factors that they look at also includes, say, the town's bonded indebtedness. And that's a major factor because those are mandatory costs that have to be going out and so and so forth. And in this case, there would be some indebtedness, I would presume, but they would also be looking for the money coming in

from the federal government. But there would also be the possibility, and not a proven one, but I hoped one, that when this -- most -- project is done and there's going to be money pouring in, that's a grand thought. That's what everybody would like to hear, particularly in the distressed areas.

So I'm concerned that -- and maybe it's something to look at in the future, being able to carefully manage that is that factor, that it doesn't become overblown and cause a problem under the arbitrary -- arbitration discussions on the town's ability to pay. I'd like to ask the gentleman another -- a further question if I might, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Please proceed.

REP. SAWYER (55th):

Thank you, ma'am, and that is you discussed earlier about the distressed areas, economic distressed areas and the -- what the qualifiers or for that. Could you just specifically tell me what the town size is under the definition of a distressed municipality? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Under -- if I may ask, under the federal definition of a distressed community or under the state distressed municipality, through you.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

Oh, both would be grand.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

I honestly can't say that I know either, frankly. The -- I believe that a distressed municipality has to have a population in excess of 50,000 and certain in -- crime criteria, but I'm not exactly sure what else the State qualifies as far -- I think there are a number of factors including numbers of kids on the school lunch, subsidized school lunch programs, income levels and the like. I think it's a complex formula at the state level.

I don't want exactly what the definition of a distressed community is under the federal. I do have the federal regulations with me. I'll be happy to thumb through them, but I'm not exactly sure I have

the exact definition of what a distressed community is for federal purposes. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

I'll be glad to speak to him later about that and we'll sort that out, but okay. So if we have the 50,000 as a benchmarker for the distressed municipality, this would say then -- oh, gosh. I don't -- Eastern Connecticut, I wish I knew the exact numbers of my towns near us.

Is there a small city of 50,000 in Eastern Connecticut? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

I'm not sure. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

I would say, probably, New London might be one. My interests would be in Norwich and Willimantic as being two possible situations where we might get close to the 50,000 and not make it. Do you -- so we could

-- what we could envision is maybe in New London, Stonington, Groton, Mystic type situation is, and that's what you're envisioning here? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

I guess so. Through you, Madam Speaker, I do, just anecdotally, I do know that Willimantic, for example, is considered a distressed municipality for State purposes, I think. I don't know if they meet the population -- 50,000 that I offered earlier, and I'm sorry that I don't have the exact answer to that question as to what population threshold would also qualify a town to be a distressed municipality. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

Thank you. I believe that -- all right. This -- we'll move a little bit to the -- because I don't know the numbers, where it falls there, but we do know in the case of, say, Norwich, which has a population of 36,000. In the case of -- and Norwich, and it has a

number of low-income towns surrounding it and as a region. What I can tell you when you look at the per capita incomes in the state of Connecticut, we have 169 towns and if you look at the bottom 20, we have the 5 biggest cities. And out of the remaining number of there, of the 15, 12 of them are in Eastern Connecticut and a number of those surround the Norwich area.

Madam Speaker, a question to Representative Sharkey, because the distressed municipalities as part of this, would that exclude Norwich because it's 36,000 from being a participant in this with those small towns surrounding at? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

No, Madam Speaker. Actually, to the contrary. I think the distressed nature of, I believe, Norwich also is considered a distressed municipality and I think that context or that -- the nature there of that distressed committee would enable then other more rural communities around Norwich to be part of the federal economic development district designation that

we were talking about earlier. Through you, Madam Speaker.

REP. SAWYER (55th):

Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

Thank you. And in the -- so the 50,000 is not hard and fixed, so a town under 50,000 could then participate? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes. And I use the description earlier of, say, communities in Appalachia that are -- qualify as federal economic development districts whose individual populations don't reach, certainly, don't reach that level, but form a region and are distressed. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sawyer.

REP. SAWYER (55th):

I thank the gentleman for his answer. One of the concerns that we have heard from our municipalities is

who can play and who can't play. We've also heard the municipalities having a little bit of a shudder, because they're concerned about whether or not they're going to turn this into a mandate at some future date, understandably. We had the discussion yesterday about trust towards their state government and I can understand that there's a significant distrust because lots of times, ladies and gentlemen, we change the rules every year.

And in this case, because these kinds of plans are long-term plans, these are types of issues that would be ongoing and it would -- they would not want to have to come and fight to maintain their money, because they do become very -- maybe it isn't addicted, but they do become -- it's a requirement for them. It becomes such a part of their fabric in their town when they have certain types of income that it's a stabilizing force. And for them to feel that there's a possibility it could get swept away, and I use that word very kindly this year, swept away -- they're nervous and I can under -- appreciate that.

But I'd like to thank the chairman because he's worked very hard on this, however what I can tell you is what we did here, and that is from the towns that

says, you know, don't mandate on us. Please, don't force us and if you want us to regionalize and consolidate, that's a wonderful thing. Why don't you go do it too, State.

They want us to go and manage our house. So again, that's a sidebar comment that came out of a conference that we went to on the Council of Small Towns, but I would like to thank the Chairman because this is a product of a lot of work and it's been very thoughtful. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, ma'am. Would you care to remark further on the bill as amended? Representative Diana Urban of the 43rd, you have the floor, ma'am. Nice hat.

REP. URBAN (43rd):

Thank you, Madam Speaker. Madam Speaker, this recession that we find ourselves in dictates that we take a fresh look at how we organize government, how we fund government. It simply cannot be same old, same old. We know that that doesn't work. We've talked in these halls about reinventing government and we all know that when we talk about reinventing government, it means we have to change. And we all

know that change is not easy.

I stand in support of this bill, Madam Speaker, because this is where we need to start. We need to start to change the way we do government and this is forming a foundation for that change. And I might add that Representative Sharkey has done yeoman's work on this and all the people that worked with him. And as we go forward, I strongly suspect that this will link up with the results based accountability initiative that we already have in Appropriations and that we will be pursuing in Program Review and Investigation. And we will indeed, as a State, lead the nation, Madam Speaker, in reinventing government and taking this recession and utilizing it for the good that we can utilize it for.

We always say that a crisis is a terrible thing to waste and this is a crisis. And with this bill, and continuing on with results based accountability, we are not wasting it. We are moving forward and I applaud everybody that has worked on this and I think that we should be proud that the State of Connecticut takes these initiatives. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, ma'am. Will you care to remark

further on the bill as amended? Representative Penny Bacchiochi of the 52nd, you have the floor, ma'am.

REP. BACCHIOCHI (52nd):

Thank you, Madam Speaker. Madam Speaker, through you, a question or two to the proponent of the bill as amended.

DEPUTY SPEAKER ORANGE:

Please proceed.

REP. BACCHIOCHI (52nd):

Thank you. I have a few additional questions regarding the distressed municipality. One of the towns I represent, the town of Stafford, for many years was on the distressed municipality list, but a few years ago was taken off. And when I read the OLR report, it was not taken off because, by its own good fortune it became more economically sound, but unfortunately, other larger cities became more distressed, so the town fell off of that that distressed list.

So when I hear legislation, proposed legislation regarding the distressed list it leads me to a couple questions. Through you, Madam Speaker, I'm still unclear if one of the towns participating in the compact would have to be a federally or a state

distressed municipality. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, no. We -- there's nothing in the agreement or under the federal definition of an economic development district that says that any particular town has to be distressed per se. As I was saying to Representative -- the questioning earlier, the idea is that there need to be pockets of distress from the federal definition of what is distressed. Now, I'm sorry that I don't have the definition of that.

I don't want to have the good Representative, the former ranking member of the Planning and Development Committee confusing, though, the question of whether a distressed municipality for state definitional purposes has to be included in the federal -- as a federal distressed community, if that follows. We're actually talking about two different types of distressed and definitions of what is a distressed community.

All that's required under this bill and under the federal is that a region comes together and qualifies

themselves as a federal economic development district. That is a region that has, essentially, an urban, oftentimes, will have an urban core, suburban communities and has characteristics that would -- the federal government would consider distressed.

So it can be other communities as well. None of them have to necessarily be state distressed communities to qualify for the federal designation. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Madam Speaker. Thank you, because that does clear up one area of confusion I have, so I understand it does not have to be a federally designated distressed area or a state designated distressed area, but the unit that's being built must have some pockets of distress. Could the good Chairman please just define, for my own clarification, what some of those pockets of distress might be? I represent rural towns, so there would no city in this area that's being built as a region. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, I believe, again from the colloquy that we had earlier with Representative Chapin, that would -- it would -- it could have involved census districts, census areas, smaller subsets of towns and cities that have a distressed element within it, but is not necessarily reflective of the entire town as a whole. Those would be the kinds of distressed characteristics that, I believe, would qualify it for federal economic development purposes. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Madam Speaker. That doesn't completely clarify for me, but I will do additional research when I'm finished asking the questions, but I have some concerns about if some of the more rural towns in the state would be able to meet those qualifications and take place in this, but I will continue to think about that and look at that.

I'm also wondering, approximately, when you talk about federal dollars being returned to the State that

we're leaving on the table now and taking advantage of, could you give me some ballpark idea of what kind of money we're talking about? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, well, I know anecdotally from the research that I've done as to what other states are collecting on this, I know New Hampshire, for example, has an economic development district that just recently, I think within the last year, received about $6 million in federal economic development money for a regional initiative that was occurring.

I believe the amounts of money, you know, the federal pot of money available for economic development varies from year to year as does their budget, but there are -- in the -- there are certainly five-figure if not six-figure numbers that are potentially available statewide in federal money, that could be availed that would go directly to cities and towns as opposed to going to the state or other -- or to individual cities that may qualify for federal

money just because of their size. So we're talking something in the order of, I would say, in the tens of millions of dollars that is potentially available at any given time on an annual basis. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Madam Speaker. I also would like to talk a little bit about the winners and the losers if -- as you had mentioned earlier. I still have this feeling that the small towns that I represent may not be able to get into the game, so to speak. And I'm trying to figure out, for example, if you have three small towns that want to get together, would they be able to do that if they had some level of distress, even if they did not have a city nearby? Through you Mrs. -- Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, there's nothing in the program that would prevent a -- three towns, for example, to try to qualify themselves under federal

regulations for an economic development district. However, I can tell you that I don't think a three town region would meet the definition for federal purposes because, by definition, when the federal government is looking at what is a, quote unquote, region, they're looking at something along the lines of a central urban, somewhat urbanized center, multiple towns that have become interest and a common economic development purpose. Whether three smaller towns in Connecticut could qualify under that -- in from that standpoint under federal definitions, I would tend to doubt it. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Madam Speaker and I'm happy to say I understand this enough to have sensed that that would have been your answer. So my next question is, if three or four small towns needed to join in with a large urban area, and I'll use my own neck of the woods as an example, say, we joined in with Vernon, which is one of our closer, bigger towns, the distribution of the sales tax that's being collected is of concern to me because Vernon would have so much

more of a population than any of the small towns that I represent. The redistribution of funds is on a per capita basis. Would I -- would it be a correct assumption that the small rural towns would get significantly less back than the bigger town that we're attached to? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, actually, when I was describing winners and losers earlier, actually, I was referring more to the larger cities as being, if you want to use these terms, losers, because they're producing more sales tax for the State than the smaller towns, but when you redistribute that money back out on a per capita basis, smaller towns will get much more than they actually generate in sales tax.

So that's why the incentive for the sales tax makes sense to try to bring towns and cities -- towns and cities together to form these regions. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Madam Speaker. So could the good Chairman please explain to me what would motivate a town that's highly competitive that is clearly an area that is ripe for economic development, what motivates that area to join in with areas, such as the towns I represent, which seem, maybe, not to have so much to offer? What pulls them together? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Well, what the incentive is for a city, for example, to want to work with their surrounding communities is that they can't bare the burden entirely on their own for all of the other costs associated with economic development. You know, usually our central cities are the hosts of the hospitals. The other non-taxable properties, for example, so their reliance on property tax, in particular, is extremely heavy.

Many of our -- so they're looking for property tax relief, as well as the smaller towns. Often times -- our -- as we've seen the development patterns already in the state over the past 40 or 50 years,

larger shopping districts, malls are located not in the central cities, but actually, in inner-ring or even outer-ring crescent suburbs. Those are going to be the sales tax generators.

So in my neck of the woods, if I can use that colloquialism, the city of New Haven sees a benefit in associating themselves with, say, Meriden, which has a mall; Milford, which has a mall; Hamden, which has a pretty thriving retail district, and some of the other inner ring suburbs, because that's where the sales tax is being generated in addition to their own communities.

For the more rural communities, the opposite is true. They may not actually generate an awful lot of sales tax revenue within their borders, but if they associate themselves with those areas that do, they would then benefit from that additional revenue and sales tax revenue that is generated as part of the region. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Madam Speaker. And a few more technical type questions. In line 42, it talks about

the termination and withdrawal. Could you explain to me what some scenarios might be? I think it would be very difficult for a town to withdraw from an economic development district that it's in. How might a town go about doing that? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, I think it's self defining. It would be defined by the agreement that they reach. We're saying in that language that the gentle lady is referring to, that as these regions come together and they form these agreements, the agreement must include provisions for how their members would go about hypothetically withdrawing from that agreement. We're not specifying how it happen or how it should happen. We're just saying that that needs to be part of the mix when they develop an agreement. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you. And thank you for that answer. I think that it's very important that any agreement does

include this language and I appreciate that that is in there.

I'm just making sure I've got all my questions answered here. And I seem to have done so and I thank you for the -- through you, Madam Speaker, I thank the gentleman for his answers.

DEPUTY SPEAKER ORANGE:

Thank you, ma'am.

Will you care to remark further on the bill as amended? Will you care to remark further? Representative Jack Thompson, you have the floor, sir.

REP. THOMPSON (13th):

Thank you, Madam Speaker. Madam Speaker, I -- one of the reasons why I'm getting up and not asking questions is to give Representative Sharkey a well-earned rest. He's been on his feet for a couple of hours, I think, and he's done a great job.

But as an elected official in the early '70s, I remember the LEAA money that came out from the federal government and much of that money was directed to local governments, and regionalization of programs and services were encouraged.

In our community, for example, we took advantage of funding to provide communications and that included

neighboring towns. We also benefited from, as did our neighbors, from public training, service training and so on. So it was a good deal for us by using federal funds on that basis by bringing towns together to benefit from the services.

I think some of the things we did yesterday in regards to health care, I believe are opening doors to other regional opportunities. Whether we realize it or not, we do have a regional health care system with our 29 hospitals and one private hospital. They're spread out across the state. They provide services on a regional basis. And an example of that was one program we began here in Connecticut, the Healthy Families Program, which was to address the needs of first born babies to prevent abuse and neglect of those babies. We started with two hospitals, one in Waterbury, St. Mary's, and one here in Hartford, Hartford Hospital, allied with the Hartford Visiting Nurse Association, which served all the towns in the region.

Well, it's now in all 29 hospitals, the program. It's called Nurturing Connecticut now, and it is a proven asset to our community and to our health care system and it was done on a regional basis. I think

in my own community, East Hartford, provides a health center which services towns east of the river in the area and works closely with the Eastern Connecticut Health Network which operates two hospitals, Manchester Memorial Hospital and Rockville Hospital. And we thought for a time it would also help out with the hospital in Stafford, which hopefully, will get support and be able to survive what they're going through right now.

But in those hospitals, we asked the qualified health center to come together with the hospital and work together on some issue. They came back to us and said one of the big issues we have with this population is getting access to medical specialists. The Eastern Connecticut Health Network and the center came together and said that if the center would provide primary care and referral and also transportation of patients, and the hospital provide the specialist services, they would provide 500 visits for a hundred dollars a visit for $50,000, which this Legislature, this year did provide the $50,000. And that program is in full swing. And I hope it spreads throughout the state so that it opens up specialist care and addresses another problem in our health care

system.

But in the long and short of it, I think the program to encourage regionalization, wherever it makes sense, whether it's regional colleges, regional technical schools, regional universities here in our own state or whatever -- and the planning is done on the basis of what's needed in each and every town in the particular region. It makes a lot of sense to me and I think we better put on our thinking caps and see how we might use this concept to advance our health care system in our state.

