

Legislative History for Connecticut Act

PA 16-72

HB5627

Senate	2731-2739, 2746-2747	11
Finance, Revenue & Bonding	476-479, 628-630	7

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**Transcripts from the Joint Standing Committee Public
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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2016**

**VOL. 59
PART 8
2400 – 2750**

cf
Senate

287
May 3, 2016

On Page 14, Calendar 475, Substitute for House Bill
Number 5627, AN ACT ELIMINATING THE SALES TAX ON
PARKING FEES AT CERTAIN FEDERAL, STATE AND LOCAL
PARKING LOTS.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA (1ST):

Good evening, Madam President.

THE CHAIR:

Good evening, sir.

SENATOR FONFARA (1ST):

Good to see you up there at the dais, tonight.

THE CHAIR:

Good to see you too.

SENATOR FONFARA (1ST):

Madam President, I move for acceptance of the Joint
Committee's favorable report and passage of the
bill.

THE CHAIR:

Please continue.

SENATOR FONFARA (1ST):

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Thank you, Madam President. Madam President, this bill would exempt all municipally owned parking lots with over 30 or more spaces and seasonal lots with 30 or more spaces operated by a federal or state government from the sales and use tax. I urge passage of the bill, Madam President.

THE CHAIR:

In concurrence with the House. Will you remark?
Will you remark? Senator Frantz.

SENATOR FRANTZ (36TH):

Thank you, Madam President. I appreciate that very much. One very quick question through you to the -- to Senator Fonfara.

THE CHAIR:

Please prepare yourself.

SENATOR FRANTZ (36TH):

Senator, what were -- through you -- what were we thinking in the first place of establishing a sales tax of 6.35 percent on top of a parking fee in the first place?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA (1ST):

I did not quite get the question, Madam President.
If the gentleman could repeat it?

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THE CHAIR:

Senator Frantz.

SENATOR FRANTZ (36TH):

I'll repeat it. Again, maybe a litte -- maybe a little louder and more concise this time and I apologize Senator Fonfara. What were we thinking in the first place, establishing a tax on top of a fee of 6.35 percent tax wise on top of that fee, for parking at state parks which is something that people love to do?

THE CHAIR:

So, I like that "we" part. Senator Fonfara.

SENATOR FONFARA (1ST):

I -- I -- Madam President, I would be -- it'd be purely conjecture on my part to understand what we were thinking, but today, I and those that choose to vote for this believe that it'd be best if we were to remove this provision and allow the good people of the State of Connecticut and those that are visiting are fine state to enjoy the parks of this state and -- and be able to park their vehicles without experiencing having to pay for a sales tax on that parking space.

Through you.

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Thank you very much Senator Fonfara. Senator Frantz.

SENATOR FRANTZ (36TH):

Thank you, Madam President. Thank you very much for that answer. I take my hat off to you Senator for the great response there, I don't know what we were thinking. No one knows what we were thinking when that was put into place. But you -- you being a champion of doing the right thing have successfully, hopefully here, removed this unnecessary tax of 6.35 percent on top of that parking fee. Thank you, Madam President.

THE CHAIR:

Thank you very much. Will you remark? Will you remark? Senator McLachlan.

SENATOR MCLACHLAN (24TH):

Thank you, Madam President. I stand for the purpose of a question to the proponent of the bill.

THE CHAIR:

Prepare yourself, sir. Senator McLachlan, please continue.

SENATOR MCLACHLAN (24TH):

Thank you, Madam -- thank you, Madam President. Senator Fasano, can I just clarify, are we talking about file 613? Is the bill before us.

Through you, Madam President.

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THE CHAIR:

Thank you very much, Senator McLachlan. Senator Fonfara.

SENATOR FONFARA (1ST):

Through you, Madam President. Yes.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN (24TH):

Thank you, Madam President. And through you, Senator Fasano, the last line -- Line 18 says municipally owned parking lot. That appears to be a part of this bill. For clarification, if I may, in a community that has parking garages and surface parking lots, are all of those included in this, assuming they have over 30 spaces?

Through you, Madam President.

THE CHAIR:

Thank you very much, Senator McLachlan. Senator Fonfara.

SENATOR FONFARA (1ST):

Through you, Madam President. To my knowledge and reading of the bill, that would be correct.

Through you.

THE CHAIR:

Thank you very much, Senator Fonfara. Senator McLachlan.

