

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No: SB-2 / [Bill Status](#) / [Public Hearing Testimony](#)

Title: AN ACT SUPPORTING LOCAL COMMERCE.

Vote Date: 4/1/2026

Vote Action: Joint Favorable Substitute

PH Date: 3/27/2026

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Finance, Revenue & Bonding Committee

REASONS FOR BILL:

S.B. 2 was introduced to support local economies by directing resources toward municipalities, small businesses, and the state's arts, culture, and tourism sectors. Testimony emphasized the importance of dedicating a portion of meals and beverage tax revenue to the Tourism Fund and returning a share to municipalities to strengthen local services, support cultural institutions, and promote tourism-driven economic activity, including job creation in hospitality and related industries. The bill also responds to concerns about rising operating costs for small businesses by providing targeted relief through the exemption of certain electricity and natural gas purchases from the sales tax, with proponents noting that high energy costs constrain hiring and business growth. Overall, the bill seeks to reinvest existing revenue streams to enhance local economic development while reducing cost pressures on businesses.

SUBSTITUTE LANGUAGE:

Strike lines 371 to 374, inclusive, and insert the following in lieu thereof: "shall be distributed pro rata to the municipalities for which sales of meals, as defined in subdivision (13) of section 12-412 of the general statutes, were reported in the return filed under chapter 219 of the general statutes for the applicable calendar quarter."

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

Andrea Aron, Artist – Teacher: Submitted testimony in support stating the bill would help create a recurring source of revenue for arts, culture, and tourism programs. They explain the bill does not raise taxes, it just reallocates \$50 million for arts and \$50 million to municipalities.

Bert Bernardi, Co Producer, Pantochino Productions Inc: Submitted testimony in support stating the need for increased investment in the Tourism Fund. Bernardi explains that they give job opportunities and audience members who see their shows use the local amenities. CTH/COA provides guidance to nonprofits cultural organizations and the bill would increase the support of CTH/COA.

Maria Bernhey: Submitted testimony in support stating they favor the provision that gives a portion of meals and beverage tax to the Tourism Fund with the remaining going to municipalities. They explain the NHFPL programs support the mission of lifelong learning and address community needs. Investing in arts and culture helps build a strong community that offers numerous benefits and revenue generation.

Jennifer Billingsley, Library Director, Portland Public Library: Submitted testimony in support stating there is a need for increased investment in the Tourism fund and for funding the state's cultural organizations. They explain that those programs support public libraries and allow for many young members of the community to have enriching school-aged workshops. The grants the organizations provide allowed for production of a series of oral history recordings on the stories of Black Americans that lived in the community in 1960. Billingsley states without the support that work would not have been possible.

Ronald Bouchard, Business Manager, Harmony Dance Center Waterbury: Submitted testimony in support stating SB 2 offers relief by eliminating the 6.35% sales tax on electricity and natural gas bills. They explain that the rising energy costs have required them to use a significant amount of their revenue to maintain a comfortable environment. With relief from those costs, they can reinvest in their programs and enhance their services. It would help cover pay roll and rent during slower months as well as allow for strengthening community ties.

Aim-e Burg, Director, Ely Center of Contemporary Art: Submitted testimony in support stating the provision dedicating the meals and beverage tax to the Tourism Fund would support culture and arts programs. Burg explains that the Ely center has had to navigate financial uncertainty but despite those challenges their impact has grown. They are committed to the arts in New Haven but need meaningful public investment. Artists shape culture and build community but are the least supported.

Frank Burns, Executive Director, CT Tourism Coalition: Submitted testimony in support stating that SB 2 would take 50% of the 1% of the Meal tax and move those funds to the Tourism Fund. They explain that tourism is an 11-billion-dollar industry that contributes 1.5 billion in state and local taxes. SB 2 would bolster Arts, Culture and Tourism that positively impact the quality of life in CT.

Sarah Burns, Board of Directors, Hartford Symphony Orchestra: Submitted testimony in support stating SB 2 would designate a portion of the Meals Tax to the Tourism Fund that would support CT's culture and tourism sector. Burns explains the arts have a positive impact that is not limited to children but can help reduce depression and anxiety in adults as well as delay the development of memory problems with old age. Securing funding has always been a challenge and many organizations can't count on grants from the federal government. SB 2 would be reliable funding from the state of CT to help HSO and other arts organizations serving CT.