So I support it and I think Representative Sharkey for his hard work and everybody who's worked with him on these issues. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you so much, Representative Thompson.

Representative Miner, do you care to remark on the bill as amended, sir?

REP. MINER (66th):

Thank you, Madam Speaker. Madam Speaker, if I could, just a few questions to the proponent of the bill as amended.

DEPUTY SPEAKER ORANGE:

Please proceed, sir.

REP. MINER (66th):

Thank you, Madam Speaker. As I've listened to the discussion, I think I'm correct in my understanding that this is completely voluntary. That there's nothing that would require any municipality to do that. Am I correct, Madam Speaker?

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes.

DEPUTY SPEAKER ORANGE:

Representative Miner.

REP. MINER (66th):

And in section 1, I'm not -- I don't have the amended version in front of me, but I think the lines at this point would be the same. Lines 34 and 35, where we're trying to establish a baseline of cooperation after the towns have agreed to the format of what should be in the plan. They have to also agree to participate in at least one municipal cooperative program and one educational cooperative program. Is that correct, through you?

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes.

DEPUTY SPEAKER ORANGE:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker. Farther down, there's some language in your on line 47 that talks about shared revenue. And I know there is some language in section 4 about -- I'll get to that in a minute, but in this section, is the shared revenue anticipated to be a redistribution of the property tax on economic development projects from one municipality to the other, through you?

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, yes. What projects they are would be decided by the region itself and what the distribution formula would be would also be subject to the members of the region. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker. And so in the community in which I live, which is Litchfield, and if we were able to qualify by joining with Warren, for instance, and under the guise of this, the language of the bill would be eligible. There would then be the provision for a redistribution of that property tax between those two towns, through you.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Under the -- through you, Madam Speaker, under the assumption that those two towns could establish an economic development district. The idea -- I just want to be sure that I understand the gentleman's question correctly, the idea would be that an economic development district that is qualified under federal standards as an economic development district, a region, in other words, would -- all the towns in that region would come to an agreement about how they would go about sharing new economic development and the property taxes generated from them among themselves. So if it's -- so presumably, it would not be a two-town region, of it -- to answer the gentleman's question. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker and point well taken. I'm not so sure there'd be a huge impact between those two communities. So if we broaden it to the Litchfield Hills Council of Elected Officials, which would include the city of Torrington and the city of Winchester, would it be correct that in that larger context, there could be within the agreement an agreement to share individual tax receipts from one municipality to another, or would they be shared regionally, through you?

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, regionally.

DEPUTY SPEAKER ORANGE:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker. In section 4, there seems to be a template here and I know that the dates have, kind of, been put out beyond the current fiscal year -- a template here that would allow, what I would

call, for the redistribution of state sales tax. Is that correct? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

If I -- I'm sorry that I miss -- if I misheard the gentleman's question. If the -- if his question was that section 4 is a mechanism for redistribution of state sales tax generated within the region, so that a portion of that state sales tax is redirected back to the region, the answer is yes. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker and does the gentleman know at this point what portion of the 6 percent sales tax we're contemplating redistributing through this legislation, through you?

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, we have explicitly kept that information or that decision undefined. I

would point to line 74 of section 4 of the bill that describes segregating a portion of the sales and use tax that's derived from those items. We, as I mentioned, I think in an earlier colloquy, we actually changed that language from a specific dollar amount or a specific percentage amount in the original bill to a portion of when it reached the finance committee so that we were not necessarily binding this Legislature or future legislatures to a specific dollar amount given the uncertainty of our economic condition. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker and I thank the gentleman for his answer. I've not seen in here anywhere where there were be any negative effects of not regionalizing. Through you, Madam Speaker, is the gentleman aware of anything here that I've missed where there would be a consideration of withholding or redistributing current revenues that ensure to each municipality in another way if they fail to do this, through you?

DEPUTY SPEAKER ORANGE:

Representative Sharkey.

REP. SHARKEY (88th):

Through you, Madam Speaker, that is an apt observation. There is nothing punitive in this bill that would take from one community that doesn't regionalize and give it to a region that does. Everything about this is purely an incentive based program that only offers bonuses for those who do, but it does not take away anything from those who don't. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker and I thank the gentleman for his answers. And I know he has put a lot of effort into this notion of regionalism, not only during this last year, but in years previous.

Madam Speaker, I, both in my position here and formally as a first selectman, supported many of the concepts within this bill. Many of the chief elected officials that I knew then and know now strive to work together anyway they can to make their services more cost-effective, to make the delivery of service better for the people that they serve and we serve. So this

is not foreign to me and is probably not foreign to a lot of people in this building.

There are some other items in this legislation that's not foreign to me either, Madam Speaker, and that is the redistribution of revenue. The redistribution of revenue is something that I would hope that we would all be paying attention to because without a document, there's only an idea. With a document, there's a map. And I believe that this map that we're provided here on House Bill 6585 really only needs to be changed in a few areas to change the voluntary to more punitive, what is currently concept to reality. And my fear, I guess, if I have a fear and I do, is that what is now deemed to be a voluntary consideration; get it or don't, at some point will be -- we're going to redistribute LEOSA funds, we're going to redistribute town aid road funds. We're going to redistribute anything we want to until you make a decision to regionalize and we have a regional form of government.

At the end there, under shared revenue, there are some circumstances that I am aware of already in the state of Connecticut where municipalities entered into agreements to share income. I don't have a problem

with that. I think the municipalities can make that decision on their own. But again, once this goes from voluntary and becomes more state regulated and it really is only a matter of a few changes of words, we're headed down a road.

And I guess the last point, Madam Speaker, section 4, given these economic times, troubles me greatly. I'm not on the Finance Committee and I know the rules work. And what we've done is we've changed the date of the effective date of this bill for redistributing sales tax to a point that's outside our current biennium budget consideration. There isn't one piece of economic information I've looked at in the last six months that tells me our current financial situation is going to get any better two years from now. And this is the most stable revenue source we have here in the state of Connecticut. It's not like the income tax. It's not like gambling money. It's not like a lot of things that are affected in a more volatile way. This is quite stable and what we're going to do is we're going to cut that pie up under this legislation and we're going to redistribute it to municipalities.

What we should be doing, Madam Speaker, is

reducing the mandates on municipalities. That's what should he and this bill. We shouldn't be giving them more money to meet what we say are the things that they should do, because those are the dollars that we get and I don't know how we're going to replace those dollars, and my fear is they're going to be pretty significant.

So I thank the gentleman and I do thank the committee for their work on the concept and I thank everybody that is working effectively to try and make government work more efficiently and effectively, but I am concerned about this piece of legislation. Thank you.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further on the bill as amended? Representative Tom Drew of the 132nd, you have the floor, sir.

REP. DREW (132nd):

Yeah. Thank you very much, Madam Speaker. I want to speak just very briefly both in support of the bill and to thank Representative Sharkey for, really, his extraordinary leadership over the many months. And also to share briefly with the members that I

think it's not so much by coincidence, but almost as serendipity that myself and, actually, Representative Hennessy are actually serving on one of these bodies that's creating a federal economic development district down in the southwest part of the state. It extends from the New York State line into Bridgeport and essentially, one town north of the coast, so to speak, north of Long Island Sound, 15 towns and municipalities.

And we've all heard that the benefit of once you create these you're eligible to receive various federal funds and investments. And I just wanted to briefly add a little bit of the practical reality of the other benefits, how this works, creating one of these and the other benefits. It's really a rather extraordinary process. The federal government requires that we have several dozen stakeholders. We've had just about a dozen meetings over the last year and a half. We've had many representatives of the private sector, many, many different industries and sectors representative -- represented education, labor, planning organizations. As I mentioned, two of the legislators, which are required and a little bit of the chief elected officers of each of those

municipalities and their representatives.

And I'll say with a little humor, we've had some very helpful dynamic tension and at the end of the day, hopefully we're going to have in addition to a benefit of receipt -- being eligible for federal money, we're going to have a very good plan. And we look very carefully at studying and analyzing global economic trends and identifying communities, both in the United States and throughout the world, that have experienced the kind of success that we want to experience here and with some very, very good facilitators analyzing exactly what are the more deeply rooted features that are creating that success.

So it's really a very, very terrific process. We have it going on in real life, in living color, if you will, in the state of Connecticut right now. And hopefully it will continue and be replicated in other parts of the status, as well. So again, hopefully we'll open up this region to receiving money, but also we'll end up with a very, very useful plan to create economic process for the rest of the century and beyond. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir. Will you remark further?

Representative Steven Mikutel of the 45th, my seat, may you have the floor, sir.

REP. MIKUTEL (45th):

Thank you, Madam Speaker. I'm coming into this debate a little late, but I wanted to make a few comments here. And I've been a local official for many, many years and local officials are very protective of town rights. But I think this bill reflects a new reality and I think it's time that we have to change our way of thinking on the local level.

I think this bill offers great potential for property tax relief and cost savings to municipalities, if we do it right. The bill is not a mandate. It allows for voluntary cooperation. It moves us from the talking stage into the walking stage, so I will support this bill and look forward to ways in which we can even make it a -- regionalism more effective in the future. Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you remark further? Will you remark further on the bill before us? Will you remark further on the bill before us? If not, staff and guests, please come

to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting roll call. Members of the chamber. The House is taking a roll call vote. Members of the chamber, please.

DEPUTY SPEAKER ORANGE:

Have all the members voted? Have all the members voted? Please be sure to check the board to make sure that your vote is properly cast. If so, the machine will be locked. And the Clerk will take a tally. And the Clerk will announce the tally, please.

THE CLERK:

House Bill 6585 as amended by House A.

Total Number Voting	141
Necessary for Passage	71
Those voting Yea	127
Those voting Nay	14
Those absent and not voting	10

DEPUTY SPEAKER ORANGE:

The bill passes.

Will the Clerk please call Calendar Number 605.

THE CLERK:

On page 21, Calendar 605, substitute for Senate

H – 1068

CONNECTICUT
GENERAL ASSEMBLY
HOUSE

PROCEEDINGS
2009

VOL.52
PART 32
10190 – 10500

Have all the Members voted? Have all the Members voted? Please check the Roll Call board to make sure your vote has been properly cast.

If all the Members have voted, the machine will be locked and the Clerk will take a tally.

Will the Clerk please announce the tally.

THE CLERK:

Senate Bill Number 1031 in concurrence with the Senate.

Total Number Voting	149
Necessary for Passage	75
Those voting Yea	149
Those voting Nay	0
Those absent and not voting	2

SPEAKER DONOVAN:

The Bill is passed.

Will the Clerk please call Calendar Number 309.

THE CLERK:

Calendar Number 309, House Bill Number 6585 AN ACT CONCERNING REGIONALISM. Favorable Report of the Committee on Finance, Revenue and Bonding.

SPEAKER DONOVAN:

State Representative Brendan Sharkey.

REP. SHARKEY (88th):

Thank you, Mr. Speaker. I move acceptance of the Joint Committee's Favorable Report and passage of the Bill.

SPEAKER DONOVAN:

The question is on acceptance and passage. Will you remark, sir?

REP. SHARKEY (88th):

Yes, Mr. Speaker. I'd like to call LCO Number 7685. It's a House Amendment that we will be rejecting and adopting a subsequent--

SPEAKER DONOVAN:

Will the Clerk please call LCO Number 7685.

THE CLERK:

LCO Number 7685, House "A", offered by Representative Sharkey.

SPEAKER DONOVAN:

The Representative seeks leave to summarize. Is there any objection? Any objection? Representative, you may proceed with summarization.

REP. SHARKEY (88th):

Mr. Speaker, I move acceptance, I move for rejection of this Amendment in concurrence with the Senate.

SPEAKER DONOVAN:

The motion is on rejection of House "A". Will you remark further? Will you remark further?

If not, let me try your minds. All those in favor of rejection please signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

All opposed, Nay. The Ayes have it. The Amendment is rejected. Representative Sharkey.

REP. SHARKEY (88th):

Mr. Speaker, the Clerk has an Amendment, LCO Number 9318. I ask that it be called and I be given leave of the Chamber to summarize.

SPEAKER DONOVAN:

The Clerk please call LCO Number 9318.

THE CLERK:

LCO Number 9318, Senate "A", offered by Senators Daily, Coleman and Representative Sharkey.

SPEAKER DONOVAN:

Representative Sharkey.

REP. SHARKEY (88th):

Thank you, Mr. Speaker. This strikes Sections 2, 4 and 6 of the underlying Bill, the original Bill. I move its adoption.

SPEAKER DONOVAN:

The question is on adoption of Senate "A". Will you remark? Remark? Hearing none, if not, all those in favor of Senate "A" please signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

All those opposed, Nay. The Ayes have it. The Amendment is adopted.

Will you remark further on the Bill as amended? Remark further on the Bill as amended?

If not, staff and guests come to the Well of the House. Members take their seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by Roll Call. Members to the Chamber.

The House is voting by Roll Call. Members to the Chamber, please.

SPEAKER DONOVAN:

Have all the Members voted? Have all the Members voted? Please check the Roll Call machine to make sure your votes are properly cast.

If all the Members have voted, the machine will be locked and the Clerk will take a tally.

The Clerk please announce the tally.

THE CLERK:

House Bill Number 6585 as amended by Senate "A" in concurrence with the Senate.

Total Number Voting	147
Necessary for Passage	74
Those voting Yea	134
Those voting Nay	13
Those absent and not voting	4

SPEAKER DONOVAN:

The Bill as amended is passed.

Will the Clerk please call Calendar Number 254.

THE CLERK:

Calendar Number 254, House Bill Number 6592 AN ACT AMENDING THE CHARTER OF THE LORD'S POINT ASSOCIATION. Favorable Report of the Committee on Planning and Development.

SPEAKER DONOVAN:

Representative Sharkey.

REP. SHARKEY (88th):

I move acceptance of the Joint Committee's Favorable Report and passage of the Bill.

JOINT
STANDING
COMMITTEE
HEARINGS

PLANNING AND
DEVELOPMENT
PART 3
696 - 1037

2009

attendance from the public is better than those of the committee I'm afraid.

What we'll be doing is we have a relatively -- normally our -- protocols are that we'll spend the first hour hearing from public officials, and then go to the -- public elected officials and then go to the general public. We only have a few folks signed up for the public officials at this point, so we should actually get through that fairly quickly. But we do anticipate that there're going to be a number of folks who are going to be coming to testify who are just delayed because of weather, so we'll be adding folks on as we go. But as I said, feel free to -- for those who may be sending us testimony -- or are interested in testifying, please feel free to send it to us in writing within -- within a day or so of this public hearing and it will be added to the record.

And so as not to -- to reward those of you who were able to make it here on time, I don't want to delay the opening of the public hearing any longer. So let me go ahead with this. Our first speaker will be, if she's still here, yes, Mary Glassman, First Selectman of Simsbury. And I think she's bringing with her Lyle Wray from the Capital Region Council of Governments.

MARY A. GLASSMAN: Good morning.

REP. SHARKEY: Good morning.

MARY A. GLASSMAN: Thank you, Representative Sharkey.

Representative Reed, nice to see you.

SB371
HB6389
HB6464
HB6467
HB6469
HB6585

Thank you for inviting us to speak today on our favorite topic regionalism, and saving towns all across Connecticut more dollars and promoting voluntary cooperative efforts to do so. I'd first like to commend this committee, particularly you, Representative Sharkey, for taking on an issue that has been around for a long time, and when I was first in public service 16 years ago, if you mentioned the word "regionalism" you'd be afraid you'd be thrown out of office for using "the r-word." So I'd like to commend you for trying to move the state forward.

The state, as you know, and you wrestle with every day, is facing an $8 billion deficit -- I guess if the numbers haven't changed already this morning -- and you have a very challenging job ahead of you. As municipal leaders we also face tremendous stresses and challenges in our community with zero grand list growth, with reductions in our pension investments, with 14 percent increases in our health care costs, we are under tremendous pressure and tremendous stress to try to provide the same level of services to our residents without raising taxes. In our community we have the 14th highest mill rate in the state of Connecticut, so we are particularly keen of those stresses that force municipalities to pay for services on the backs of our taxpayers.