SENATOR MCLACHLAN (24TH):

Thank you, Madam President. I stand in support of the -- of the bill and thank Senator Fasano for his work on this.

THE CHAIR:

Thank you very much. I think it's Senator Fonfara, though. Thank you very much, sir. I know the hour is late. [laughter] Senator Boucher, for what reason do you rise?

SENATOR BOUCHER (26TH):

Thank you, Madam President. Madam President, to commend the good Senator on the Finance Committee for this moment of clarity for this return of common sense and hope that by the removal of this -- this new tax on parking, that this mood and this clarity will prevail throughout the Budget Season, Madam President. Thank you.

THE CHAIR:

Thank you very much, Senator Boucher. Will you remark? Will you remark? Senator Fasano.

SENATOR FASANO (34TH):

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Thank you, Madam President. Madam President, I did work very hard on this particular piece of legislation. Madam President, through you, to Senator Fonfara. Does this have a cost to the State of Connecticut by virtue of less income coming into the state by removal of this tax?

Through you, Madam President.

THE CHAIR:

Thank you very much, Senator Fasano. Senator Fonfara. Prepare yourself.

SENATOR FONFARA (1ST):

Thank you, Madam President. In fact, it would have a cost, Senator Fasano. Through you, Madam President, in FY-16 in which the -- we are in that current fiscal year, will be up to \$100,000 it is estimated lost by this state and then in FY-17, approximately \$450,000 and in Fy-18, \$420,000, approximately.

Through you.

THE CHAIR:

Thank you very much, Senator Fonfara. Senator Fasano.

SENATOR FASANO (34TH):

Thank you, Madam President. To Senator Fonfara, this will be part of the budget I'm assuming, that is currently being negotiated?

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Through you, Madam President.

THE CHAIR:

Thank you very much, Senator Fasano. Senator Fonfara.

SENATOR FONFARA (1ST):

Through you, Madam President. That is correct.

THE CHAIR:

Thank you very much, Senator Fonfara. Senator Fasano.

SENATOR FASANO (34TH):

Madam President. Through you, Senator Fonfara. Can you tell us any other part of the budget that we should [inaudible - laughter 19.13] I withdrawl the question. Thank you, Madam President. Thank you, Senator Fonfara.

THE CHAIR:

Thank you, Senator Fasano. Will you remark? Will you remark? Senator Fonfara.

SENATOR FONFARA (1ST):

Yes, Madam President. Unless there is objection, I would ask that this bill be placed on the Consent Calendar.

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Seeing no objection, so ordered. Mr. Clerk, I think we have one more item on our calendar. Senator Duff.

SENATOR DUFF (25TH):

Thank you, Madam President. Would the clerk please call calendar page 6, Calendar 382, House Bill 5242.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On Page 6, Calendar 382, House Bill Number 5242, AN ACT CONCERNING AGRICULTURAL VIRTUAL NET METERING.

THE CHAIR:

Senator Linares, for what reason do you rise?

SENATOR LINARES (33RD):

Madam President, under rule 15, I'd like to recuse myself from the chamber.

THE CHAIR:

So ordered. Senator Witkos.

SENATOR WITKOS (8TH):

Thank you, Madam President. Pursuant to rule 15, I ask for recusal from the debate and ultimate vote on this legislation.

THE CHAIR:

Senate Bill 351, on page 2, Calendar 157, Senate Bill 69. Page 4, Calendar 341, Senate Bill 328, page 5, Calendar 375, House Bill 5296, page 6, Calendar 384, House Bill 5393. Also on page 6, Calendar 383, House Bill 5430. On page 7, Calendar 385, House Bill 5254. Page 8, Calendar 393, House Bill 5255, page 11, Calendar 440, House Bill 5252. On page 14, Calendar 475, House Bill 5627, Page 15, Calendar 477, House Bill 5072. Page 18, Calendar 498, House Bill 5513, Page 19, Calendar 502, House Bill 5526. Page 20, Calendar 504, House Bill 5403. Page 22, Calendar 516, House Bill 3 -- I'm sorry -- 5358. Page 22, Calendar 519, House Bill 5053. On page 24, Calendar 533, House Bill 5605, Calendar 532, House Bill 5335, Calendar 530, House Bill 5498, and Calendar 534, House Bill 5621. On page 27, Calendar 549, House Bill 5416. Also on page 27, Calendar 546, House Bill 5571. Page 28, Calendar 552, House Bill 5180. On page 30, Calendar 563, House Bill 5412. Page 31, Calendar 567, House Bill 5537. Page 31, Calendar 569, House Bill 5620. On page 32, Calendar 571, House Bill 5435. Page 34, Calendar 583, House Bill 5400. On page 35, Calendar 586, House Bill 5521. Page 36, Calendar 169, Senate Bill 266. Page 37, Calendar 207, Senate Bill 327. Page 39, Calendar 361, Senate Bill 15. Page 41, Calendar 246, Senate Bill 88. Also on page 41, Calendar 464, House Joint Resolution Number 38. Calendar 465, House Joint Resolution 43. On page 42, Calendar 466, House Joint Resolution 99. Page 42, Calendar 467, House Joint Resolution 121. Also on page 42, Calendar 468, House Joint Resolution Number 133, and on page 43, Calendar 470, House Joint Resolution Number 136.