Steph Burr, Executive Director, NWCT Arts Council: Submitted testimony in support stating SB 2 would dedicate 0.5% of CT's meals tax revenue to arts, culture, and tourism. Burr explains that CT has one of the most vibrant arts ecosystems but one of the lowest levels of state public investment. Arts and cultural activity directly drive hospitality revenue. Research has shown that public investment is directly linked to arts vibrancy and is needed to maintain CT's creative sector growth.

Elaine Carroll, Chief Executive Officer, New Haven Symphony Orchestra: Submitted testimony in support stating the 50% of the additional 1% meals and beverage tax to the Tourism Fund would be a huge investment in arts and tourism programs. Carroll explains that this would create stability in the cultural ecosystem. Public funding would support NHSO's and their national acclaimed work that supports diversity and inclusion. The symphony takes pride in collaborating with CT's arts organizations and SB 2 would make deeper collaboration and multiyear program planning possible.

Gerald Casanova, President, Branford Arts Alliance, BACA: Submitted testimony in support stating there is a need for increased investment in the Tourism Fund that provides robust funding for the state's cultural organizations. Casanova explains that BACA contributes to the town's vibrancy and brings residents together. SB 2 would support cultural organizations across municipalities.

Glenn Cheney, Co-President Gallery, Norwich Arts Center: Submitted testimony in support stating that arts is an economic driver and positive for society as well as property values. They believe it would be a good investment in the community.

Randall Collins, Associate Director of Policy, The CCM: Submitted testimony in support stating the statute to distribute 1% of the sales tax collected on meals and beverages to towns and support the CT Tourism Fund. They explain that CCM supported the increased tax from 6.35% to 7.35% when it was raised in 2019 but that revenue was put into the General Fund not to cities. SB 2 would achieve the previous intended goal by providing an additional source of revenue to local communities.

Jezrie Courtney, Personal Narrative Storyteller: Submitted testimony stating they support the provision giving a portion of the meals and beverage tax to the Tourism Fund. This would create a state-level revenue source for CT's creative communities. They explain their work is important because stories connect communities. The CTH/COA provide essential support for cultural organizations and towns stand to benefit from this as well.

Christopher Davis, Vice President of Public Policy, CBIA: Submitted testimony in support stating that section 1 would provide energy cost relief for small business by exempting electricity and natural gas tax if they make less than \$10 million in gross income. This would

be an important affordability measure as those costs directly affect if a business could hire, invest, or even remain open. CBIA explains they are also in support of dedicating a portion of the meals tax revenue to tourism promotion and municipal support. Restaurants, retailers' hotels, and transportation providers all benefit from tourism. The bill would also reinforce CT's commitment to expanding trade relationships by establishing a CT-India Trade commission.

Rufus de Rham, Interim Executive Director, CT Arts Alliance: Submitted testimony in support of dedicating a percentage of the meals tax to the tourism fund. They explain that the creative economy is what makes CT a vibrant place to live and visit. The National Association of State Arts Agencies puts the impact of the creative center at 4% of the state's GDP. The sector brings 10.8 million people into the communities and supports 16,667 jobs. They are advocating that the 50% of the 1% be split between Tourism, CT Office of the Arts and CT Humanities. The funds would increase grants that support capacity and infrastructure. Rham hopes the towns invest the money into their main streets and support things like the Cultural District program. The 1% to the creative sector will help tell the story that there are things to do in CT and that it is a great place to live.

Eric Dillner, CEO, Shoreline Arts Alliance: Submitted testimony in support stating that there has never been a greater investment in support of the arts in CT. The arts cannot thrive without financial support through government funding. Arts build important skills such as critical thinking, communication, and creativity. Dillner explains that art is a means for students to express their feelings and promotes positive mental well-being.

Scott Dolch, President, CEO, CT Restaurant - Hospitality Assn: Submitted testimony in support of dedicating the 1% of Meals and Beverage tax revenue to CT's municipalities and tourism efforts. This allows the municipalities to have the resources necessary to invest in infrastructure, public safety, and quality of life improvements. It would strengthen communities that the hospitality industry depends on. The funding for the CT Tourism Fund will ensure it attracts visitors and remain competitive with neighboring states. This would result in increased customer traffic for restaurants, higher occupancy for hotels and a stronger economic outcome statewide.

Amy Dooling, Professor: Submitted testimony in support for the increased investment in the Tourism Fund. Dooling explains that the stability of the state's cultural sector is at a breaking point with the termination of the NEH and NEA grants. Many programs such as the Chronicling America program need dedicated funding and reinvestment that SB 2 provides. The cultural institutions are key to tourism that fills hotels and restaurants.