Today as part of the council of -- Regional Council of Governments and also I sit on the Connecticut Conference of Municipalities, we are trying to ask the state to do business a little differently, take a new approach to the state of Connecticut, instead of the patchwork approach of 169 towns and cities doing things 169 different ways. We applaud your efforts

to try to come up with voluntary cooperative ways to save money and provide those same services.

We want to commend you for bills that are on the agenda today to promote regionalism and smart growth. We think that those are efforts in the right direction. We want to call your attention to a couple of bills that are on your agenda this morning. As you know, CROG is the regional planning organization that represents 29 towns in our capitol regional, and a good structure that already exists to provide efficiency in public services and to save tax dollars. We feel that there are a lot of great things that have already been done that we can build on.

The first we'd like to talk to you about is the funds that were appropriated in House Bill Number 6389 for Regional Performance Incentive Grants. We applaud those efforts, we see that those efforts are already working where the state provides dollars and incentives for towns to cooperatively share services and equipment. Those efforts are very, very successful. We feel that we already have a structure in place however, and this bill as proposed, is establishing through the Governor is a new program and we already have that program in place. We saw it with the Performance Incentive Grant Program, and in fact towns and cities have already started to purchase equipment through that. In fact, the Governor was listening to our last testimony and also suggested that towns can share one attorney with the number of towns to enter into agreement and I think that's a good step to start.

Another bill we talked to you about was

restoring the state grant and aid funding that was eliminated from the Governor's budget for COGs, councils of governments. I think it's very shortsighted for this state to move forward with regional planning efforts and voluntary efforts, while at the same time gutting the only regional system that already exists, and that's the councils of governments; and towns belong to councils of governments all across the state. So gutting the very regional structure that exists in our state by which we can build on at a time when we're promoting a regional government doesn't really make a lot of sense. I know health districts are not on your agenda this evening, but that is another structure under the Governor's bill that would be gutted and that's another example of a regional structure that already is in place.

Committee Bill Number 371 is An Act Concerning Intermunicipal Cooperation. It would allow towns to undertake new programs for regional tax base sharing, regional sales taxes, and other initiatives. The council of governments is the very structure that which towns already cooperate on. We -- in our Hartford county, we are 29 towns and cities, we know each other, the mayors talk to each other, we regularly meet with each other, there's trust. And I just would encourage you to use that structure to build on.

I just want to very quickly introduce Lyle Wray, the Executive Director of CROG. And he'll just speak to a couple of other bills on your agenda today. Thank you for your attention.

LYLE WRAY: Mr. Chairman, members, thank you very much. We appreciate the opportunity to speak

HB6389
HB6585
HB6464
HB6467
HB6469

on this, this is our -- our daily work. We are very much appreciative of all the work you've done, Representative, in the smart growth efforts in the past half year and look forward to bringing much of that to fruition.

If I could just go through a few bills briefly. Bill 6585 on regionalization and regionalism -- one of the aspects is that we kind of have a bad rap as "regional planning organizations," because I would suggest that what -- about ten percent of what we do is really planning. We do facilitations, support, technical assistance, and hosting. We really don't just do planning -- and I think we need to change our name to something else -- but we actually do -- on a daily basis if we look at the calendars of myself, my managers, and all the staff team at CROG, we do a lot more -- and I think the state grant and aid funding, though modest, is about 13 cents a person in this region. My view is it should be at least a dollar, but we won't go there. We don't plan, we're not sitting there with blue prints and green visors, we're actually out helping do disaster mitigation for the region, we're doing homeland security work, we're doing table top exercises coming up on how to respond to emergencies, a whole variety of things in that area, purchasing has been around for 30 years. We now save two million bucks a year for our towns. There's a whole variety of things we do that are not really planning, and I think that's an important aspect in terms of the role contemplated in this bill. So we need that state grant and aid money which is, in our case, about $128,000 just to keep the lights on in general overhead. And one of our real concerns of course, is that going away would be kind of dark days at CROG.

The other thing on 6585, is it talks about town by town coordination of services. And one of the things we've prided ourselves on at CROG long before I came there, was doing things that are regional. So we have a regional disaster plan, not two towns at a time. We have a regional geographic information system where every address in this region you can look up on the web, look at your zoning, your land, your soils, it's not just two towns at a time it's the entire region. And we're in the middle of working on, I think and a very exciting project to me, is a region-wide building permit process, so it's not two towns at a time it's the entire region. So in 6585 it contemplates as "onesie twosies" with towns, which is absolutely crucial in terms of, you know, sharing a line stripper on a road or a piece of public works equipment in other areas; but we are working very hard to do regional things like purchasing. A very simple example in the last two years we now have an online purchasing system called "Reverse Auction" where we save a lot of money. So we're working on half a dozen things that are region-wide and that's not really contemplated in this law and I think that's one of the concerns we have. We need that regional capacity to think regionally. So it's not just one town negotiating with another where the region has no role, we're working on a lot of things that relate to the aspects of region-wide services.

The other aspect in terms of the funding is we suggest that Section 8 of 6389 be amended to put the funds back into the SGIA and we have the specific language for you there. But we believe this capacity is critical, Mr. Chairman, and would appreciate your

MARY A. GLASSMAN: Thank you for the opportunity. You know, during this difficult economic crisis we have a tremendous opportunity to set a long-term vision for the state, to set us on a new course, to come up with a new way of doing business in the state. And we thank you for the opportunity to testify today.

REP. SHARKEY: Thank you for your testimony. I couldn't agree with you more. Couple of things just so you and/or the public -- are following this, the -- on the agenda today we've actually got 15 bills that are here for public hearing. The first nine, one through nine, are bills that are directly related to the work of the Smart Growth Working Group that both of you participated on. So those are the bills that specifically came out of the working group and are part of the legislative package. The other six bills are those that have been introduced by either the Governor or by other legislative leaders along the same lines with some different aspects to what they were proposing.

Just so -- for a couple of questions with regard to 6585, and your comment with regard to the fact that the bill, An Act Concerning Regionalism, is anticipating -- I think the term you used is "onesie twosies," in terms of potential regional programs. Actually it's -- it's not necessarily designed to do that, what the -- the idea there is to -- there are certain things that must be done on a region-wide basis that are a prerequisite to receiving any kind -- the big financial incentive, which is the sharing of the state's sales tax. There -- I think there's a balancing that we're trying to do as far as insisting that some programs be regional and encompass the entire region, but one of the

other things that we heard from the public throughout and have been for the last several months is that not every regional quote/unquote program works region-wide. That there are initiatives that can be done on multi-town basis, but that can't necessarily be done throughout the region. That's particularly true on the education side, but also is true on the municipal side as well. So the intent there was to try to create some flexibility for regions to design what -- to design their own programs without dictating that it had to be all regional, you know, the entire region. So can you -- can you respond --

LYLE WRAY: Sure.

REP. SHARKEY: -- both as a COG, but also as a first selectman as to, you know, the flexibility issue and whether we should be building in some flexibility for regions to put these together?

LYLE WRAY: Mr. Chairman, I appreciate your clarification of that. In fact CROG was one of the plaintive voices saying one of our best projects went down in flames because the Regional Performance Incentive Grant System weighted programs more favorably if had a majority of towns in the region.

REP. SHARKEY: Right.

LYLE WRAY: In fact our best project, I think in some ways, was equipment sharing with four or five towns in the southeast corner of our region that have historically worked together, but because we didn't have the majority of towns in the process, it went down to defeat in the process. So we very much appreciate

your clarification on that and -- but I think the issue here, Mr. Chairman, is which projects make the most sense at a region-wide level and which ones are appropriate at the smaller town-level? So for example, animal shelters east of the river make sense to do on a multi-town basis, we don't need one big animal shelter for the region. On the other hand if we do dispatch at a regional level for example, that might make some sense to consider.

REP. SHARKEY: Well if I could, the question though that I'm interested in hearing your reaction to is --

LYLE WRAY: Uh-huh.

REP. SHARKEY: -- do you -- would you prefer to see legislation that requires initiatives that are region-wide or that has -- a mix of availability for smaller projects to also be part of it or -- and what should that mix be?

LYLE WRAY: Just a quick point, I think -- it should be based on a statement of consideration about the appropriate level of a project. In other words, some things might be -- in other words as the process goes forward, I think both are appropriate --

REP. SHARKEY: Okay.

LYLE WRAY: -- region-wide and there's absolutely nothing wrong. The Farmington Valley, which First Selectman Glassman is very involved with, there's a lot of subregional things that make a great deal of sense. So I think all we're suggesting is that maybe I misread the bill, but I saw the tone as saying, it's more of these smaller projects. It's a mix and it

will depend on a consideration we believe of what makes the most sense.

REP. SHARKEY: Well I -- and maybe First Selectman Glassman, you could comment but...

MARY A. GLASSMAN: Thank you, Representative Sharkey. I think that there is a mix. I think there are some projects that do make sense, and where it does makes sense I think the state should encourage those through planning dollars or incentives, and that will force towns to look at it as an option. As we dip our toe into the water here, I think to say towns must participate in regional cooperative efforts, I think you're going to scare a lot of towns away. But once they start to explore the opportunities to save dollars, they're going to see that it's a win-win on the local level and the state level and -- and it'll benefit our state. So I think there is a combination of things, I think that where it does makes sense, like the 911 systems, we have 107 throughout the state, we're one of the few that have so many 911 systems, and that might be an area where you say towns are encouraged and there are planning dollars associated with that.

REP. SHARKEY: But I guess my question is also philosophical, should the -- state and this Legislature be -- defining what are the regional projects and programs and the scope and scale of those projects for the regions or should the regions themselves be empowered to decide what works? I mean it seems to me that if a region finds that it can do a number of projects region-wide, that's terrific and that will become self-evident that that makes sense and should be done. But we shouldn't necessarily be specifying, you know, how big,

how many, I mean we are -- defining minimum amounts of projects that -- we want towns or regions to participate in but --

MARY A. GLASSMAN: Except that if we want to really truly move the state forward and really want to see Connecticut move forward, we're going to have to take some leadership and we're going to have to say, instead of doing one or two projects here and there, we need to pull together and do some that really move the state forward. For example, transportation projects, does it really make sense to use all of our dollars paving a little piece here, a little piece here, or should we put our dollars into a region where we're going to get the biggest bang for our buck? We're going to see that with the economic stimulus dollars, each town throughout Connecticut submitted -- I know in our community we submitted $18 million worth of projects that we could do. And it would be great for each of our communities, you know, to get a paving project or to get a sidewalk replacement project, but at some point if we're going to really make a dramatic impact in the regions, we already do that now, we send dollars through the COGs and the COGs come together and decide which of the regional projects to move forward. So I do think that there's going to be some leadership at the state level to say some of these projects need to be regional and encourage that approach.

REP. SHARKEY: So you'd encourage in the bill that there be as a requirement for receipt of state incentive money, that we should actually specify either a number of projects that --

MARY A. GLASSMAN: I think for some projects it makes sense. For some projects -- I'm not

saying all of the regional dollars. Does it make sense to encourage towns if they want to do an animal -- if they want to build an animal shelter to have to participate in a regional one if it doesn't make sense, no. But in terms of -- some of the areas that we already do, the housing, the transportation, there are areas where it does make sense to fund those dollars through the region.

REP. SHARKEY: Right.

LYLE WRAY: Mr. Chairman, could I -- one piece of --

REP. SHARKEY: Sure.

LYLE WRAY: Mr. Chairman, one of the -- just like we're lacking information on tax incidence and a Build Out Analysis, the missing piece here -- and this goes back to my experience in the Midwest which is just about as snowy as today here -- you need two lists of which we don't have. One is where's the money to be saved at what level, and this is done in many, many parts of -- the rest of country -- Maine is going through this right now. Where's the money to be saved through joint efforts? Is it two towns at a time or region? That's the first list we don't really have yet. The second list though, is political acceptability. Where do people get their fur up on consolidations? And it tends to be schools, local libraries, police, and fire. Those are things that people are very resistant to consolidation. So if we had those two lists -- where's the money to be saved? It could be employee benefits, it could be a whole variety of things on the list, here's the millions to be saved. And then look at the political acceptability list,

it strikes me that if you do the overlap, those that save a lot of money where there's no political resistance you do quickly. And CROG has concluded that it is things like back office functions, so a joint building permit system that uses information technology is an area to potentially save a lot money and there's not a lot of resistance. So I think that -- overlap is information, Mr. Chairman, that we're just lacking at the moment. We're trying to --

REP. SHARKEY: I agree. I guess I'm trying to get to a very simple point --

LYLE WRAY: Right.

REP. SHARKEY: -- which is should the state, as part of this bill, dictate or say, we want regions, in order to qualify for incentive money, we want regions to have one or two examples of region-wide programs, and then another smattering of smaller multi-town projects that may not lend themselves to region-wide initiatives. Or should we just -- I mean what you're describing makes perfect sense, but should we allow the regions to kind of discover that on their own and find out those things on their own, rather than have it be part of a bill that mandates these activities in exchange for financial incentives?

MARY A. GLASSMAN: Yeah. I don't -- I don't think the state is in a position right now to mandate, because we don't have the information. We don't have a long-term vision, we don't have a long-term plan, other states do. Other states know where they want to get to by what year they want to get there --

REP. SHARKEY: Right.

MARY A. GLASSMAN: -- and we don't have that. So for the Legislature to just take something out of the box and say, all right, we're going to make something, be regional. I'd say maybe transportation is a good place to start, we have the Transportation Strategy Board. They tried to come up with -- that's the closest we have to a long-term vision for the state, I'd look at that. I'm convinced that we can spend transportation dollars more wisely, I know it makes me crazy when you know our plow trucks drive to the -- to the end of the border and stop, and then the Avon trucks on the other side driving to the end of the border. So I think there's tremendous opportunities in transportation to take a look at that. But I -- but I agree with Lyle, I think that -- that, you know, we're not in a position to do that yet, but through the regional incentives, through towns working together, through towns working on projects that they feel they're comfortable with in saving dollars and benchmarking where the savings are we can move to that next step.

REP. SHARKEY: Okay. All right. Thanks.

Are there questions from other members?

Representative Reed.

REP. REED: Thank you, Mr. Chairman.

Good morning --

MARY A. GLASSMAN: Good morning.

REP. REED: -- and thank you so much for your

SB371
HB6389
HB6464
HB6467
HB6469
HB6585

testimony, and all you do in this area. Speaking of planning, First Selectwoman Glassman, thanking you for coming down to our region down in the shoreline, and helping us kind of understand what's possible.

I'm just wondering -- this probably is an emotional question, but just getting a sense if towns can come together and have some success on a project, is that -- have you discovered developing the kinds of relationships that are useful going forward if they can come together, have some kind of a working group, everybody feels they have a stake in the final outcome, and then they have a little bit of success. And do you have any kind of a one, two, three plan of what they might tackle that would give them that kind of experience?

MARY A. GLASSMAN: Thank you, Representative Reed. Thank you for your kind invitation to come down. I think, you know, because we don't have a government structure of regional approach, we don't have country governments, it's left to the towns to -- to create their own grassroots efforts to save dollars. So I do strongly believe that these cooperative voluntary efforts, like the Farmington Valley Collaborative, like the shoreline towns that you're working to start these voluntary efforts, that's -- that's the way we need to start. Because we need to show our leaders that it does make sense, it saves dollars, and it's acceptable to our taxpayers, because that's after all, who we work for. So I do think that there's a -- that those are -- are good things to start. Some of the things that we've had success with, the animal control officers, I know in our communities, they're sharing between the towns about that; social

service directors they're sharing there; IT services, we are entering into a contract -- looking at entry through contract with our neighbors to share IT services. I think it gets back to some of the things we're -- again, you can benchmark there's cost savings to a community, and your community's getting the same or even sometimes a better level of services than they were getting. So I think we could start voluntarily -- as we work to strengthen the state structure of putting some dollars into the regional efforts.

