

I am Barry Michelson; I reside on Idlewood Drive in Stamford. I have a Master's Degree in Urban Planning from the New York University, Wagner School of Public Service. I came up to Connecticut to do planning and zoning work. I later went on to become a builder and developer and became sensitive to the important role of government policy in fostering opportunities that lead to economic growth and prosperity. I now serve on the Stamford Zoning Board.

We the people of Connecticut are under a massive legislative assault. It is clear that the Legislative majority and the Governor are pushing to drive the balance of power away from our cities and towns to the State and the newly consolidated planning regions.

Our strong tradition of home rule is being marginalized and shifted over to a regional model. An Act Concerning Tax Fairness and Economic Development has absolutely nothing to do with tax fairness, or economic development.

The legislative initiatives being promoted were not part of any platform, public discussion, town meeting or on any ballot. They serve two purposes:

- To weaken our municipal governance;
- To access the municipal personal property tax and place some portion of it beyond the control of the municipality and into the control of the newly consolidated regional agencies and the state for redistribution.

It penalizes municipalities for managing their affairs prudently, in favor of those that have been less prudent and, despite its name, the act offers not one initiative to enhance or create an environment conducive to economic development.

We have resorted to extravagant tax incentive programs not only to lure businesses to Connecticut but also to have them remain here. UBS received a \$20 million package and United Technologies, a business with strong earnings in an industry sector that grew by 13% last year, received a package worth \$400 million when they threatened relocation. Connecticut currently trails the other 49 states in almost every economic indicator.

On May 5, just this past Tuesday, Fitch Ratings assigned us an "AA" rating for our General Obligation Bonds, which will be sold tomorrow, but retained its negative outlook for Connecticut. Fitch cited our **high fixed costs, high levels of debt, significant pension obligations, slow economic and revenue growth, lack of structurally sustainable budgeting, little progress in rebuilding fiscal flexibility, budgeting that relies on non-recurring resources to achieve balances** (a nice way of saying one time fixes or gimmicks), **and declining personal income tax revenue.**

History teaches us that that Connecticut is proceeding down a well-trodden road. The states of California and Illinois and the cities of Detroit, Stockton and San Bernardino have taken the same road. It leads to greater debt, reductions in services and, ultimately, to insolvency. We must stop playing a shell game with our finances.

Why are we adopting policies that have failed time and time again and expecting a different result?

The Governor labeled the Republican budget a fantasy budget while the Democrats and the Governor put forth nothing short of a bankruptcy budget.

It's now *time for we the people* to remind our legislators we sent them to Hartford to represent us and to send a clear message to our Legislature and the Governor to: (1) Respect our strong tradition of municipal home rule; (2) Stop the spending that exceeds our revenue flow; (3) Pass no legislation that increases taxes or costs to the people, businesses, job creators and municipalities of the state; (4) Curtail or eliminate unfunded mandates on our municipalities; (5) Develop a two-tiered urban and suburban strategy to create an environment conducive to attracting business, creating jobs, and encourage residential development; (6) Eliminate the Business Entity Tax and the 20% surcharge on corporate taxes; (7) Increase tax credits for those investing, growing their businesses and creating jobs; (8) Roll back the excessive 20% utility rate increase that the governor did little to discourage; (9) Eliminate the hospital provider tax; (10) Require a no nonsense internal review of state agency budgets, contracts and spending; (11) Cease bonding, premium bonding and off line budgeting to cover operating costs and expenditures we cannot afford; (12) Reduce the onerous tax burden on the citizens and businesses of the state.

Daniel Webster and Chief Justice John Marshall recognized that “the ability to tax is the ability to destroy.” We cannot grow our way out of this mess by squeezing every last cent from our citizens and businesses with high taxes, regulations and policies that are strangling our ability to invest, reinvest and grow.

We the People are sending a strong message that we want true reform, accountability, and policies that promote growth. We want Connecticut to be the “go-to-state of New England.”