Leyna Doran, Executive Director, Ballet Hartford: Submitted testimony in support for increased investment in the Tourism Fund. They explain CTH, COA and CAA increase their ability through leveraging federal and private funds. Their organization fosters a deep sense of community, and all cultural organizations make their towns a place that people want to visit. They hope the 50% going to municipalities will be used to support their cultural districts, Main Streets, and grant programs.

Karyl Evans, Owner, Karyl Evans Productions LLC: Submitted testimony in support stating that CT Humanities has supported their work on the history of CT Cities, African Americans and Crime and Punishment in the state with 6 Emmy awards. If not for the support those educational documentaries would not have educated tens of thousands in CT. Their

films have guided visitors to tour important history sites highlighting the power film has as an important economic driver in the state.

Samantha Fargione, Executive Director, Weston History - Culture Center: Submitted testimony in support explaining that their organization has received \$88,000 in grants from CT Humanities since 2017. They are in favor of increased investment in the Tourism Fund that provides robust funding to the state's cultural organizations. Cultural and historical experiences elevate trips and make them memorable. The grants WHCC has received allows for the community to engage with exhibits with a program for all ages that allows for a deeper appreciation of Weston's history. They explain that without funding from the state and community they would not have been able to complete "Weston at Work" when the NEH grant was taken away. They hope the other 50% going to municipalities will be used to support local arts, culture, and tourism efforts.

Mike Finley, Senior Director of Gov Affairs, Mystic Aquarium: Submitted testimony stating they support the provisions that strengthen the CT's Tourism Fund. They explain that for many visitors Mystic Aquarium is the primary reason they choose CT as a destination. When they visit, they go to the surrounding community, stay at local hotels, dine at restaurants, and explore the region's small businesses. SB 2 would be a sustainable investment into CT's visitor economy. The bill strikes a balanced approach with 50% of the revenue also going to the municipalities. It would reinvest visitor-generated revenue back into the tourism ecosystem. Neighboring states make consistent investment promoting their destinations, this bill would ensure CT has a reliable revenue stream to effectively attract cultural tourists. They state a strong tourism economy helps sustain and expands programs and ensures residents across the state can benefit from hands-on STEM learning.

Karen Fisk, Executive Director, Harriet Beecher Stowe Center: Submitted testimony in support stating there is a need for increased investment in the Tourism Fund that provides robust funding for the state's Cultural Organizations. They explain their museum is a vital tourism destination that attracts people worldwide to the neighborhood. The Stowe Center talks with CTH and COA on upcoming programs and receives funding from them that allows them to revitalize their buildings, grounds, and programming.

Shannon Frost, Director of Marketing Operation, City of Hartford: Submitted testimony in support as there is a need for increased investment in the Tourism Fund. They explain that investment in CTH/COA will help retain jobs, bring in dollars to restaurants and hotels, support local economies and increase their ability to leverage funds. They hope 50% going to municipalities would be used to support local arts, tourism, and culture.

Betsy Gara, Executive Director, COST: Submitted testimony in support for the 50% of the additional 1% sales tax on meals to the Tourism Fund and 50% to municipalities. CT relying on property tax to fund local services puts enormous pressure on homeowners and small businesses. By providing municipalities with an additional revenue generated from the meal tax those services can be funded without overburdening property taxpayers. Gara explains that tourism is a \$18.5 billion industry that the Tourism Fund helps promote that strengthens local economies and small towns.

Leah Glaser, Professor of History-Central CT State University: Submitted testimony in support stating that hundreds of studies have proven that maintaining a sense of place, historically revitalizes communities. Residents invest in communities that preserve the stories

that connect people to those places. They explain that every year the CCSU Public History program brings together cultural organizations, humanities scholars, preservationists, and non-profits to promote CT's assets and invest in young people's futures. The bill would increase support for CT Humanities and CT Office of the Arts at a time when funding has been destabilized with the NEH, NEA and IMLS funding terminations.

Samuel Gold, Executive Director, RiverCOG: Submitted testimony in support of the bill stating it remedies the disappointment that was the use of the additional 1% meals tax added in 2019. At the time the legislators sent that additional revenue into the general fund instead of the tourist industry. Gold explains that Tourism Marketing has a return on investment that exceeds \$3 generated for every \$1 invested. CT is losing in tourist spending with its neighboring states and the bill would reverse that loss and grow an important economic sector of the state.