THE CHAIR:

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Okay. The clerk shall announce pendency of a roll call vote on the Consent Calendar. The machine is open. Please cast your vote.

THE CLERK:

Immediate Roll Call has been ordered in the Senate. Immediate Roll Call on today's Consent Calendar has been ordered in the Senate.

THE CHAIR:

Have all members have voted? Have members have voted? Please check to see that your votes have been properly recorded. If so, the machine shall be closed and the clerk shall announce the tally.

THE CLERK:

On today's Consent Calendar.

Total number voting	36
Necessary for Adoption	19
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar is done. Senator Duff, for what reason do you rise?

SENATOR DUFF (25TH):

Many reasons, Madam President, thank you. Madam President, I move that all items that require action

**JOINT
STANDING
COMMITTEE
HEARINGS**

**FINANCE
REVENUE
AND BONDING
PART 2
458 – 926**

2016

comments from the Committee members. Seeing none.
Thank you, Commissioner.

COMMISSIONOR SULLIVAN: Thank you.

SENATOR KENNEDY (12TH): Thank you, Mr. Chairman.
Thank you to the members of the Finance Revenue and Bonding Committee for allowing me the opportunity to speak today in support of House Bill No. 5627 which seeks to eliminate the sales tax on parking lot fees in our state parks. I realize this may not be the most critical issue that this Committee considers at this point, but it is an issue. As you may know, my colleagues, Chairman Albis as well as Senator Chapin and John Shaban, all wrote to this Committee in support of the Finance Revenue and Bonding Committee consideration of this request.

The issue really is following last year budget. The General Assembly instituted a 6.35% sales tax on top of the parking fees that people pay when they come and visit our state parks. I have to admit I didn't catch this provision in the 700-page budget bill. I did not have that much time to review that and neither did my colleagues. It is puzzling to us why this state would impose a sales tax fee on top of a park fee for people who enter our state parks.

There are currently 26 state parks that are affected. There are only three state parks that actually can process credit card transactions. I heard anecdotally since parks have never needed to make change before. They did not even have cash registers there in order to make change, creating huge long lines at very busy holiday weekends, not to mention the rigmarole, the traffic congestion, the wait times, and it is a bureaucratic waste quite honestly.

We have a preliminary report from the office of fiscal analysis estimated to raise about \$210 thousand annually, and I realize we are in a state now where we are looking for, you know, change in our couch cushions, but I would submit that, you know, the extra personnel, the wait time, etcetera, is just not a good way to collect more taxes in my view.

So, I will say that DEEP is seeking to have through regulations, have this issue addressed through rounding up to the nearest dollar. That is not the most ideal solution, but it would allow people not to have to, you know, spend the time to make change for each and every person who is waiting to come into the state parks.

So, I just wanted to express the importance of unanimous support for the democrat and republican leadership of the Environment Committee to ask you to consider this piece of legislation. Thank you very much.

REP. BERGER (73RD): Thank you, Senator. Any questions.

REP. HENNESSEY (127TH): Thank you, Mr. Chairman, Thank you, Senator Kennedy, for your leadership on this. I think it is excellent as a member of the Environment Committee. We are always looking at our parks. We are also looking to make sure that DEEP is well funded so that our parks can be maintained. I know that as chair of the Veteran's Committee I am always seeking to expand rights for our veterans to be able to enjoy our state parks and not have to pay that much. I do believe that veterans that are 100% disabled do not have to pay to get in, and we are

always looking at this Committee to expand that, but unfortunately, in our financial abilities, we are not able to do that. But, I think that highlighting this tax in an egregious effect. Thank you very much.