LYLE WRAY: Representative Reed, if I could just add one point to what First Selectman Glassman said, is when you look at the whole literature of shared services, there's two words that come up, leadership and trust. And it takes leadership, and building trust is a foundation on which you can build more. And I think if you look at CROG, one of our most successful programs is public safety, which is not necessarily the world's most cooperative world. But over the years, for the last 15 years, it started with elected leaders pushing this, we've got captain mobile data display terminals in a good chunk of the police cars in the state. They have regional disaster planning, emergency management planning, and I think that had -- that trust builds on itself. So it took two things, the leadership of the elected officials standing up 15 years ago and pushing it, but the building of trust, I think, is a critical human dimension of this rather than just, you know, the mechanics of saving money. If you have leadership and trust, we think that regions can move ahead on this more easily.

REP. REED: And just a quick follow up, and are you discovering in your own experience that even

if the political leadership changes, you can create a structure that has its own momentum?

MARY A. GLASSMAN: Yeah. I think that's -- that's true. You know, you may have a -- when you create the structure in place, and you involve all of your staff -- we have staff meetings with other staff from other towns, you know, you're -- you're really creating more than just the political opportunity, you're creating a structural and governmental opportunity. So you're teaching your communities how to work together and that -- that transcends elections. So I think that -- that structure does work.

LYLE WRAY: If I could just add that (inaudible) example is the Public Safety Council --

REP. REED: Uh-huh.

LYLE WRAY: -- that was initiated by elected officials, but 15 years later is very, very much in place and has built and built and built. And frankly, I think the elected officials, once something is put in place, sometimes have not been as actively involved in it because they assume that the staff-level emergency, police, and fire and so forth are working on it, but that leadership has continued and we have a very strong effort going on. So I think once it's been established, the leadership and trust has to be there, but it's been sustained through multiple election turnovers.

REP. REED: Thank you so much and thank you for putting your respective toes in that water.

MARY A. GLASSMAN: Thank you.

REP. SHARKEY: Thank you.

Any questions from members of the committee?

If not, thanks very much.

ERIC J. BROWN: Thank you.

REP. SHARKEY: Thanks, Eric.

Next is Bill Cibes followed by Jiff Martin.

WILLIAM CIBES: Thank you, Senator Coleman, Representative Sharkey, members of the committee. My name is Bill Cibes. You have my written testimony before you. Just to call to your attention that I happen to have been fortunate enough to serve on the Governor's Task Force on Responsible Growth, which I think led into your Smart Growth Working Group. And I'm currently a member of the 1,000 Friends of Connecticut, Chair the Advisory Board of Home Connecticut, and a member of a loosely organized group of citizens called the Blue Print Coalition.

I first want to praise the committee for raising a number of bills recommended by the Smart Growth -- task force or -- Working Group or whatever it's called. I think you deserve a great deal of credit for recognizing, as the language of 6467 says, "the high financial, social and environmental cost of sprawl development." Just to reinforce your point, I think there's some interesting data from CERC reported in 2007, that a number of the major cities in the state have lost jobs; Hartford going from 158,000 jobs 115,000 over the course of 1988 to 2006. A lot of those jobs went to outlying communities, which increased

HB6585

I call to your attention specifically the language in 6467, which a number of other people will address, and I suggest some language which I think helps to clarify this bill on page two of my written testimony; it not only defines smart growth as you do, but also defines the principles of smart growth which then goes on to use the language which you discuss. The section -- subsection E, which Shelby Mertes has talked about and I think Attorney Tim Hollister will also discuss, might be improved by referring to "housing which is in eligible locations as defined in the Home Connecticut Statute 8-13m."

And then Section 2, I think also could be clarified by adding some additional language, so I would call your attention to that and I'd be happy to talk about that in detail further. If those changes are adopted, then the language of some other bills can be improved by revising language to talk about being consistent with the principles of smart growth, which is actually used in a number places in those bills, but other lines don't include that.

And let me also just conclude by suggesting that House Bill 6585, concerning regionalism, discussing the benefits of revenue sharing, really needs to be sure that we talk about extending those benefits to all the constituent parts of the district and -- and don't -- and does not accidentally further segregate the needs and resources. Specifically, you don't want just two municipalities at the far edges of the economic development district joining to revenue share, and omitting the participation

of the -- of the heart of the economic development district.

So thank you for consideration. And again, I'd like to offer my praise to the committee and to Senator Coleman and Representative Sharkey for taking a lead on this smart growth issue. Thank you.

REP. SHARKEY: (Inaudible) revenue sharing, because we hadn't really heard any other testimony from the regional planning organizations or the towns about that. Yeah, the intent of this is that is one of those things that would be region-wide throughout the established economic development district. So that -- for just that purpose, and also that's part of the reason for using the sales tax as the incentive is that towns and cities in the region would have an incentive to be -- associate themselves with the core of their region, where presumably the bulk of the sales tax is actually generated so that that creates some synergies that way as well. So your continued thoughts on the revenue sharing aspect of it and others as well as we finish up the language of this would be appreciated. So I appreciate your testimony.

Are there other questions from members of the committee?

If not, thank you very much. Thanks Bill.

WILLIAM CIBES: Thank you very much.

REP. SHARKEY: I always appreciate your comments.

Jiff Martin followed by Sara Bronin.

JIFF MARTIN: Good morning, members of Planning and HB6464

you will, in how we're doing those investments. You're -- I -- so maybe that was misunderstood or maybe misplaced, is that what you're suggesting?

JIFF MARTIN: I'm suggesting that to do it project-by-project would probably be very onerous for that committee as well as for the programs that already have all these checks and balances. But it might be valid to have that body review the process by which projects are selected. A sort of one-time review of, so what are the scoring criteria used for this program or this program, and is that in keeping with smart growth priorities? And that seems reasonable; but since again, this body has never met, they don't even meet monthly, there's been a lot of suggestions about changing the membership but they actually have no -- no pot of money to distribute anyway. It just seems -- it just seems like an incomplete proposal to us right now.

REP. SHARKEY: Okay. All right.

Any other questions from members of the committee?

If not, thanks very much.

JIFF MARTIN: Yes. Thank you.

REP. SHARKEY: Sara Bronin followed by Marty Mador.

SARA C. BRONIN: Hello, Mr. Chairman and the committee. Thank you for having me this morning. My testimony will be short and I've submitted it in writing as well.

HB6585
HB6466
SB384
HB6464
HB6465

By way of a brief introduction, I'm an

Associate Professor at the University of Connecticut School Of Law. I teach property and land use and I also research in those areas. I also am trained as an architect and serve as the attorney for the state's 360 State Street Project, which is the largest and greenest project that's currently being built in downtown New Haven.

So just a -- a short note to begin, I was glad to hear that a Smart Growth Task Force has been convened by members of this committee and I applaud your efforts to engage policymakers and experts throughout the state. It would be very easy to aspire to nothing in the current economic climate, so you're moving forward on various initiatives, particularly creating infrastructure for better land use planning is heartening.

So I just have three general comments on the package of bills that are being discussed at this public hearing. My first comment is that Connecticut could really benefit from strengthening regional planning. So House Bill 6585 and 6466 and even Senate Bill 384, which simply adds language that makes regionalism one of the state's priorities, could encourage our 169 municipalities to see themselves as part of a larger and more coherent framework. I recently published a paper about the state's playing a greater role in land use regulation -- I gave you the URL for that paper if you are at all interested -- and based on that research I think there are strong reasons why a state with the geographic, topographic, and urban development characteristics that Connecticut has should consider regional and state initiatives in land use regulation.

My second comment relates to planning for mass transit initiatives, such as those considered by House Bill 6465. Last Friday we held a conference at the Law School -- I think you were all invited -- about rail transit in Connecticut called, "Can Rail Save Connecticut Cities?" The speakers included Department of Transportation Commissioner Joseph Marie, State Representative David McCluskey, and University of Connecticut School Of Engineering Professor Norman Garrick. At our conference we heard a variety of perspectives from these speakers and from the audience, but everyone agreed that the state has to create a more coherent transportation plan which would have as one of its goals stimulating economic development.

My third comment, and again I have written testimony, and I'll just -- I'll close here, is that investments in historic preservation are investments in economic development. There are certain bills here like House Bill 6464, which touch on the topic of preservation. I would encourage this committee to consider both in the bills being heard today and otherwise initiatives that promote and support historic preservation in the state.

REP. SHARKEY: Okay. Thanks very much. I should mention that I'm interested in reading your paper because when I was at UConn Law School and being at the -- taught at the knee of Terry Tondro, who is I think somewhat legendary in the field of land use, I did a study -- I did a report of my own on regional planning organizations at the time, so I'd to be able to read yours and then compare some notes as to how things may or may not have changed in the last -- well, I don't want to

say how many years that's been -- it's been quite a while. So thank you for your testimony and your input.

Are there questions from members of the committee?

If not, thanks very much. I appreciate it.

SARA C. BRONIN: Thanks a lot.

REP. SHARKEY: Marty Mador followed by Tim Hollister.

MARTIN MADOR: Good afternoon, members of the committee. I'm Martin Mador. I'm the Legislative and Political Chair for the Connecticut Sierra Club. I'm here representing our 10,000 Connecticut members concerned about the health of our environment, our economic prosperity, and the quality of life in Connecticut.

HB6464
HB6466
HB6585
HB6467
SB371
SB384
HB6465

Connecticut needs a commitment to smart growth. It needs statewide planning, extensive regionalism, promotion of mass transit as it influences land use, a comprehensive land use approvals process without excessive layers. It especially needs regionalism to eliminate the competition for tax revenues, which results in environmentally damaging land use decisions. It needs effective environmental protection as an integral part of each of these. What we really need most of all is to get rid of the property tax, I don't know quite how to accomplish this, I don't know if that happens in this committee or if finance. I'm a little disappointed that these bills really don't address the fundamental evil, which is our reliance on property tax. But having said

that, I've selected seven bills from the agenda today that Sierra particularly wishes to endorse.

6464 permits the Face of Connecticut Steering Committee -- and I will read my testimony here verbatim -- to veto grant applications for certain purposes. Eric Brown sort of stole my thunder by using the word before I got to. We are exceptionally concerned about this bill, we think it's going to slow down the process, we're concerned about having enough agency personnel to actually administer this on behalf of the steering committee. And we advise extreme caution about going forward with this bill because of the possibility it will significantly slow down the grant process.

The other bills I'm going to mention very briefly we unconditionally endorse. 6466 introduces the concept of projects of regional significance. The preapplication process to vet their merit seems appropriate to us. 6585 promotes the principle of regional cooperation, we endorse that as well. 6467 is a bill we absolutely love. It has a lot of language in there providing for, among other things, integrated planning, reduction of reliance on property taxes, development of brownfields rather than green fields, and so on. We consider this a priority bill and we're exceptionally pleased at the language in that bill and certainly want to see that one to pass. 371 and 384 authorize the councils of government to consider regional tax sharing, regional delivery of services, and so on. As they enable these key elements of regionalization, we feel these two bills are very important. 6465 incorporates smart growth in capital transportation projects,

which we think is also appropriate -- and I guess I'll stop there.

REP. SHARKEY: Well before -- well done, well done. The only comment that I'd make on your testimony is that I think underlying all of this initiative is the idea that we need to reduce our reliance on the property tax. So that by creating a diversity of revenue streams for towns and cities as -- in exchange for their willingness to work on regional solutions, which in turn will help save them money, that's really the bigger picture. We're not saying the word "property tax" in a lot of these bills, but clearly that's the underlying principle.

MARTIN MADOR: Well, these bills are sort of edging away from property tax very gently. It's not confronting the issue head on, and our feeling is we have got to look at raising revenue at the state level while simultaneously reducing our reliance on the property tax. We have to do this and we have to do those two things on the same day and that's the problem. This helps, but it doesn't address the fundamental underlying problem of the reliance on property tax.

REP. SHARKEY: Okay.

MARTIN MADOR: It is good stuff and we endorse it, but we don't think it's enough.

REP. SHARKEY: Okay.

Are there other questions?

Representative Drew.

REP. DREW: Thank you, Mr. Chairman.

Hello, Mr. Mador. Thank you very much for being here and your thoughtful comments. Do you know if there's any states that you can think of that are -- that have kind of a -- that don't rely on the property tax, who are -- have made a movement to minimize or reduce their reliance on property tax that you would see, if not as a model, then at least something to look at that has made better progress?

MARTIN MADOR: I wish I could give you a good answer to that. The fun part of about seeing Sierra Club is we get involved in a very wide range of issues, the problem is that we become real experts in very, very few of them. I don't have enough to really answer your question, I do know certainly that we're one of the most reliant on property taxes in the country. But I -- I don't have substantive information to give you as an answer to your question unfortunately.

REP. SHARKEY: Okay.

Are there any other questions from members of the committee?

If not, thanks very much.

MARTIN MADOR: Thank you.

REP. SHARKEY: Next Tim Hollister, followed by Mark Paquette.

TIMOTHY S. HOLLISTER: Thank you, Senator Coleman, Representative Sharkey and committee members. I am Tim Hollister, a very old land use attorney. HB6467 HB6588

TIMOTHY S. HOLLISTER: In general, yes, I do.

REP. DREW: Do you think one or more of these bills kind of addressed that sufficiently? Do you know, do you have an opinion on that?

TIMOTHY S. HOLLISTER: I'm not sure I've been through all the bills with that question in mind, I -- I could certainly get back to you on that.

REP. DREW: Thank you very much.

REP. SHARKEY: Thank you.

Any other questions from the committee?

If not, thanks very much.

Mark Paquette followed by Raphie Podolsky.

MARK N. PAQUETTE: Chairman Coleman, Chairman Sharkey, thank you, members of the committee. I'm Mark Paquette. I'm the Executive Director of the Windham Region Council of Governments. And I applaud your efforts on the smart growth task force and I actually served on the regionalism subcommittee. I've submitted testimony to you, and I think I'll just stick on two of them that are near and dear to our heart, and that's regionalism.

In H.B. 6585, again, we're very supportive of these smart growth initiatives. And it's important to note in the WINCOG region, we've undertaken regional economic development as part of the Regional Performance Incentive Program that you funded last year. So we're undertaking that and have a few more months to go in that, so that's important.

HB5544
HB6389

works.

REP. SHARKEY: Okay. Good. We've heard that often.

RAPHAEL L. PODOLSKY: Thank you. I'd be happy to answer any questions I could.

REP. SHARKEY: Thank you.

Any questions from members of the committee?

If not, thank you. I appreciate it.

RAPHAEL L. PODOLSKY: Thank you very much.

REP. SHARKEY: Heidi Green followed by Carlene Kulisch.

HB 5544 HB6387
HB6389 HB6463
HB6464 HB6465
HB6466 HB6467
HB6469 HB6585
HB6589 SB371

HEIDI GREEN: Good afternoon, Senator Coleman, Representative Sharkey, members of the committee. For the -- my name is Heidi Green. I'm the President of 1000 Friends of Connecticut, 1000 Friends is a statewide smart growth education and advocacy organization.

First I would like to echo the comments of many speakers who have come before you in thanking the committee for raising these bills and -- and for the -- the Smart Growth Working Group and the work that you -- that you all did on the Smart Growth Working Group. This -- this batch of bills is bold and it's comprehensive and -- and you're doing a really fine thing by not just bringing them up, but also by stewarding them as they go forward.

In the past the policy changes represented here would have been considered good ideas, but given the current economic crisis it's now imperative that Connecticut coordinate

government better, strengthen our regions, modernize our zoning policies, and focus development in our cities and downtowns. Critics of better coordination and tighter screening will and have said that -- that that would slow approvals or increase costs or leave our -- that they -- they want their programs left alone. Smart growth reforms are about improving outcomes, if the status quo were working, we wouldn't be loosing forests, farmlands, and our competitive edge. No longer can we afford pet projects or pork that failed to meet our smart growth goals. We must strategically target limited state resources.