Noah Golden, Fuse Theatre of CT: Submitted testimony in support of dedicating a portion of the meals and beverage tax to the Tourism Fund and municipalities. Golden explains that New Haven prides itself on being a vibrant artistic city, but that innovation is only true if the state supports the arts and artists. Arts organizations are hurting across the state and the money in the bill will ensure a new generation of artists' work will be supported. The community is enriched as well because every gallery's show or production means more people eating, shopping, and contributing to the local economy.

Aaron Goode, Walk New Haven Cultural Tours: Submitted testimony in support for the need for increased investment in the Tourism Fund that provides funding to the state's cultural organizations. They explain continuing support for those organizations is critical as federal funding sources contract.

David Greco, Director, ARTE Inc: Submitted testimony in support of the provision that dedicates a portion of the meals and beverage tax to municipalities and the Tourism Fund. They explain that ARTE provides free community-based programming that serves thousands of youths. It provides social emotional growth, mentorship and creative expression for students who would otherwise not have access to those opportunities. ARTE believes access to creative experience should not depend on a family's financial circumstances. SB 2 is essential to sustaining organizations that provide no-cost high-impact programming. The bill provides a thoughtful approach that both invests in statewide cultural assets and returns resources to municipalities.

Martin M. Looney, Senate President Pro Tempore, Connecticut General Assembly: Submitted testimony in support of this legislation expressing that high interest rates, a lack of available housing and increasing insurance rates have placed strain on Connecticut families looking to buy or maintain a house in the state. Senator Looney shared that the situation has been exacerbated by the actions of the federal government, in particular the actions of the President of the United States and the inactions of Congress. Senator Looney stated that tariffs have wreaked havoc on prices in the country, have hurt trade, raised prices on essential items including food, and created uncertainty for Connecticut businesses. Senator Looney said that the undeclared war in Iran has led to global chaos and skyrocketing energy prices even in an oil independent country like ours. He noted that while rising oil and gas prices may help Exxon Mobil make more money, they are not helping locally owned oil dealers or gasoline dealers, and not helping Connecticut homeowners and car owners. He expressed that Moody's Analytics said the war has significantly increased the likelihood of the

United States entering a recession. He posited that all of this has been compounded by President Trump's efforts to increase healthcare costs, reduction in support to state and local governments, and cutting food support to the state's neediest neighbors. He outlined that this legislation would eliminate the sales tax on electricity for small businesses in the state, redistribute the "restaurant tax" to be split by the towns in which it is generated and the state's tourism fund, and create an Indian Trade Commission like ones created most recently for Puerto Rico and Ireland.

Jennifer Mahr, First Selectwoman, Town of Middlebury: Submitted testimony in support of this legislation pointing out that its revenue diversification is a vital tool for the town's ability to keep Connecticut affordable for families and seniors. She said that the town's primary source of revenue remains the property tax, and with recent revaluation, residents are facing an increased burden for rising school and infrastructure costs. She noted that this pattern is exactly the opposite of making Connecticut more affordable and passing this legislation is an important first step to broaden revenue streams. She stated that this legislation helps create a more sustainable and equitable system. First Selectwoman Mahr added that this is not a new tax discussion, it is an honest choice to recognize that the state is creating this surplus at the expense of local homeowners, and thereby creating the affordable housing crisis that the General Assembly says it is committed to solving. First Selectwoman Mahr noted that revenue diversification allows towns the ability to invest more strategically in infrastructure, public safety, education, and community services. She added that it would improve residents' quality of life while also encouraging small town regional competitiveness and economic growth. She expressed this legislation would modernize municipal finance to improve towns' ability to respond to economic uncertainties and unforeseen challenges, such as rising oil prices due to conflict in the Middle East, thereby making towns more resilient long term. She emphasized that this legislation recognizes the realities faced by all towns, not just small ones, and offers practical solutions that strengthen local and state governments.

Bill Middleton, First Selectman, Town of Stonington: Submitted testimony in support of this legislation noting that the exemption on sales and use taxes on electricity and natural gas would be beneficial for communities like Stonington where small businesses are central to their economic vitality as it would reduce operating expenses and help local employers remain competitive. First Selectman Middleton added that the meals tax would ensure that towns receive a fair share of the economic activity they help generate. He added that for Stonington, this reinvestment would provide valuable resources to support local services, infrastructure, and visitor-driven economic development.