REP. BERGER (73RD): Thank you, Representative.

SENATOR KENNEDY (12TH): Thank you Representative.
Representative Wood.

REP. WOOD (141ST): Thank you, Mr. Chair and thank you, Senator, for your testimony. Question: Do you know, I agree with you, I think that 700-page bill that we got at the very last minute, I think an hour and a half, I don't know what the time was, but how could any of us have gone through that and seen all the revenue and budget items. Question to you is do you know off hand what or just general vicinity, what they were looking at as far as tax revenue for this line.

SENATOR KENNEDY (12TH): Yes, Representative, I'm told that the OFA did a fiscal analysis of what that 6.35% sales tax on top of the fee that we already charge as a state is estimated to bring in around 210 thousand dollars a year. Which is not insignificant obviously but when you factor in the wait times, the additional personnel, the fact that our parks do not have cash machines to make change, the people are dealing now with change and it just doesn't seem like, you know, the best way to try to raise revenue and it is causing a lot of frustration when people visit our state parks. So, I appreciate the Committee's consideration of this request.

REP. WOOD (141ST): Thank you. Thank you for the information on the expected revenue, and I do agree

with you that I think it is a frustration. When we go to the parks, we are looking to not be frustrated and to find the peace of open space and to be frustrated. We are not going to put an easy pass on these lanes, so let's, no ideas please, anyway thank you.

SENATOR KENNEDY (12TH): Thank you.

REP, BERGER (73RD): Thank you, Representative Davis.

REP. DAVIS (57TH): Thank you. Thank you, Senator, for being here today and for your letter from you Committee in support of this issue. I know the House of Republicans also submitted legislation in very much the same language and are very supportive of this measure as well and I do appreciate your comments as you have, since the budget got passed that these are the type of things that should not be snuck into budgets at the last minute when we don't really know the effect of them. And, I appreciate your comments here today about the same. Because the impact of these kinds of taxes that are snuck in at the last minute has a lasting impact over the last several months and I appreciate your willingness to come before this Committee and ask for its repeal. So thank you.

SENATOR KENNEDY (12TH): Thank you.

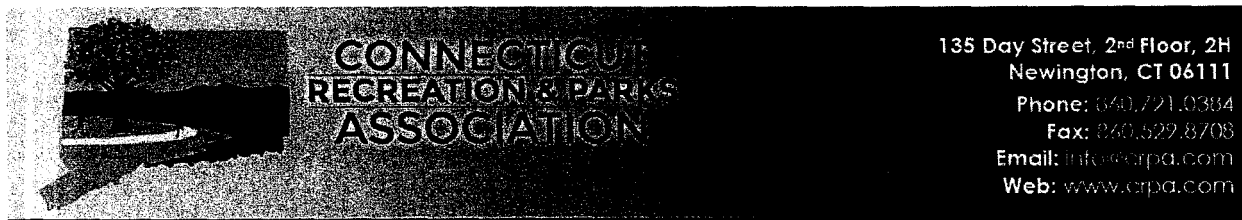
REP. BERGER (73RD): Thank you, Senator. Any further questions or comments from Committee members? Seeing none. Thank you, Senator.

SENATOR KENNEDY (12TH): Thank you, Mr. Chairman.

REP. CARNEY (23RD): Thank you very much, Mr. Chairman, members of the Committee, rank members

SB446

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**Testimony on behalf of
The Connecticut Recreation and Parks Association, Inc.
Before the Finance Committee
March 18, 2016**

**Raised Bill 5627 – An Act Eliminating the Sales Tax on Parking Fees at Certain,
Federal, State, & Local Parking Lots**

The Connecticut Recreation and Parks Association, Inc. (CRPA) is a nonprofit charitable organization whose mission is to provide a network of support to our members through professional development and resources in order to enhance the quality of recreation and parks services in Connecticut. CRPA represents over 650 individual professionals from municipal, nonprofit and private, park, recreation & camp organizations, as well as over 130 of the 169 municipal park and recreation departments in Connecticut.

For more than 65 years, ensuring that Connecticut residents have easy and affordable access to parks and the greatest opportunity to safely participate in physical activity as a means to combat the obesity epidemic has been central to CRPA's mission.

