

KEVIN LEMBO
STATE COMPTROLLER



MARTHA CARLSON
DEPUTY COMPTROLLER



STATE OF CONNECTICUT
OFFICE *of the* STATE COMPTROLLER
55 Elm Street
Hartford, CT 06106

Written Testimony
Comptroller Kevin Lembo
March 12, 2019

SB-1025 AN ACT CONCERNING AN EVALUATION OF DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TAX INCENTIVES.

Good morning Senator Hartley, Representative Simmons, Senator Martin, Representative Cummings and members of the Commerce Committee. Thank you for providing me with the opportunity to submit testimony in support of SB-1025.

During the 2017 legislative session I worked with members of the Commerce Committee on the passage of HB 7316- AN ACT CONCERNING EVALUATION OF BUSINESS ASSISTANCE AND INCENTIVE PROGRAMS which expanded the Department of Economic and Community Development's (DECD) annual reporting by including the evaluation of business assistance and incentive programs, required an audit of these programs by the state Auditors of Public Accounts (state auditors) and also required a public hearing based on the audit findings. As a direct result, state auditors issued important findings about DECD's practices and procedures and data.

The state provides hundreds of millions of dollars in economic incentive programs to Connecticut businesses every year for the purpose of advancing economic development and job creation. We owe it to taxpayers and the business community to fully analyze the return on investment.

My office has been in contact with Urban Institute, a non-profit, unbiased research group to work on ways to improve state oversight of its tax incentive programs and assess the state's performance relative to best practices and other states.

SB-1025 is intended to serve as a vehicle should any of these research efforts require a statutory change to implement. If needed, I am confident the resulting legislation will only strengthen policymakers' ability to make well informed, data-driven decisions about the business incentives our state offers.

I urge your support for SB-1025 and look forward to working with members of the Commerce Committee as it progresses.