Michael E. Passero, Mayor, City of New London: Submitted testimony in support of this legislation noting that it provides direct support for local economies through creating new jobs, attracting residents and visitors, and contributing significantly to the municipal tax base. Mayor Passero added that it also fosters municipal revenue diversification, as it rewards towns that successfully grow their restaurant and tourism-related economy without imposing new taxes or burdens on residents. He added that it would also provide support for tourism and economic development. Mayor Passero emphasized that this is not a large-scale revenue shift, but a smart and equitable one where municipalities can invest in making their communities more attractive to diners and visitors, which generates more meal tax revenue that flows back to those same communities.

Jason R. Mancini, PhD, Executive Director, CT Humanities: Submitted testimony in support of this legislation noting that food security, healthcare, and housing are urgent

priorities but none of that would be fixable without systems of support for the civic and cultural infrastructure that uplift their values and cultivate the state's citizens and civic health. He pointed out that public and private funding for arts and humanities is evaporating but libraries and museums feel the cuts acutely. Dr. Mancini noted that CT Humanities remains unfunded by the National Endowment for the Humanities. He shared that he recognizes the need for some strategic reorganization and consolidation even as many organizations that are being challenged continue to serve as community anchors and tourism destinations. He expressed that while CT Humanities pursues private funding, they also need public investment. He stated that their mission is to fund, convene, and advocate for the state's cultural organizations; prioritize access and accountability; and cultivate fertile ground for ideas and creativity for the future. He emphasized that Connecticut is a place of entrepreneurship and innovation but that requires vision, funding, and stewardship. He added that the two-year, \$30.7M investment allowed the organization to create the CT Cultural Fund which serves over 700 cultural organizations across the state. He shared that investment led to Connecticut rising from number 21 to number 3 in South Methodist University's annual nation study on Arts and Cultural Vibrancy.

Daniel Hayden, Executive Director, New England Civil War Museum: Submitted testimony in support of this legislation noting that funding that supports CT Humanities has been crucial to the growth of the New England Civil War Museum as a cultural destination in the state. He noted that as a 100% volunteer organization that does not charge admission to visitors, any funding they receive goes directly toward creating new interpretive exhibits, securing authors and historians for speaking events, and building a repository of materials for academic studying and learning. He shared that without funding to CT Humanities, the museum would not be able to create the learning and cultural experiences for the thousands of state residents and out-of-state visitors who have been drawn to the museum over the past few years. He expressed that state investments in the arts are an investment in the state's economy, our cities and towns, and the quality of life for all residents. He emphasized that this investment also has a net positive effect for our communities, as every dollar invested in the state returns at least \$7 in economic activity.

Kimberly Henrikson, Executive Director, Center for Contemporary Printmaking: Submitted testimony in support of this legislation expressing that the Center for Contemporary Printmaking's (CCP) galleries attract visitors from around the world with free public talks open to the public, as well as studios hosting artists for workshops and an international artist residency program. Kimberly shared that CCP staff members provide educational programs about art and printmaking to local schools, from grades Kindergarten-12th Grade through higher education, for students and professional development opportunities for educators. Kimberly stated that the CCP supports the other 50% going to municipalities and hopes that towns use the funding to support local arts, culture and tourism efforts including supporting Main Street initiatives, grant programs for local cultural workers and organizations, marketing support, or support of cultural districts.

Katherine Hermes, Publisher and Executive Director, Connecticut Explored Inc: Submitted testimony in support of this legislation noting she is the publisher of Connecticut Explored, Inc., a nonprofit which produces a quarterly magazine and bimonthly podcast about the state's history, partners with museums and historical societies, libraries, historic cemeteries, and CCSU's public history program. Katherine stated that her organization has benefited from grants and sponsorships from CT Humanities, PreservationCT, and SHPO are

invested in the success of the state's tourism economy. She expressed that this legislation provides the opportunity for organizations to employ Connecticut residents in tourism, brings money into cultural organizations, restaurants, hotels, and other businesses, to support museums and cultural organizations, and train teachers by providing materials, field trips, educational opportunities, and digital resources. Katherine expressed that the Connecticut Office of the Arts and CT Humanities provide support and guidance to nonprofit cultural organizations to ensure quality exhibits, experiences, research, and more for Connecticut residents. She emphasized that this legislation allows CT Humanities and the Connecticut Office of the Arts to continue their great work.

