



April 25, 2011,

Dear Planning and Development Committee,

I am writing to you regarding HB 5782, *An Act Concerning the Hotel Tax* on behalf of The Connecticut Economic Development Association (CEDAS). CEDAS is Connecticut's recognized professional economic development organization representing over 250 members, nearly 70 communities, and many Regional and State partners. Our collective membership has significant contact with the business, financial and development communities in Connecticut.

While we support the need for improving efficiency and operating cost effectively, many members of our board have concerns about this bill not because it is a bad bill (it is not) but because the rationale and strategy for developing eight Planning Regions is not yet clear.

Note Section 7 (b) which states that the regions will be evaluated beginning January 2012, using appropriate criteria..... paraphrased).

We believe that the offering of the *carrot* of additional hotel tax funding for making a Planning Region coterminous with an Economic Development District is a good idea. The bill offers badly needed revenue for Tourism which is a critical part of the State and regional economy, but yet was put on the back burner by the previous administration.

We believe that with minor changes, this bill would be stronger and would garner more support.

Our concerns lie in paragraph 7 (a) where it states that *OPM shall designate or redesignate the boundaries of the planning regions so the State contains eight such planning regions*. The paragraph above says that according to HB 5782, the regions will be evaluated beginning January 1, 2012. Using the criteria in the bill Section 7(b), how would we know now that eight RPAs is the correct number of regions (rhetorical question)?

Our suggestion to help the bill succeed with strong support is to change the language to say that "OPM may designate or redesignate the boundaries of the planning regions so the State contains (*Note: Eliminate the 8 regions for this year*) such planning regions in accordance with subparagraph 7 (b)."

These small changes will provide for a more thoughtful evaluation process between the RPAs and Towns statewide regarding the proper number of RPAs. It will also help produce the badly needed hotel tax revenue while maintaining a carrot for coterminous or an otherwise streamlined system of planning regions.

These are minor changes that CEDAS believes will have a big impact throughout CT. Please call me to discuss HB 5782 further.

Best Regards,

Dale Kroop  
President

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