By strengthening and empowering regions, targeting new grants and loans, modernizing land use, and streamlining approvals, we will revitalize our cities, preserve the charm and uniqueness of our state, and build a sustainable, competitive economy to protect our -- and protect our natural resources for future generations. I urge you not just to support the smart growth package but to champion it. The future of Connecticut is in your hands. You have specific comments about bills in my written testimony, but I'm happy to answer any questions now or as you go forward.

REP. SHARKEY: Great. Thanks. What do you think about the testimony that we received from Jiff Martin and Working Lands about the advisability of having the Face of Connecticut Steering Committee not do project-by-project reviews, to ensure consistency in our overall planning for those types of projects?

HEIDI GREEN: Well I -- I think clearly we need to have project-by-project reviews done, looking

at how projects done match smart growth criteria. Her -- and -- and I think that that should include economic development projects, which was not specified in -- in any of the bills. Should the Face of Connecticut Steering Committee do it? I don't really have an opinion about who should do it. I think that it could -- it could well be done by the Responsible Growth Steering Committee which is -- was created in Executive Order 15 by the Governor. It's a steering committee that is made up of the -- the commissioners of the agencies and their goal really is to coordinate responsible growth for the state.

That doesn't get to CCM's concern about having municipal folks at the table but -- but it may -- it may satisfy the -- the condition of breaking down silos, and having a more -- a more comprehensive look at -- at projects. Accountability and transparency are a concern and so, you know, it's very difficult to find out what the Responsible Growth Steering Committee is up to. So we would want to have more transparency if that were to be the case.

REP. SHARKEY: Right. And one of the advantages of you being further down on the list of speakers is that you've been able to hear what others have said, so I'll ask your thoughts on some of these things. A couple of the other bills that have been -- that are also on the agenda that are not the product of the Smart Growth Working Group are in some ways going a little bit further. There is one bill that actually would call on councils of government or RPOs to play a role in regional taxation and get into those kinds of issues. We I think, had some hesitance about diving into that because of issues of governance of -- you know, the legalities of who can be raising and levying

taxes, and maybe we should be leaving that to the towns -- to the status quo. Do you have thoughts about that aspect?

HEIDI GREEN: We certainly do. In -- in 2007, 1000 Friends of Connecticut released a document called, "Developing Connecticut's Economic Future." And in that document we suggested that -- that regions or regional entities that met certain statutory requirements, and among those statutory requirements were revenue sharing for economic -- for new economic development and new high-end housing development -- or sharing of -- of other, you know, economic development, land use, transportation, we mentioned education, that those regions be given a portion of the sales tax generated in the region; so that they be -- did we -- we did not specifically talk about the hotel tax or levying taxes. I think that we would be supportive of -- of having a local option tax on a regional basis provided that there was -- the region really represented a -- a significant portion of the population in the region. I think what we want to move away from is fragmentation and -- and fractured government, and having -- so allowing two small towns or two, you know -- two or three towns together to raise a local option tax, we don't think would move us either away from reliance on the property tax or towards better land use, more coordinated economic development.

REP. SHARKEY: Okay.

HEIDI GREEN: So that's sort of answered on both sides.

REP. SHARKEY: Right. Sure. And I guess the -- and the other question that I was interested

in getting some comments on was the issue of the degree to which the state should be sort of defining what a regional project or program should be. Whether we should be sort of imposing a sense of where we want to go onto regions which they can choose to adopt or not adopt? Or should we really try to keep this a little bit more -- or really almost fully discretionary to the regions, with the exception of the -- of the requirements in the bill under An Act Concerning Regionalism, where we ask -- well we tell regions you have to establish yourself as an economic -- a federal economic development district, you have to agree to not compete with each other for new development, and you have to adopt a revenue sharing program, and then do a number of other things that you can decide on your own as to scale, scope, some of which have to be municipal, some which have to be in the education field. Is that -- do you -- from your perspective, is that a better approach or do you think we should be a little bit more -- should we be defining those initiatives a little bit more clearly for regions in telling them what we want them to do?

HEIDI GREEN: Well I think that -- that from the perspective of all of the citizens of the state of Connecticut and not the individual municipalities of the state of Connecticut, it -- in this bill you also say that you will give economic incentives or you will give, you know, grants or -- or significant state resources to the regions that adopt these policy changes. If state resources are given to regions, then the regions really should be doing a "heavy lift." You know, they should be reaching, and I think that it is safe to assume that if it's -- if the agreements are negotiated on a town-by-town basis, you will

have, as Lyle said, "onesie twosie" kind of stuff. You know, it -- it isn't in the nature of cities and towns to -- to reach for tough stuff if it's not -- if it's not clearly in their immediate benefit. So I would say that -- that -- it is really incumbent upon you to do the harder thing and to tell them what would make them eligible, instead of asking them what they think should make them eligible.

REP. SHARKEY: Okay. I guess the -- obviously the philosophical question there is, you know, the push back that we're going to get from regions who are going to say, hey you're telling us what to do.

HEIDI GREEN: Well, you're giving them money.

REP. SHARKEY: Right.

HEIDI GREEN: You're not just telling them what to do, you are telling them what they need to do to get your money.

REP. SHARKEY: Right.

HEIDI GREEN: That's completely reasonable.

REP. SHARKEY: I guess -- you're right. And I guess the issue too is not everything is -- lends itself to say, in the Greater Hartford area, a 29 town solution. Not everything can be done on a 29 town basis, whereas some things can be done on a six or seven or eight town basis, in pockets around the region.

HEIDI GREEN: Uh-huh.

REP. SHARKEY: So I'm in the -- there's a little bit of a balancing act there as far as, it

seems to me, as to how heavy-handed we really can be and is it counterproductive? Because if we're insisting that everything has to be over on 39 towns and you have to pursue those initiatives or you're not going to get anything, maybe a little bit too much on the other end, it maybe a little too heavy-handed and not realistic, because nothing -- not many things can actually occur on a totally a regional basis.

HEIDI GREEN: When we made the recommendations in the report that we released last year, our recommendations were that -- that 75 percent of the people in the region would need to be represented. So -- so it -- it did sort of -- and -- and I think that actually the selection of things that are in the bill that -- that towns would have to do together or regions would have to do to be eligible is a reasonable selection. It doesn't say specifically what other than, you know, doing a comprehensive economic development strategy and doing so many, you know, of this kind or that kind of cooperative agreements. So I think it lends flexibility, but it also says we want you to be really working together and governing together.

REP. SHARKEY: So would you recommend any changes to that language at this point, do you think? Or do you think it's as written it gets to the point, as opposed to -- or do you think we should maybe make some changes to try to push it a little bit further?

HEIDI GREEN: I -- let me go back and -- and look at it and talk to some my people and...

REP. SHARKEY: Okay. Have your people call my people.

HEIDI GREEN: I'll have your -- yeah.

REP. SHARKEY: Okay.

Are there questions from members of the committee?

Representative Drew.

REP. DREW: Thank you, Mr. Chairman.

Heidi, how are you?

HEIDI GREEN: I'm well, thanks.

REP. DREW: Thank you so much for being here. I don't have a question, I just want to thank you for your leadership -- your long-term leadership and, you know, really being the point person on this in so many ways. And I want to acknowledge and thank your organization, 1000 Friends of Connecticut and all its terrific supporters for their terrific work they've done and, you know, it's a testament to individual leadership, I think. So thank you.

HEIDI GREEN: Thank you. That's very nice.

SENATOR COLEMAN: Are there other questions for Heidi?

If not, thank you so much for your testimony.

Next on our list is Carlene Kulisch to be followed by David Sutherland.

CARLENE E. KULISCH: Good afternoon, Chairman Coleman, members of the Planning and Development Committee. I am Carlene Kulisch HB6464

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

Planning and Development Committee

March 2, 2009

Testimony of
W. David LeVasseur, Under Secretary
Intergovernmental Policy Division
Office of Policy and Management

Regarding Various Responsible Growth Proposals

Good morning Senator Coleman, Representative Sharkey, and distinguished members of the Planning and Development Committee. Although I had hoped to appear before you today, I am unable to do so. However, I appreciate the opportunity to submit this testimony as Office of Policy and Management (OPM) Secretary Robert L. Genuario's designee to oversee the Office of Responsible Growth that Governor M. Jodi Rell established in Executive Order 15

First of all, we are pleased that you have placed a high level of importance on regional initiatives and inter-municipal cooperative efforts. As you know, Governor Rell has also placed a high priority on both of these issues and has made them a cornerstone of her budget this year. Additionally, we are pleased that this Committee has also continued to place such a high importance on Responsible Growth, which is consistent with Governor Rell's leadership on this important issue.

With regard to Raised Bill 6463, An Act Concerning Membership on Regional Planning Agencies, we applaud the fact that this Committee has recognized the importance of the participation of municipal chief elected officials in the operation of Connecticut's fifteen (15) Regional Planning Organizations. It is unclear, however, whether this Committee intended for said officials to be members of the same group as the other agency representatives or whether the chief elected officials should constitute a separate and distinct group in each of the regions. I would hope that the Committee would adopt the latter view, rather than the former, as I believe the interests and general expertise of the chief elected officials do not align well with those of the regular representatives in the regions.

With regard to Raised Bill 6464, An Act Concerning Coordinated Preservation and Development, again, I believe that this Committee wisely has seen the virtue of having a group of diverse stakeholders provide input into specific types of projects. However, as I believe that a more proper role would be as an advisory group, as opposed to a group that actually directs the expenditure of funds and approves or denies grant applications, I request that you amend the statute accordingly. The advisory model has worked extremely well and I would cite the success of the Natural Heritage, Open Space and Watershed Land Acquisition Review Board, which has provided advice to the Commissioner of the Department of Environmental Protection since 1998 on the expenditure of state funds for the permanent protection of open space.

HB6446
HB6447
HB6449
HB6585
HB6589
SB371
SB384
HB5544

On Raised Bill 6465, An Act Concerning Smart Growth and Transportation Planning, we have two concerns. First, not all transportation spending is on new projects for which a Smart Growth review is

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appropriate. In fact, a significant portion of ConnDOT's budget is spent on repairing or replacing existing infrastructure. As we all know, a "fix it first" strategy is an important component in assuring that our existing infrastructure remains in use and towards that end, a Smart Growth review process would be neither germane nor appropriate. Second, we are not convinced that the Transportation Strategy Board is the appropriate body to conduct a Smart Growth review. Instead, we believe that any such review would be more appropriately conducted at OPM.

Raised Bill 6466, An Act Concerning Projects of Regional Significance, is important not only because it allows Regional Planning Organizations to establish a voluntary process for applicants to request a pre-application review of projects of regional significance, but also because it provides a statutory definition for proposed projects of regional significance. We applaud and endorse this and any initiative that provides opportunities for Regional Planning Organizations to better coordinate planning and implementation efforts on a regional basis.

As to Raised Bill 6467, An Act Concerning Smart Growth and Plans of Conservation and Development, this Committee rightly recognizes the need for consistency between local Plans of Conservation and Development and the State Plan of Conservation and Development. However, we have concerns regarding the October 1, 2009 effective date of the proposed legislative changes and how that may interface with those municipalities that may be in the process of currently reviewing and revising their local Plans of Conservation and Development.

In addition, requiring towns to assure consistency with the State Plan will undoubtedly raise the cost of the statutorily required ten year review. At this time, when municipalities are already having trouble balancing their budgets, I would hate to see legislation adopted that would make it more expensive for towns to conduct their reviews. This may inadvertently serve as a financial disincentive to towns in terms of either postponing or refusing to conduct the review. This would also constitute an additional unfunded mandate on municipalities and would run counter to the Governor's emphasis this year on relief from unfunded mandates. We would hope that this Committee would reconsider the effective dates for these sections and postpone them until October 1, 2012.

Raised Bill 6469, An Act Concerning Smart Growth and State Planning, calls for a tax incidence study, a state-wide build-out analysis and a statewide geographic system mapping project. While all of these are important to effective long range planning efforts, it is unlikely that the state will have the assets to fund these projects with the projected deficits over the next two fiscal years. Accordingly, as was the case with Raised Bill 6467, we would hope that the Committee would postpone these projects until such time as the State of Connecticut recovers from the current fiscal crisis.

Raised Bill 6585, An Act Concerning Regionalism, provides a mechanism for municipalities to promote regional economic development and share revenue voluntarily.

While again, any efforts that promote regional cooperation should be encouraged, we are concerned that municipalities may not avail themselves of the opportunities under this bill as they each struggle to maintain their individual revenue streams. Additionally, with declining state revenues from all sources, it is unlikely that the state can afford to give up one sixth of its sales tax revenue until the current economic climate is reversed. Again, we would ask that the Committee consider postponing the effective date of various sections of this bill until the current economic crisis is resolved. We are also concerned that not all regions of the state are located in federal economic development districts and that Regional Planning Organizations do not all have the same level of involvement in creating the boundaries of or participating in these districts. We believe that they should be involved and that the boundaries should mirror the boundaries of the Regional Planning Organizations, or combinations thereof. Finally, we would ask that the same powers conferred on Councils of Elected Officials under Section 5 of the bill be extended also to Regional Planning Agencies and Regional Councils of Government.

We are pleased to endorse Raised Bill 6588, An Act Concerning Training for Local Land Use Commissioners. The University of Connecticut's Center for Land Use Education and Research (CLEAR) has long provided training to local land use commissions. Municipalities and Regional Planning Organizations are familiar with CLEAR and recent changes instituted by CLEAR in the manner in which it provides training and how participation is acknowledged have bolstered participation in this invaluable program.

It is both fitting and proper that CLEAR be formally recognized for the value of its past and present work.

Raised Bill 6589, An Act Concerning Land Use Appeals, seeks to create a dedicated court structure to address land use appeals. While we endorse the concept, as was noted above, we believe that there may be unanticipated costs to Connecticut's Judicial System which will not be able to be addressed until after Connecticut recovers from the current fiscal crisis. Accordingly, we would ask that this Committee consider postponing to a later date the bill's current effective date of October 1, 2009. We also believe that changing the effective date would provide the Judicial Branch more time to devise an efficient process to implement the provisions of this bill

Committee Bill 371, An Act Concerning Inter-municipal Cooperation, echoes another one of Governor Rell's important issues this year. However, as was noted above in our testimony for Raised Bill 6585, we believe the same provisions that you extend to Councils of Elected Officials should also be made available to Regional Planning Agencies and Regional Councils of Government.

Committee Bill 384, An Act Concerning Regionalism in the State, creates a regional grant program for municipalities and is somewhat similar to Governor Rell's two proposed regional grant programs. We would only ask that OPM's responsibilities be limited under Section 1 to be within available appropriations, as it is so limited in Section 2.

Finally, I would like to provide comment on Committee Bill 5544, An Act Concerning Regional Economic Development Plans. As noted above, we generally applaud any legislation that empowers municipalities to cooperate. However, as noted above in my testimony on Raised Bill 6585, we do not know if municipalities will be inclined to share revenues during these difficult economic times and accordingly, for the same reasons cited above, we would ask the Committee to consider postponing the effective date of this bill.

Thank you for your consideration of OPM's views regarding these bills. I look forward to working with this Committee going forward, and will be happy to meet with you to answer questions or address any concerns you may have.

Public Hearing, Planning and Development Committee, March 2, 2009

My name is Bill Cibes. I formerly served in the legislative and executive branches of state government, and in higher education. More recently, I was appointed by Speaker Chris Donovan to serve on the Governor's Task Force on Responsible Growth, which reported to the General Assembly in February 2008, and am currently the chair of the advisory board of HOMEConnecticut, a member of 1000 Friends of Connecticut and a member of a rather loosely organized group of civically-involved citizens called the Blueprint Coalition (see www.ctblueprint.org).

I first want to praise this committee for raising a number of bills recommended by a Smart Growth Task Force. You deserve great credit for recognizing, as the language of *HB 6467* states, the "high financial, social and environmental cost of sprawl development."[1]

In order to achieve the long-term quality of life for current and future generations in Connecticut, it is absolutely essential that we enhance – some would even say, restore – our ability to compete in a global marketplace. Our future quality of life – the "prosperity for all" which the Blueprint Coalition says should be the vision for Connecticut's future – demands that we leverage the key assets of innovation, human capital, infrastructure, and quality of place – as scholars at the Brookings Institution have argued.[2] Certainly a major barrier to achieving quality of place, and hence international competitiveness, is the sprawl which continues unabated in Connecticut.