Helen Higgins, Board Member, CT Humanities: Submitted testimony in support of this legislation expressing investment in the state's cultural sector has numerous benefits for the state, as it stimulates economic development through job retention and new hires, brings dollars to cultural institutions including restaurants, hotels, and businesses and provides classroom materials, field trips, and digital resources for students and teachers. Helen shared that investment in the cultural sector leverages other public and private dollars and investment in the state's cultural community fosters a sense of community and pride in our institutions and values. Helen emphasized that CT Humanities and the Connecticut Office of the Arts both provide support and guidance to nonprofit cultural organizations and, through their high standards in distributing state funds in every town, provide accountability on behalf of Connecticut residents.

Fred Huntington, Samuel Smith House: Submitted testimony in support of this legislation noting that the preservation of historical sites like the John Johnson House at the Samuel Smith Farmstead enhance community involvement by providing spaces for community events focused to the towns' history and agricultural base. Fred noted that it would also promote America 250 through research into the occupants of the John Johnson House to enhance their understanding of how everyday yeoman farmers contributed to the success of the American Revolution. He expressed that as a small local history organization with limited resources, his organization relies on the support of CT Humanities to multiply the impact of private fundraising and programs that volunteers work towards for the benefit of their community and the state. Fred emphasized that the Connecticut Office of the Arts and CT Humanities provide support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

Matthew Jasinski: Submitted testimony in support of this legislation pointing out that as an attorney and member of the Board of Directors of the Hartford Symphony Orchestra, the arts are not an amenity, but are rather central to his and his family's wellbeing. He shared that this legislation creates a reliable, sustainable funding mechanism tied directly to the economic activity that arts and cultural organizations themselves generate. He noted that the state's creative sector contributes nearly \$12 billion annually to the state's economy and supports more than 54,000 jobs, but the state still ranks poorly in per capita arts funding relative to its neighbors.

Michael Jehle, Executive Director, Fairfield Museum: Submitted testimony in support of this legislation sharing that Fairfield Museum is an example of how modest investments in the state's arts, culture, and tourism sector by CT Humanities and the CT Office of the Arts can leverage significant economic and cultural benefits that benefit broader sectors of our community. Michael shared that state support through CT Humanities and CT Office of the Arts typically provides less than 2% of the Fairfield Museum's annual funding, but crucially

leverages greater investments from private individuals, foundations, out-of-state granting agencies, and businesses. Michael added that by bridging diverse experiences and perspectives, the museum works to cultivate a deeper sense of community identity, civic engagement and seeks to inspire the next generation to be active participants in building a strong future. Michael expressed that Fairfield Museum's success has benefitted southwestern Connecticut by expanding workforce development, generating economic development, broadening educational attainment, fostering financial support including out-of-state investments, and promoting America 250 | CT. He emphasized that CT Humanities provides support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

Christine Jewell, Artist and Educator, Devotions Works, LLC: Submitted testimony in support of this legislation noting that every town in the state has artists, writers, nonprofit organizations, creative people, and spaces that provide services, performances, lectures, places to gather and discuss, all of which communities need. Christine shared that she has worked with nonprofit organizations throughout the state, and they are constantly being challenged to raise money. Christine expressed that people do not realize that their actions prior to stepping into a museum or other community space promote commerce and contribute to the economic vitality of the state. She noted that the arts and humanities make our country great and is what brings people together. She said that the state must commit to supporting Connecticut's important place in American History through the arts, culture, and humanities. She emphasized that CT Humanities and the CT Office of the Arts provide support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

Andy King: Submitted testimony in support of this legislation noting his experience as someone who works in museums supported by CT Humanities. He shared that CT Humanities support brings dollars into cultural organizations, restaurants, hotels, and other businesses, and supports local economies. He added that support for cultural institutions create jobs and tourism that create economic growth. Andy expressed that they have been working collectively to meet the moment for America 250, focusing their efforts despite minimal state and federal investment to showcase the state's rich history. He pointed out that he is supportive of the other 50% going to municipalities and hopes that towns use the funding to support local arts, culture and tourism efforts including supporting Main Street initiatives, grant programs for local cultural workers and organizations, marketing support, or support of cultural districts. Andy emphasized that the CT Office of the Arts and CT Humanities provide support and guidance to nonprofit cultural organizations and accountability on behalf of the state's residents.