Therefore, CRPA supports Raised Bill 5627

The requirement of collecting a tax on seasonal parking lot fees was passed during the June 30, 2015 special session and was extremely difficult for many of our member departments to implement on such short notice and during their busiest season.

Departments are hard pressed to find funding to comply with this new mandate. There is a cost associated with collecting and tracking the tax and then paying the Department of Revenue Services. Municipal recreation departments are already stretched thin and face an uphill battle when trying to find funding to maintain programs, parks, fields, and facilities. With the state reduction in municipal funding looming it is more paramount than ever that municipal departments are not saddled with additional unfunded mandates.

It will take additional personnel to comply. Where will this funding come from? We cannot afford to have it taken from existing programs that service residents or from money allocated to repair parks and facilities.

For the above mentioned reasons we strongly support the passage of Raised Bill 5627.

Paul Roche
Chair, CRPA Legislative Committee

SENATOR TED KENNEDY, JR.

Twelfth District

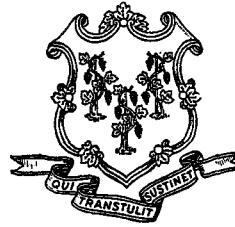
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State of Connecticut

SENATE

Pg. 1, line 15

MAJORITY WHIP

Chair

Environment Committee

Ranking Member

Internship Committee

Member

Public Health Committee

Transportation Committee

Testimony before the Finance, Revenue and Bonding Committee:
 Senator Ted Kennedy, Jr.
 March 18, 2016

In support of:

Raised HB 5627: An Act Eliminating the Sales Tax on Parking Fees at Certain Federal, State and Local Parking Lots

My thanks to the Honorable Co-Chairs Senator Fonfara and Representative Berger, Vice-Chairs Senator Leone and Representative Lemar, Ranking Members Senator Frantz and Representative Davis, and the entire Finance Committee for allowing me the opportunity to present testimony on this most important issue.

It is my pleasure to testify in support of House Bill 5627 and the bill's goal of eliminating the sales tax on parking fees at certain state, federal and municipal parking lots – including those at Connecticut's state parks.

Following the passage of last year's budget (Public Act 15-244), Connecticut has been required to collect a sales tax on all parking revenues paid at Connecticut state parks. Since July 18, 2015, Connecticut has been collecting a 6.35 percent sales tax in addition to the standard parking fees at Hammonasset Beach, Rocky Neck and Sherwood Island state parks, and subsequently phased in the tax at Harkness and Squantz Pond. This year, the tax will take effect at all 26 Connecticut state parks that charge a fee for parking.

While I am sensitive to the difficult fiscal climate our state currently faces, I believe that requiring payment of this tax on top of an existing state parking fee is unfair to individuals and families who wish to experience the aesthetic and leisure attractions our state parks offer. Given the recreational, cultural and environmental importance of state parks to our state and its residents, we should provide our citizenry with every incentive to experience the scenic beauty of these parks rather than burdening them with an additional tax. Further, given the lack of specificity in the language that created this tax, I do not believe it was the intent of this Public Act to place an additional financial imposition on our taxpayers who choose to visit these parks.

The imposition of this tax has also caused a significant logistical problem, the solution to which is likely to yield an even greater cost to our residents. Because only three of our state parks currently accept credit cards, the addition of a tax on top of a round-number parking fee would lead to more cumbersome and time-consuming transactions, thus increasing wait times for park patrons. To solve this problem, the Department of Energy & Environmental Protection is seeking to have regulations adopted next month that would round the parking fee inclusive of tax up to the nearest dollar. While I agree that DEEP's request will have the positive effect of shortening wait times and easing traffic congestion, it is further indication that the imposition of this tax will have a more significant financial impact on our citizens than initially anticipated.

As you are aware, I submitted a joint letter to the Finance Committee earlier this session in concert with my fellow leadership of the Environment Committee requesting that your Committee take action on this issue. Since the establishment of this sales tax has created what we believe to be an unintended cost to our citizens, I respectfully request that the Finance, Revenue and Bonding Committee report HB 5627 favorably out of committee as the next step towards rescinding this unnecessary tax during the 2016 legislative session. Thank you again for allowing me to testify on this issue and for your thoughtful consideration.

Sincerely,

Ted Kennedy Jr.

Ted Kennedy, Jr.
State Senator, 12th District