- Failing to modify land use rules that require large lots for residential uses spreads out the population and significantly raises the costs of housing and transportation.
- Failing to locate people close to jobs and shopping, or close to energy-efficient modes of transporting them back and forth, frustrates our ability to conserve energy, reduce harmful emissions and avoid environmental degradation.
- Sprawl also drastically raises the cost of infrastructure – such as roads, schools and public safety protection – necessary to service the needs of our people.[3]
- Because only relatively affluent residents can afford to pay these extra costs, sprawl encourages segregation by income, and indeed makes some essential elements of prosperity unaffordable to large segments of the population.
- Sprawl both encourages and is enhanced by interlocal competition for grand list growth, exacerbating the dysfunctional aspects of an inequitable property tax structure.

HBs 6463, 6464, 6465, 6466, 6467, 6469, 6585, 6588 and 6589 are all important steps toward the goal of smart growth to foster competitiveness. I'm sure you recognize that

[1] To re-enforce your point, CERC reported in 2007 that just between 1988 and 2006, Bridgeport lost 22,894 jobs (from 1988's total of 67,820), New Haven decreased from 90,240 jobs to 76,395, and the number of jobs in Hartford went from 158,600 to 115,574 – a loss of 43,026. Many of these jobs went to outlying communities, increasing the cost of commuting, requiring additional investment in infrastructure, encouraging the dispersal of housing, and decreasing the vitality and viability of the city which experienced the loss. It is almost an understatement to say that the "financial, social and environmental cost" was "high."

[2] See www.brookings.edu/events/2007/1106blueprint.aspx Click on "transcript."

[3] To put these latter points another way, sprawl complicates the task of providing the connectivity of information, goods and people which David Osborne and Peter Hutchinson say is a key to economic success in the Information Age. (The Price of Government, pp. 57-58)

they are but *first* steps, but they are valuable ones, and in general they do not damage the potential for taking further steps in the future, nor undercut progress already made.

HB 6467, *AAC Smart Growth and Plans of Conservation and Development*, which directly addresses the issue of sprawl, is a key part of this package. I would accordingly recommend that you look carefully at the language of this bill, especially Sections 1 and 2. In order to improve the clarity of the critical policy which you declare here, please consider some modifications to the language of the file copy, as set out below:

> Section 1. (NEW) (*Effective October 1, 2009*) As used in sections 2 and 7 of this act and sections 16a-27 of the general statutes, as amended by this act, 8-23 of the general statutes, as amended by this act and 8-35a of the general statutes, as amended by this act, "smart growth" means economic, social and environmental development that [(1)] uses land and resources to enhance the long-term quality of life for current and future generations in the state; and "principles of smart growth" means standards and objectives that support and promote smart growth when used to guide actions and decisions. These standards and objectives include but are not limited to [and promotes] (A) integrated planning that coordinates tax, transportation, housing, environmental and economic development policies at the state and local level, (B) the reduction of reliance on the property tax by municipalities by creating efficiencies and coordination of services on the regional level while reducing interlocal competition for grand list growth, (C) the redevelopment of existing infrastructure and resources, including brownfields and historic places, instead of new construction in undeveloped places, (D) transportation choices that provide alternatives to automobiles, including rail, bikeways and walking, while reducing energy consumption, (E) the development or preservation of workforce or affordable [and available] housing through densities that reduce sales prices or rents, in locations proximate [for mixed income households in close proximity] to transportation and employment centers or in other eligible locations, as defined in Section 8-13m of the General Statutes, (F) concentrated, mixed-use development around transportation nodes and civic and cultural centers, and (G) the conservation and protection of natural resources by preserving open space, farmland and historic properties and furthering energy efficiency[; and (2) is accomplished by a collaborative approach to planning, decision-making and evaluation between and among all levels of government to promote economic competitiveness in the state while preserving natural resources].
>
> Sec. 2. (NEW) *(Effective October 1, 2009)* The General Assembly declares that it is the policy of the state to address the high financial, social and environmental cost of sprawl development by incorporating the principles of smart growth in any revisions of statutorily required plans[4]

[4] Let me just add my support for well-executed strategic planning, which is encouraged by these bills. Thinking and acting with strategic and long-term perspective is vital to achieving Connecticut's vision for the future. Strategic planning enables proactive governance. Strategic planning helps avoid the cost of bad results, which stems from reactive governance, or "drift," in which there is no decision-making at all Strategic planning when done well facilitates adaptation to changing environments. Strategic planning

and strategies (including but not limited to those required by Sections 13b-57g, 16a-27, 8-23, 8-35a, xxx, yyy, zzz) adopted after October 1, 2009, and by awarding any state grants to municipalities, regional agencies, and any recipient organizations other than municipalities, made after October 1, 2009, according to criteria consistent with the principles of [through effective] smart growth. The General Assembly further finds and declares that smart growth is best achieved by a collaborative approach to planning, decision-making and evaluation between and among all levels of government.

If these changes are adopted, then the language of *HB 6464 AAC Coordinated Preservation and Development* could be improved by revising the language in several places to read "consistency with the principles of smart growth" (e.g. lines 7-8, 173, 202, 207, 271, and 338 of the file copy. (This language is already used in, e.g., lines 178, 277, and 343.) Similar language could be included in lines 186, 192 and 218 of *HB 6465 AAC Smart Growth and Transportation Planning.* And to go back to *HB 6467*, in line 84 of that file copy.

Let me also suggest that you consider modifying the provisions of *HB 6585 AAC Regionalism* to ensure that the benefits of revenue sharing from new economic development in an economic development district extend to ALL the constituent parts of that district, and do not further segregate needs and resources among the municipalities. Specifically, sprawl would seem to be encouraged, rather than discouraged, if two municipalities at the far edges of a district combined to share economic development revenues, to the *exclusion* of their poorer neighbor at the heart of the district.

Thank you for your consideration. Let me again extend my whole-hearted praise for the extremely valuable and far-sighted approach you are taking with these bills concerning smart growth.

I urge the committee, and then the General Assembly as a whole, to adopt this package.

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focuses discussions between policymakers and administrators and improves coordination among departments. It encourages synergy between national and state programs, so the resources of both are maximized. It links budgets to outcomes, helping to identify and re-allocate squandered resources, such as duplicate programs. Good planning establishes funding priorities which identify key areas for economic and social development that should be protected from budget cuts in times of economic downturn, and which should be the major recipients of additional funds as new revenues become available. It creates more accountable and transparent government. In the end, it may lead to increased participation by grassroots citizens in decision making.

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Your Home Is Our Business

March 2, 2009

To: Senator Eric Coleman, Co-Chairman
Representative Brendan Sharkey, Co-Chairman
Members of the Planning & Development Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: Raised Bill 6585, AAC Regionalism

The HBA of Connecticut is a professional trade association with almost one thousand, three hundred (1,300) member firms statewide, employing tens of thousands of Connecticut citizens. Our members are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to this diverse industry. We also created and administer the Connecticut Developers Council, a professional forum for the land development industry in the state.

The HBA of Connecticut supports incentives to promote intermunicipal and regional cooperation. We question, though, whether financing is available to achieve this goal (section 6) and whether the state will give up a portion of its sales tax for these efforts without raising overall taxes (section 4). We strongly do not support raising taxes or fees for these purposes if that would be the ultimate result.

We offer the following comments regarding the remainder of RB 6585:

Two or more municipalities that enter into an agreement to promote regional economic development shall "agree not to compete for new economic development" projects to be defined in the agreement. **We're not sure what actions or non-actions would be deemed to be competing for new economic development and urge that those be defined in the bill.** Also, what does a community do if they have an agreement regarding a regional economic development proposal, but some other private developer comes into one of the municipalities under their own volition with another proposal on a different site? How does the municipality treat such application in order to not violate the contractual agreement not to compete? Does the agreement mean they have to obstruct the other development? We would hope not, but this needs to be thought out and spelled out in the legislation.

At lines 21-22, why would intermunicipal cooperation be limited to transit oriented housing? Given the dire need for housing across the state, we suggest separating transit oriented development and housing, making both, separately, matters on which two or more municipalities can cooperate.

The two sentences at lines 34-40 seem to directly conflict with each other.

Thank you for the opportunity to comment on this important legislation.

Making Great Communities Happen

Connecticut

Connecticut Chapter of the American Planning Association

Government Relations Chairman Christopher S Wood, AICP
Phone 203 558-0654 woodplanning@charter net www.ccapa org

March 2, 2009

PLANNING AND DEVELOPMENT COMMITTEE

SMART GROWTH LEGISLATIVE PACKAGE – CCAPA COMMENTS

OVERVIEW

The Smart Growth Working Group spent nearly a year analyzing growth management issues and developing this package of legislative proposals to improve the State's response to the need for and potential impacts of continued growth. CCAPA has closely monitored this effort and strongly supports legislative proposals that promote smart planning for responsible growth management.

Our over 550 members – municipal and consulting planners, land use attorneys, citizen planners, and other professionals – are on the front lines of planning and managing land use at local, regional, and State levels. We are committed to assisting the legislature and State agencies with developing and furthering responsible growth management principles. We recognize that providing the necessary tools for smart planning at all levels is essential for dealing with the opportunities and challenges of continued growth, even more so under today's economic climate.

SUMMARY

These bills address a wide range of land use planning issues that are of professional interest to CCAPA members. CCAPA appreciates the efforts of the Smart Growth Work Group in developing this package. While we cannot support all of the specific bills as currently drafted, as detailed below, CCAPA has been and will be available to assist the Planning and Development Committee, its staff, and other interested parties in the development of improved planning guidelines to promote responsible growth in our State

ANALYSIS

H.B 6463 An Act Concerning Membership on Regional Planning Agencies

CCAPA supports the concepts promoted by this bill provided that the final language specifies that CEO membership is in addition to current representation.

H.B. 6589 An Act Concerning Land Use Appeals

CCAPA strongly supports this logical and appropriate approach to expediting legal challenges to land use decisions and we recommend that the Committee seek input from practicing land use attorneys.

HB6464
HB6465
HB6466
HB6585
HB6389
HB6588
HB6467
HB6469

SMART GROWTH LEGISLATIVE PACKAGE – CCAPA COMMENTS

H.B. 6464 An Act Concerning Coordinated Preservation and Development

This proposal would assign responsibility for review of certain State funding programs to the Face of Connecticut Steering Committee for consistency with the smart growth definition proposed by H.B. 6467. It is not clear how the programs listed are not inherently consistent with responsible growth management principles and what an additional review will accomplish. As CCAPA has previously recommended, these and similar decisions should properly be evaluated under the same "priority funding areas" criteria that are being developed in the next State Plan in accordance with CGS §16a-27 as amended by PA 05-205, An Act Concerning Plans of Conservation and Development. Finally, it is clear that the Face of Connecticut Steering Committee, or its member agencies, will require additional funding to conduct the necessary reviews.

H.B. 6465 An Act Concerning Smart Growth and Transportation Planning

CCAPA does not support this proposal based on the proposed definition of smart growth in H.B. 6467. CCAPA agrees that transportation planning should also consider and include growth management principles. However, the proposed smart growth definition may not be as effective as necessary in promoting smart planning for transportation and growth management generally. CCAPA supports the concept of ensuring that all State level planning is based on smart planning, consistent with the overall State Plan goals and the statutory growth management principles currently in CGS §8-23.

H.B. 6466 An Act Concerning Projects of Regional Significance

CCAPA does not support this concept as drafted. Although this bill proposes a voluntary program of regional planning organization review of certain development projects, the criteria for identifying those projects requires further consideration. From a planning perspective, a 50,000 square foot supermarket or electronics store is hardly significant regionally and additional levels of review may unfairly burden such relatively small developments in cities. A more relevant criterion may be the expected vehicle trip generation for large scale projects. Furthermore, it is unlikely that RPOs would have the resources to initiate such reviews and reports even if current State funding levels are retained.

H.B 6585 An Act Concerning Regionalism

This bill appears to add an incentive for municipalities to implement joint provision of services as currently authorized by CGS §7-148cc, adopted in 2001. Assuming fiscal incentives are assured, CCAPA supports this concept as promoting smart planning.

H.B. 6389 An Act Promoting Regionalization

This proposed bill would create incentives, in the form of grants, for towns to implement the interlocal agreements authorized by CGS §7-148cc. As noted in comments on H.B. 6585, CCAPA supports this concept as promoting smart planning.

H.B 6588 An Act Concerning Training for Local Land Use Commissioners

CCAPA has long supported efforts to ensure training for volunteer citizen planners and regulators and believes that CLEAR has demonstrated its effectiveness in this task. CCAPA strongly supports the provision of adequate resources for such training. However, any such programs should recognize the difficultly towns face in attracting sufficient numbers of volunteers, and avoid any provisions that discourage such volunteerism The requirement in this bill that a reviewing court must consider the training and expertise of commissions would seem to create just such a disincentive.

STATEMENT REGARDING
Regionalism and Smart Growth Concepts

Planning & Development Committee
March 2nd, 2009

The MetroHartford Alliance is Hartford's Chamber of Commerce and the region's economic development leader. Our investors include businesses of all sizes, health care providers, institutions of higher education, and 34 municipalities. The Alliance's mission is to ensure that the Hartford Region competes aggressively and successfully for jobs, talent and capital so that it thrives as one of the country's premier places for all people to live, work, play, and raise a family.

Specifically, we would like to offer comments for your consideration on the following bills before you today:

House Bill 6585: ***AAC Regionalism***

We are in general support of this proposed bill, as we are in support of establishing Economic Development Districts in Connecticut, as drafted in Senate Bill 888, *AAC Regional Economic Development.* However, in Section 2 of House Bill 6585, it is proposed that the Secretary of the Office of Policy and Management be the approving authority for any such plan, and we feel strongly that the review and approval of Regional Economic Development Plans should rest with the Commissioner of Economic and Community Development.

HB6589
HB5544

House Bill 6588: ***AAC Training for Local Land Use Commissioners***

In recent years land use decisions have become much more complex and represent major long-range financial consequences for Connecticut's

municipalities. Consistent training and continuing education for land use officials will help ensure that prudent decisions are made.

House Bill 6589: ***AAC Land Use Appeals***

We are in favor of a separate docket for land use and administrative appeals matters which would expedite land use issues, as they will be heard by judges that have specific experience in land use and administrative manners.

House Bill 5544: ***AAC Regional Economic Development Plans***

As stated earlier, we are in support of adopting Comprehensive Regional Economic Development Strategies (CEDS), however, this proposed legislation seems to make the adoption of the CEDS contingent upon the municipalities involved entering into an agreement to share revenues for real and personal property taxes. We do not believe the adoption of a Regional Economic Development Plan should be dependent upon any tax revenue sharing between municipalities identified in said plan.

As an economic development organization and the capital city's chamber of commerce, we hope you will continue to work with us to help Connecticut stand out as a premier place to do business and create jobs by pursuing regional cooperation and smart growth development practices in our state. In particular, we thank the committee for your consideration of our specific comments on House Bills 6585, 6588, 6589, and 5544.

We look forward to working with you to make Connecticut more competitive. Thank you.

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Planning and Development Committee
March 2, 2009
Testimony of Martin Mador
In Support of
HB 6466 An Act Concerning Projects of Regional Significance
HB 6585 an Act Concerning Regionalism
HB 6467 an Act Concerning Smart Growth and Plans of Conservation and Development
SB 371 an Act Concerning Intermunicipal Cooperation
SB 384 an Act Concerning Regionalism
HB 6465 an Act Concerning Smart Growth and Transportation Planning

In Guarded Support of
HB 6464 an Act Concerning Coordinated Preservation and Development

I am Martin Mador, 130 Highland Ave., Hamden, CT 06518. I am the Legislative and Political Chair of the Connecticut Sierra Club, and am here today representing our 10,000 Connecticut members concerned about the health of our environment, our economic prosperity, and our quality of life. I possess a Master's of Environmental Management degree from Yale.