Peter Kyle, Board President, Connecticut Dance Alliance: Submitted testimony in support of this legislation expressing that since 1999, the Alliance has contributed to the success of the state's cultural sector, especially in the areas of Educational Attainment and Cultural Vibrancy. Peter noted that currently the Alliance is focused on helping build structures to support dance artists working in the underfunded incubation phase of their creative research and development. He shared that the Alliance is also developing a desperately needed information gathering effort, known as a Dance Census, to better understand the full range of individuals and organizations working in dance across the state, their needs and the impact their work is having. Peter stated that the Alliance is supportive of the other 50% going to municipalities and hopes that towns use the funding to support local arts, culture and tourism

efforts including supporting Main Street initiatives, grant programs for local cultural workers and organizations, marketing support, or support of cultural districts. Peter emphasized that the CT Office of the Arts and CT Humanities provide support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

Aubrey LaMonica, Owner, Tates, Noah's and Eli Cannon's: Submitted testimony in support of this legislation sharing that restaurants have been under constant pressure the past several years between the pandemic, staffing shortages, rising costs, and increasingly tightening margins. Aubrey said they do what restaurants do in showing up, adapting, keeping people employed, supporting their communities and local charities, and building culture. Aubrey expressed that restaurants do not just serve food, they are places where people gather, celebrate, and work, and that is what gives the state its character. She stated that the 1% meals tax created a cycle where local businesses support local economies, and those dollars come back in the form of stronger infrastructure, better downtowns, and greater opportunity. She emphasized that this legislation supports small businesses, supports employees, and strengthens communities.

Douglas Lausten, Executive Director, Cultural Alliance of Fairfield County: Submitted testimony in support of this legislation sharing that the cultural sector of the state supports the state's residents and businesses in many ways. Douglas pointed out that organizations and audiences result in \$10 million in tax revenue for the state. He expressed that investing in this work through a meals tax will increase the tax base for the state and encourage audiences from outside the state to spend their money here. He added that institutions in this sector include museums and libraries who are responsible for countless educational activities that enhance the learning outcomes for youth in the Fairfield County region. Douglas emphasized that the cultural sector supports vibrant communities that make the state a desirable place to work, learn, and live and supporting that aspect of the state through this tax will only make it more desirable. Douglas raised that the CT Office of the Arts and CT Humanities provide support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

William Lenahan, Steering Committee, Irish Great Hunger Museum of Fairfield: Submitted testimony in support of this legislation will contribute to economic development, educational enrichment, cultural vibrancy, civic and community health. William stated that the museum will be a beacon of learning and a cultural center advancing education, dialogue, and remembrance.

Heather Lodge, Program Manager, Windsor Historical Society: Submitted testimony in support of this legislation sharing that she has worked with over 10,000 students who have come to her sites to learn more about local history, art, culture, slavery, and the founding of our country. Heather pointed out that coming to a cultural heritage site changes a student's worldview, adds depth and context to what they learn in class, how it helps shape their cultural identity, and how it helps connect the ideas of learning and fun. Heather said that she has seen many kids come back to museums and historical societies with friends and family because they are excited about what they learned and want to share it with those they love. She expressed in these days of screens and the apathy they breed, going out and having an experience is valuable and can spark an interest and sense of community that can last a lifetime. Heather emphasized that CT Humanities and the CT Office for the Arts provide support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

Alexzandria Luben: Submitted testimony in support of this legislation noting it is a straightforward way to reinvest in communities already generating this revenue. She stated that it would not create any new taxes, but simply redirects the existing 1% meals and beverage tax to support arts, culture, and tourism across the state. Alexzandria noted that by sending 50% to the Tourism Fund and returning the other 50% to municipalities, places like New Haven, Milford, and Hamden will see a direct benefit from their own local economies. She shared that this kind of reinvestment matters as it supports the cultural work and shared spaces that make most communities feel distinct, active, and worth engaging with.

Andy Markowski, State Director, National Federation of Independent Business: Submitted testimony in support of this legislation sharing strong support of Section 1 expressing that it would provide targeted relief on one of the most significant and increasingly volatile cost drivers facing small businesses in the state. Andy noted that energy costs directly impact day-to-day operations of small businesses, who have limited ability to absorb or hedge against rising energy prices, unlike larger companies. He shared that as rising energy costs force difficult decisions, most small business owners report absorbing higher energy costs or passing those costs onto customers through higher prices. He added that increased energy expenses can limit a business's ability to hire, retain employees, invest in growth, or expand operations. Andy explained that energy is a fixed cost that small businesses cannot avoid, but state policy can help the burden. He expressed that by exempting electricity and natural gas from the sales tax for qualifying small businesses, this legislation helps reduce overhead costs in a way that is both immediate and predictable. He noted that this legislation ensures that this tax relief is directed toward small businesses, as they are the ones that are most sensitive to cost increases and least able to absorb them.