Connecticut needs a commitment to smart growth. It needs statewide planning, extensive regionalism, promotion of mass transit as it influences land use, a comprehensive land use approvals process without excessive layers. It especially needs regionalism to eliminate the competition for tax revenues which results in environmentally damaging land use decisions. It needs effective environmental protections as an integral part of each of these.

HB 6464 permits the Face of CT Steering Committee to veto grant applications for certain purposes if they feel they do not conform to smart growth principles. While laudable on its face, Sierra is concerned that this adds an additional layer of bureaucracy to the approvals process for these grants. Given the current and projected shortage of agency staff, this could add considerable delay to the grant process. If the smart growth principles used were not carefully and precisely defined, this could add considerable uncertainty to the process. Sierra lauds the goals of this bill, but is concerned about whether the ultimate effects on such priorities as preservation of open space will be as desired by the proponents.

HB 6466 introduces the concept of projects of regional significance, and defines a pre-application process to vet their merits early in the process. Sierra strongly endorses this bill.

HB 6585 promotes the principle of regional cooperation. It authorizes regional economic development, including tax sharing and regional considerations in the Plans of Conservation and Development, and instructs regional Councils of Government to facilitate these agreements. Sierra strongly endorses this bill.

HB 6467 installs smart growth as the concept of choice for addressing land use in the state, and provides a multi-faceted definition which includes, among other priorities, integrated

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PRESERVING, CONSERVING AND GROWING SMART

Testimony to the Planning and Development Committee

March 2, 2009

Senator Coleman, Representative Sharkey, and members of the Planning and Development Committee, thank you for the opportunity to speak with you today. For the record, my name is Heidi Green. I am the President of 1000 FRIENDS of Connecticut, a statewide smart growth education and advocacy organization. Our mission reflects the vision of thousands of individuals and organizations statewide to promote and shape growth throughout Connecticut's cities and downtowns -- ensuring a prosperous economy, healthy natural environment, and distinctive, integrated and walkable communities, while protecting our valuable natural and cultural resources. In advancement of that mission, it was my pleasure to serve as one of three co-chairs of the Economic Development Subgroup of the Smart Growth Working Group.

Catalyzing smart, sustainable growth in Connecticut requires significant policy changes at the state, regional and local levels to: 1) reduce the state's reliance on the regressive property tax; 2) increase regional cooperation for economic development and land use; 3) modernize the state's zoning codes; and 4) encourage investments that will deliver immediate and long-term benefits to Connecticut's cities and metropolitan regions -- investments in transit, transit oriented development, brownfield remediation and reuse, affordable housing and preservation of lands and water resources, critical wildlife habitats, and prime soils that sustain our agricultural economy.

On today's agenda are a number of proposed bills that would significantly advance smart growth. I thank the Committee for its boldness and comprehensiveness in raising these bills. I urge you to not just favorably consider them, but to *champion* **HB 6463 An Act Concerning Membership on Regional Planning Agencies, HB 6464 An Act Concerning Coordinated Preservation and Development, HB 6465 An Act Concerning Smart Growth and Transportation Planning, HB 6466 An Act Concerning Projects of Regional Significance, HB 6467 An Act Concerning Smart Growth and Plans of Conservation and Development, HB 6469 An Act Concerning Smart Growth and State Planning, HB 6585 An Act Concerning Regionalism, HB 6589 An Act Concerning Land Use Appeals**, and to combine the thinking on regionalism reflected in HB6585, SB 371, HB 5544, HB 6387, and HB 6389 to create an *omnibus regionalism bill.*

and fragmented local government. Cities and towns need to work better together to coordinate the services they deliver, focus economic development to maximize public investments already made, and increase sustainability and competitiveness. Regional agencies are a logical nexus for economic development, housing, transportation plans, and natural resource and land use planning. We believe should regional agencies take on wider government responsibilities they must be directly accountable to the electorate. Requiring mayors and first selectmen be among the membership of regional agencies is a necessary first-step for more accountable governance. *This requirement should be encapsulated into HB 6565.*

6585 An Act Concerning Regionalism would give municipalities engaged in regional agreements, meeting criteria for regional taxation, economic development, education and land use a share of the sales tax. This is a dramatic step toward reducing municipal reliance on the property tax and the damaging and unsustainable land use practices it spawns. We believe this would lead regions to consider the best and most sustainable site for new development that will reward current citizens and future human generations, flora and fauna. We also believe it would increase the efficiency of government by reducing wasteful and duplicative programming and purchases

The bill would also restore the planning grant that supports the efforts of regional planning organizations to develop and facilitate regional agreements. Support for staff to change how we govern is critically important, especially in these times when our state is retracting its support to cities and towns, and municipal coffers are reeling from the impact of the decline in real estate values.

1000 FRIENDS recommends the Committee merge into this bill the grants proposed by Governor M. Jodi Rell in HB 6389 for regional service sharing and for the purchase of capital equipment to be shared regionally.

6589 An Act Concerning Land Use Appeals would establish a land use court in each judicial district. 1000 FRIENDS supports conveniently located courts customized to hear land use cases. We believe an expedited appeals process would provide citizens greater certainty and help reduce developer costs. We also believe a change in the judicial process would provide a strong incentive for citizen engagement at the local level. Strong plans, developed by involved citizens and backed-up by clear zoning and design guidelines lead to much better outcomes than lengthy and costly legal wrangling.

With Connecticut's fields and forests rapidly turning into housing subdivisions and commuter traffic clogging country roads, the state finds itself at a crossroads. It can continue on its current path and jeopardize the quality of life for its residents or choose a smart growth approach and protect the state's character.

1000 FRIENDS of Connecticut chooses the latter and with the policy changes spelled out in the aforementioned bills, the Planning and Development Committee will reinforce the goals spelled out by Governor Rell when she established Executive Order 15 You will revitalize our cities, preserve the unique charm of our state, and build livable, economically strong communities while protecting our natural resources for the enjoyment of future generations.

You will alleviate significant challenges in Connecticut's land use patterns, the lack of coordination for environmental preservation and economic development at the state and local level, and our over-reliance on the property tax. Thank you and the members of the Responsible Growth Task Force and the Smart Growth Working Group for your efforts thus far and your continued advocacy!

Smart Growth Principles

1. Mix land uses;
2. Take advantage of existing community assets;
3. Create a range of housing opportunities;
4. Foster walkable, close-knit neighborhoods;
5. Promote distinctive, attractive communities;
6. Preserve key natural areas;
7. Strengthen and encourage growth in existing communities;
8. Provide a variety of transportation choices;
9. Make development decisions predictable, fair and cost-effective;
10. Welcome citizen and stakeholder participation.

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1000 FRIENDS of Connecticut

Four-Part Smart Growth Agenda

For robust cities and downtowns, to sustainably grow our state and local economies, and to protect critical natural resources, we must make comprehensive changes to the state's development policies and investment priorities. Those changes must include: 1. reducing our reliance on the property tax; 2. improving regional cooperation; 3. modernizing local zoning codes; and 4. investing strategically and in the long-term best interests of the people and the state.

In the 2009 Session of the Connecticut General Assembly, the global economic and state fiscal crises will make smart growth policies a higher priority than ever. At the same time, there are real opportunities at hand and we must be prepared to seize them.

There is a slowdown in the pace of growth, let's use it to align plans and shape policies to direct investment toward sustainable development when the credit markets loosen. In recent years, with budget surpluses, Connecticut state government has fallen woefully short of paying its share of education, special education, and reimbursements for property tax exempt parcels. The current strain on the state budget means that already strapped municipalities will likely to be asked to do even more, increasing the pressure to raise property taxes. Let's be sure any cuts at the state level don't increase our reliance on the property tax, and let's target state revenue enhancements to reducing property taxes when the economy rebounds. Our out-dated transportation system hinders economic development and forces us to spend ever more hours in our cars. Let's capitalize on the federal stimulus and low gasoline prices to reduce vehicle miles travelled by ramping-up state transit investment. Connecticut has tens-of-thousands of acres of contaminated sites in our cities and older industrial areas, let's create green economy jobs cleaning them up and make high ranking sites ready for newly productive lives when the economy gets sunnier.

1000 FRIENDS of Connecticut
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Cornell Wright	Principal, Parker Wright Group

Staff

Heidi Green	President PO Box 1988, Hartford, CT 06144-1988 860-523-0003

EXECUTIVE SUMMARY

With Connecticut's fields and forests rapidly turning into housing subdivisions and commuter traffic clogging country roads, the state finds itself at a crossroads. It can continue on its current path and jeopardize the quality of life for its residents or choose a smart growth approach and protect the state's character. 1000 Friends of Connecticut chooses the latter and joins Governor M. Jodi Rell in support of the goals for Connecticut established by the Governor in Executive Order 15: revitalize our cities, preserve the unique charm of our state, and build livable, economically strong communities while protecting our natural resources for the enjoyment of future generations.

But 1000 Friends of Connecticut recognizes that several challenges stand in the way of achieving those objectives. Connecticut's land use patterns, the lack of coordination among plans for environmental preservation and economic development at the state and local level, and its over-reliance on the property tax as a part of a balanced state/local revenue structure all create obstacles to the attainment of the goals articulated in the Governor's Executive Order.

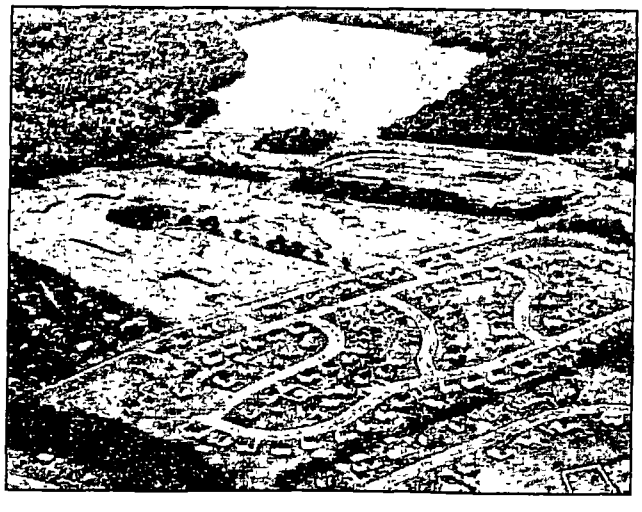
In early 2006, 1000 Friends of Connecticut, a statewide smart growth education and advocacy organization, began compiling sound policy recommendations to overcome these obstacles and meet responsible growth goals. The result is a proposal that includes a series of incentives to wean municipalities from fiscal zoning and develop policies to better coordinate land use decisions, economic development and local service delivery This proposal has been crafted with the following principles: (1) preserve local autonomy and fiscal health; (2) encourage a coordinated and connected approach to planning and development, (3) broaden economic and social choice, (4) increase availability of reasonably priced housing; and (5) discourage sprawl. By focusing on these objectives, we can repair and strengthen the fabric of our cities and towns; encourage economic growth and competitiveness, and preserve the sense of place and quality of life unique to Connecticut.

Connecticut's land use decision-making system and resulting patterns contribute to economic stagnation, sprawl, clogged transportation corridors, social and economic inequity and racial segregation.

Connecticut's existing land use patterns and fiscal policy are inextricably linked and must be addressed in concert to preserve and enhance our economic viability and quality of life 1000 Friends of Connecticut's goal is the adoption of two distinguishable, but connected, policy streams:

1) ***Give towns incentives to encourage smart growth.***
2) ***Reduce our reliance on the property tax.***

The first recommended policy stream provides incentives to towns to adopt land use policies that foster sensible and coordinated land use planning, efficient and accessible transportation, preservation of open space and farmland, protection of water quality and clean air, creation of jobs and sustainable economic development, promotion and use of existing infrastructure, and maintenance and creation of reasonably priced housing. Grants would be provided to towns that meet statutory standards for land-use planning and decision-making.



The second recommended policy stream reduces reliance on the property tax by providing: (A) a substantial increase in the amount of new state aid for public education through (1) an immediate implementation of the full Education Cost Share formula with a "foundation" level of $8,122 per student, and (2) the assumption by the state of 40 to 75 percent of each town's special education costs, and (B) fully funding the two "Payment in Lieu of Taxes" (PILOT) grants — for tax-exempt state property and tax-exempt college and hospital property.

CBIA

Connecticut Business & Industry Association

TESTIMONY OF
ERIC J. BROWN, ASSOCIATE COUNSEL
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION
BEFORE THE PLANNING & DEVELOPMENT COMMITTEE
MARCH 2, 2009

Good morning. My name is Eric Brown and I serve as associate counsel with the Connecticut Business & Industry Association (CBIA). CBIA represents nearly 10,000 businesses of all types and sizes throughout Connecticut. Nearly 90 percent of our members are small businesses having fewer than 50 employees.

Thank you for this opportunity to provide comment on the "smart growth" bills before your committee today.

CBIA congratulates the Planning & Development Committee and the Governor on developing a group of innovative proposals for promoting sustainable economic growth in Connecticut. In the General Assembly, we particularly recognize the hard work of Chairman Brendan Sharkey and the other legislators who ably took leadership roles in the activities of the Smart Growth Working Group over the past year. In our opinion, nearly all the proposals on today's agenda merit advancement in the legislative process along with continued discussion and refinement in order to insure maximum stakeholder support when they are ultimately considered by the House and Senate.

Towards that end, CBIA is pleased to list its position on each of the bills on today's agenda, and provide additional information on many of the bills following the listing.

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LIST OF CBIA's POSITION ON SMART GROWTH BILLS BEFORE THE PLANNING AND DEVELOPMENT COMMITTEE – MARCH 2, 2009

Raised Bill No. 6463, An Act Concerning Membership on Regional Planning Agencies: CBIA supports this bill.
Raised Bill No. 6464, An Act Concerning Coordinated Preservation and Development: CBIA urges that this bill's language be modified to cast the Face of Connecticut Steering Committee in an advisory role to the state's investment decision-making process rather than as an authority with approval and veto powers.
Raised Bill No. 6465, An Act Concerning Smart Growth and Transportation Planning: CBIA does not support this bill.
Raised Bill No. 6466, An Act Concerning Projects of Regional Significance CBIA supports sections 1(b) and 1(c) of this bill
Raised Bill No. 6467, An Act Concerning Smart Growth and Plans of Conservation and Development: CBIA recommends:

- Changes to the proposed definition of "smart growth" in Section 1
- Deletion of Section 2
- Replacing the phrase "shall incorporate smart growth" wherever it occurs in the bill to be replaced with "shall include an explanation regarding the extent to which the revisions promote principals of "smart growth"
- Deletion of Section 7

Raised Bill No. 6469, An Act Concerning Smart Growth and State Planning CBIA supports Section 3 of this bill.
Raised Bill No. 6585, An Act Concerning Regionalism: CBIA suggests subsection 1(b)(5)(C) be rewritten as, "(C) sharing of health care risks and costs"
Raised Bill No. 6588, An Act Concerning Regional Training for Local Land Use Commissioners: CBIA recommends omitting subsection 1(c) of this bill.
Raised Bill No. 6589, An Act Concerning Land Use Appeals: CBIA supports this bill.
Committee Bill No. 371, An Act Concerning Intermunicipal Cooperation CBIA has concerns with the tax provisions of subsection 1(b) of this bill.
Committee Bill No. 384, An Act Promoting Regionalism in the State: CBIA supports this bill.
Committee Bill No. 5544, An Act Concerning Regional Economic Development Plans:CBIA supports this bill.
Governor's Bill No. 6387, An Act Concerning Regional Economic Development Plans: CBIA supports this bill.
Governor's Bill No. 6388, An Act Providing Mandate Relief to Municipalities CBIA supports this bill.
Governor's Bill No. 6389, An Act Promoting Regionalism: CBIA supports this bill.

smart growth . . ." This language is vague as to whether such a regulation would serve as minimum standards, purely advisory, a measure of consistency with state policy, or whether they would need to be adopted word-for-word. Additionally, given the breadth of issues most descriptions of "smart growth" encompass (including the definition proposed in section 1 of this bill) we question whether developing such a model ordinance that is workable in all 169 towns is reasonably doable. CBIA suggests Section 7 be deleted. Perhaps the Smart Growth Working Group can take a look at whether such model regulations have been developed in other states and assess whether any such regulations would form the basis of a good model regulation for Connecticut.

Raised Bill No. 6469, An Act Concerning Smart Growth and State Planning

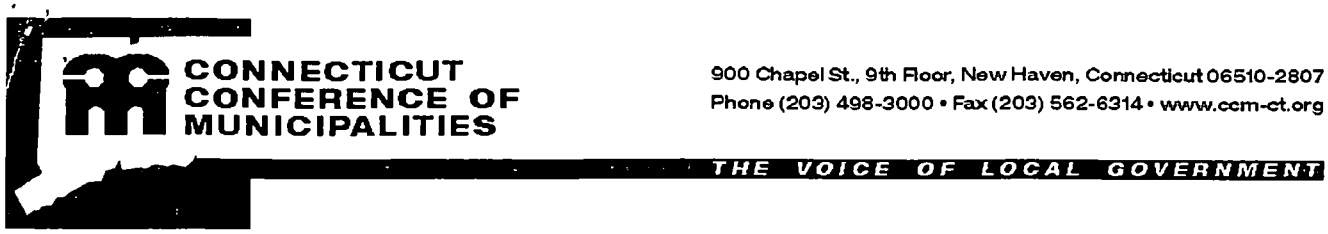
CBIA supports Section 3 of this bill. While this is probably not the year from a fiscal standpoint to establish a program of state-wide geographic system mapping, we think this would be a valuable and constructive tool to the state, regions and municipalities.

Raised Bill No. 6585, An Act Concerning Regionalism

CBIA supports section 1 of this bill except subsection 1(b)(5)(C) which we believe could result in effectively mandating municipalities to join the expensive state health care pool if, due to market conditions or the interests of other municipalities participating in the agreement, establishing a municipal pool is not a practical option. CBIA suggests subsection 1(b)(5)(C) be rewritten as, "(C) sharing of health care risks and costs"

Raised Bill No. 6588, An Act Concerning Regional Training for Local Land Use Commissioners:

CBIA recommends omitting subsection 1(c) of this bill. CBIA is generally supportive of this bill except that we are concerned with the proposal contained in subsection 1(c). This subsection requires courts reviewing local land use decisions to consider the training and expertise of the local land use commissioners. We strongly favor the state taking steps to insure these commissioners receive as much training as possible. However, just because a commissioner has taken courses to increase their expertise, does not mean they are incapable of reaching decisions that are not based on sound scientific or legal principles. CBIA believes courts should be free to assess such cases based on the merits and not be forced to give greater consideration to the decision of a layman commissioner simply because that commissioner has attended courses and certification programs.



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TESTIMONY

of the

CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

PLANNING & DEVELOPMENT COMMITTEE

March 2, 2009

The Connecticut Conference of Municipalities appreciates the opportunity to comment on the recommendations of the Smart Growth Working Group.

CCM supports the recommendations of the Smart Growth Working Group. However, in the course of recommendations going from statements to legislative proposals, some clarity may be needed on some proposals, such as H.B. 6466, wherein the draft proposal may add administrative burdens on towns and cities. We will ask for changes to such proposals.

The Smart Growth Working Group, a group established about a year ago, was established to develop short- and long-term smart growth strategies. CCM has participated in the overall working group, as well as in the four subcommittees.

CCM applauds the Working Group co-chairs for making the group so inclusive – any entity that wanted to participate was encouraged to do so.

An Issue Whose Time Has Come

It is not hyperbole to state that Connecticut must go in a new direction or risk losing our quality of life.

Our state's over-reliance on property taxes to fund local governments, K-12 public schools, and other public or "municipal" services must end. Our state's uncoordinated and inefficient land use patterns must be changed. These systems no longer work – local government services aren't adequately and fairly funded, our students are shortchanged and people on fixed incomes are hit hard. The breakdown of these systems results in traffic congestion that plagues communities of

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SB371
SB384
HB5544

all types, development being detoured away from existing infrastructure into previously undeveloped green spaces, and the irretrievable loss of open space lands. It severely hinders thoughtful "responsible" or "smart" growth.

CCM has had a long-standing interest in responsible growth.

The time is ripe for real movement on responsible growth. Over the past few years, findings by very different groups -- the Roman Catholic Archdiocese of Hartford, the Connecticut Regional Institute for the 21st Century, 1000 Friends of Connecticut, Regional Plan Association, and the State of Connecticut Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives -- link Connecticut's present property tax and land-use policies with wasteful and destructive "sprawl." These policies combine to drive people and business away from cities, urbanized towns and other already-developed areas. These policies eat up precious green and open spaces. The reports show that towns of all types -- suburban, rural and urban -- are being hurt:

- A growing number of *small cities and older suburbs*, home to nearly half of the state's population, *face significant and growing poverty.*

- *Especially hard hit are Connecticut's central cities and urbanized towns.* These municipalities must cope with poverty rates nearly three times the statewide average and with local tax bases that are just 40 percent of the average and growing slowly.

- A large group of *fast-growing, middle-class suburbs are struggling* to provide schools and infrastructure with insufficient resources.

- *Sprawl threatens the state's natural resources and farmland.* The amount of urban and suburban land in Connecticut continues to increase at a dramatic rate – even though the population hasn't grown much over the last 20 years. Runaway growth devours farmland and churns out paved residential and commercial development -- changing an area, and our state, forever.

Cooperative land-use planning among the State, towns and cities can strengthen communities, preserve the environment and help the economy by improving transportation systems. Reforms that shift the revenue burden away from property taxes can stabilize fiscally stressed schools, help communities pay for needed public services and reduce competition for tax base. The State, councils of government or other regional organizations can help solve regional problems while ensuring that all communities have a say in decision-making.

Cooperative planning also includes encouraging development in areas where the infrastructure already exists, and around major transportation corridors.

Tax Incidence Study

A "tax incidence analysis" would enable policymakers to determine the way in which individuals, households and businesses are affected by the present federal-state-local tax burden, as well as proposed changes. CCM understands that funding was allocated for such a study, but it has not been completed.

Build Out Analysis

A statewide "build out analysis" is needed to understand how Connecticut will look 25, 35 and 50 years from now under current patterns of development. The State provided a similar analysis to determine the way in which current patterns of development affect the state's long-term capacity for providing drinking water.

It is essential that, as a state, we discern demographic and other trends. We can't know where we want to go if we don't know where we are, and where we are heading.

CCM urges the Committee to amend this proposal to also require a cost-of-sprawl study. It is needed to quantify what the costs are to state and local governments due to unmanaged, inefficient sprawl development.

H. B. 6585 "An Act Concerning Regionalism"

CCM strongly supports this proposal.

This bill would allow two or more municipalities to enter into agreements to "promote regional economic development" and share 50% of revenue from such development. It would also allow municipalities that enter into such agreements to receive 1/6 of a percent of the sales tax that occurs from transactions in such municipalities.

Sales tax revenues are an ideal funding mechanism for regional cooperation because allocation of funds by regions would reflect spending choices by the residents of the region. Also, it has a proven track record: most, if not all, of the other states that have authorized regional 'asset' expenditures use the State sales tax as the funding source.

Sales-tax sharing would be a strong incentive for the voluntary establishment of councils of government (COGs) in each of the 15 planning regions. In this way, municipal CEOs in each region would meet, on a regular basis, to discuss and act on issues of mutual concern – including economic development, land-use planning and joint service delivery.

A Legislative Program Review and Investigations Committee Study included a sales tax revenue sharing proposal. LPRIC discussed sharing such sales tax revenue with the 15 existing regional entities.

The Blue Ribbon Commission on Property Tax Reform and Smart Growth Incentives recommended that councils of government (COGs) be authorized to not only share tax revenue, but to "share local property taxes, pursuant to existing law – CGS 7-148bb...bond for capital projects, in order to support coordinated economic development strategies, regional assets and other projects, and several other things" (an excerpt is attached).

H.B. 6585 would also provide $1 million to facilitate such interlocal agreements.

H. B. 6588 "An Act Concerning Training for Local Land Use Commissioners"

This bill would require the Center for Land Use Education and Research at the University of Connecticut to develop a curriculum and to train local land use officials of state land use laws and regulations.

State coordinated training would aid commissions by helping new members understand their responsibilities, and helping keep more seasoned members apprised of new law and regulations.

CCM supports ensuring that there is adequate funding for such training.

We oppose section C. It would allow the courts to consider the "training and expertise" of land use commissioners, including whether such officials attended training or were certified by UConn. This is putting the cart before the horse. It has not been determined how intensive the training would be, who would advise UConn about proper training, whether towns would be charged for the training and where training would occur- whether it would be accessible for commission members statewide.

H. B. 6589 "An Act Concerning Land Use Appeals"

CCM supports this bill.

H.B. 6589 would ensure that judges and others associated with land use cases, have the expertise to make sound assessments. The bill would likely expedite decision-making, which is favorable to all parties concerned.

S. B. 371 "An Act Concerning Intermunicipal Cooperation"

CCM supports this bill.

This bill would allow regional planning organizations (RPOs) to enter into agreements to (1) share property tax revenue generated by joint economic development efforts, (2) share future growth in sales tax revenue and distribute such revenue on a regional basis, (3) levy regional taxes, such as sales and hotel taxes, (4) pool health insurance, and (5) make land use decisions on a regional basis on projects of regional significance.

HB6585

From "Report of the State of Connecticut Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives"

G. A New and Expanded Role for Councils of Government (COGs)

1. Councils of Government (COGs) should be encouraged to be formed statewide and granted greater authority to make revenue sharing, land-use, and certain collective bargaining decisions.

In addition to the property tax reform initiatives listed above, the Blue Ribbon Commission is also recommending an initiative that will help foster regional cooperation and policymaking.

There are Councils of Governments (COGs) already established in some parts of Connecticut and other regional planning agencies throughout the State. If strengthened and expanded statewide, COGs could play a critical sub-state role in encouraging regional cooperation while honoring Connecticut's tradition of local control.

Provide incentives for the formation of strengthened COG-like structures by reserving new powers, including state revenue sharing, to these new entities These strengthened COG-like structures could make headway on a whole host of regional issues, such as land-use planning, housing and redevelopment efforts, teacher collective bargaining [see recommendation 2(a) on previous page], joint service delivery, investment in regional priorities and the protection of farmland and other open space.

By modifying and strengthening existing regional entities and emphasizing consensus building, it is possible for Connecticut to preserve its essential character, improve its economic prospects and address its difficult problems of concentrated poverty and racial segregation.

The commission recommends that Councils of Government (COGs) be authorized to (a) share state revenues [e.g a portion of the state sales tax], (b) share local property taxes [pursuant to existing law -- CGS 7-148bb], (c) bond for capital projects, in order to support coordinated economic development strategies, regional assets, and other projects, (d) make certain land-use decisions on a regional basis, (e) facilitate joint service delivery [pursuant to existing law – CGS 7-148cc], (f) negotiate master teacher contracts [see recommendation 2(a) on previous page], (g) receive stronger financial and other incentives for municipalities to consolidate and/or cooperate on a multi-municipal or regional basis and to find areas of cooperation with state government (i.e. the consolidation of state and local road maintenance facilities and operations). (h) help municipalities consolidate the many special taxing and other districts to increase efficiency and accountability, and (i) help towns and cities better use the resources of municipal workers and teachers in fashioning more efficient and effective ways to deliver public services.

The aforementioned recommendations will increase the ability of state and local government to increase efficiency up, down, and across the public service delivery spectrum.

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Date: March 2, 2009
To: Chairmen and Members of the Planning and Development Committee
From: Mary Glassman, First Selectman, Simsbury, Co-Chair CRCOG Legislative Committee
Subject: **Testimony on Bills to Promote Regionalization and Smart Growth in Connecticut**

The Capitol Region Council of Governments (CRCOG) is a regional planning organization representing the City of Hartford and the 28 surrounding communities. Our members have collaborated for more than 30 years on a wide range of projects to benefit our towns individually and the region as a whole. One of the many areas we dedicate ourselves to is helping members improve the efficiency of public services and to save tax dollars through regional shared services and other direct service initiatives. CRCOG also performs certain land use and transportation planning functions as required by State Statutes, and federal and state transportation agencies.

General Comments on Bills to Promote Regionalization

The local government fiscal crisis we find ourselves in looks like it will not go away any time soon. Without significant changes to the way local governments provide services, programs will be cut, professionalism and morale within local governments will deteriorate, and residents will pay higher property taxes. CRCOG is committed to facilitating regional service sharing, and supports continued funding of the existing Regional Performance Incentive Grant Program to get the most promising projects implemented. We also strongly assert that inter-municipal coordination by a Regional Planning Organization like CRCOG can facilitate decision-making and provide technical assistance that is **not just necessary, but vital** to the success of these projects. The regionalization incentive grant program created through **H.B. No. 6389, An Act Promoting Regionalization, removes RPOs from this vital facilitative role.** There are three simple actions that the legislature can take to promote appropriate regionalization of services:

SB371
HB6585
HB6467
HB6464
HB6469

1. Rather than establish a new program, **allocate the proposed $50 million in funding associated with H.B. No. 6389 to the Regional Performance Incentive Grant Program that already exists.** Administrative structures for grant submission and reporting have already been put in place after considerable effort. CRCOG and its member communities would prefer to work through the Regional Performance Incentive Grant Program, rather than go through the alternate approaches proposed through House Bill No. 6389 and Committee Bill No. 384 that would require a great deal of start up effort.

2. **Reinstate the $1,000,000 in State Grant In Aid funding** that was eliminated from the Governor's budget proposal. This funding is vital to support the shared services work that is ongoing and contemplated in the near future.

3. Consider adoption of permissive legislation, such as **Committee Bill No. 371, An Act Concerning Inter-municipal Cooperation**, that would provide regional councils with the ability to undertake new programs that allow for regional tax base sharing, levying of regional sales and hotel taxes, and other initiatives. Several years ago, CRCOG was part of a coalition supporting a legislative proposal that would enable COGs and Councils of Elected Officials to operate as "regional assets districts". CRCOG viewed this as a voluntary mechanism that could help us achieve several regional objectives: to support and finance regional assets with a stable funding source, to assure cost-effective development and/or operation of regional assets; to promote inter-town collaboration; to promote economic growth and vitality; and to strengthen urban centers as the economic and cultural hubs of their regions.

We also have the following comments on two specific bills:

- **Raised Bill 6585, An Act Concerning Regionalism, Section 6**. Section 6 reflects a very narrow role for regional organizations. It does not take into account the much wider range of activities that are routinely carried out by regional organizations in response to state statutes or municipal requests. SGIA funding as currently in place is essential to carrying out minimal planning under statutory provisions. Funding needs to be an ongoing commitment for ten year comprehensive plans, and statutorily-mandated review of zoning and subdivision proposals along town lines.

  The emphasis with **Bill 6585** is multi-town services but does not address even broader regional efforts such as regional GIS, building permits or back office IT services – more broadly what we might call regional services. Many local officials believe that regional organization assistance is often essential to moving ahead on town or regional services and such efforts would suffer without regional assistance and coordination.

- **Governor's Bill 6389, An Act Promoting Regionalization.** In general we support the concept of additional funding for regional initiatives, with the caveats noted in comment 1 above. However, in particular, Section 2 is a concern where it states: "Costs associated with Planning are not eligible…" There is a great deal of preparation work that goes into multi-town or regional service sharing – call it planning, preparation or project management – that is not easily funded elsewhere. SGIA is a critical general funding source, though the current funding level represents perhaps one tenth the funding level that many states allocate to support such functions. If this bill moves forward, CRCOG asks that Section 8 of this bill be amended to read:

  > *"Sec. 8. (Effective July 1, 2009) The sum of one million five hundred thousand dollars is appropriated to the Office of Policy and Management, from the General Fund, for the fiscal year ending June 30, 2010, for grants to regional planning agencies to be distributed pursuant to Section 4-124q of the Connecticut General Statutes."*