John Matthiessen, English Teacher: Submitted testimony in support of this legislation expressing at his high school, he has overseen the Poetry Out Loud program, which is a program administered and funded by the CT Office of the Arts and has challenged and inspired hundreds of his students. He stated that this is one of many programs run by CT Office of the Arts, CT Humanities, and CT Arts Alliance that have benefited many Connecticut students. He emphasized that CT Humanities and CT Office of the Arts provide support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

Akiya McKnight: Submitted testimony in support of this legislation stating that it represents a vital and forward-thinking solution. She noted that this legislation is not only an art issue but rather is an economic development strategy that strengthens neighborhoods, attracts tourism, and keeps creative talent in the state. Akiya expressed that if we fail to pass this bill, the state will continue to lose creative businesses, cultural workers, and the vibrant community engagement that makes cities thrive. She emphasized that the arts are not a luxury, but are a proven tool for healing, economic growth, and community cohesion. She noted that no other industry pours back into the social fabric of a place the way the arts do.

Michele Mehan: Submitted testimony in support of this legislation expressing that arts and cultural organizations have the potential to be high impact economic drivers for communities. She added that these events would draw people in from other areas and provide communities with additional income through revenues generated by restaurants, hotels, and taxes.

Dana Meyer, Digital Projects Manager, Connecticut League of Museums: Submitted testimony in support of this legislation sharing they oversee a statewide consortium supporting over 60 museums and cultural heritage organizations. They noted that these histories belong not only to each museum or society, but to every resident and visitor who seeks to understand the story of Connecticut. They emphasize that continued investment through the Tourism Fund will allow them to maintain this equitable model while extending critical support to museums throughout the state that lack the resources to manage and share their collections. They stated that Connecticut's cultural institutions are also drivers of tourism and local economic activity, as visitors patronize restaurants, hotels, and other businesses, which generates the meals tax revenue. They pointed out that federal support for the humanities has diminished in recent years, leaving cultural institutions vulnerable.

Sarah Miller, Alder for Ward 14, City of New Haven Board of Alders: Submitted testimony in support of this legislation sharing about New Haven's International Festival of Arts & Ideas which is a collaboration of diversity, inclusiveness, cultures, and individuals. She emphasized that diversity is the foundation of our cultural, social, and economic vitality. Alder Miller shared that the festival's creators sought to create an internationally renowned festival of the highest quality with world class artists, thinkers, and leaders, attracting and engaging a diverse audience, celebrating, and building community and advancing economic development. She noted the underlying goal of the Arts & Ideas Festival is to bring people together to increase international understanding, social cohesion, and celebrate diversity.

Regan Miner, Development Director, The Last Green Valley: Submitted testimony in support of this legislation pointing out that it makes fiscal sense as it will provide significant returns for every dollar spent. Regan stated that in 2025, The Last Green Valley's partners reported more than 2 million attendees at events in the Heritage Corridor focused on history, culture, arts, natural resources, and outdoor recreation. Regan shared that this has a large economic impact due to people participating in heritage-related activities. They noted that state funding is also key to The Last Green Valley's ability to attract and match federal dollars. Regan emphasized that state investment in the arts, culture, and heritage tourism is an investment in the state's economy, cities and towns, and quality of life for all residents. They pointed out that the state lags behind neighboring states in investment in this sector and increased support would make the state a leader in New England and across the country in the arts, culture, and tourism sectors.

Jane Montanaro, Executive Director, Preservation Connecticut: Submitted testimony in support of this legislation noting that increased funding for organizations like CT Office of the Arts and CT Humanities mean that more museums and cultural organizations will have a bigger impact on communities. She shared that historic buildings are a driver for economic development, but that can only happen if there are people and organizations using the buildings. Jane expressed that communities and quality of life are significantly better when the historic resources we love are recognized and utilized by the cultural organizations supported by this increased funding. She stated that state investments in the arts are an investment in the state's economy, cities and towns, and quality of life for all residents. Jane emphasized that CT Humanities and the CT Office of the Arts provide support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

Alain D. Mukittick, President, Middlesex County Historical Society: Submitted testimony in support of this legislation noting that visitors from across the country visit the museum to research the genealogy of their families, view historical collections, and learn about the

history of Middletown and surrounding towns. He added that these visits support local hotels and restaurants. He noted that the museum supports students throughout their educational careers and is commemorating the 250th Anniversary of the Declaration of Independence with a special exhibition spotlighting 25 individuals from greater Middletown who advanced democracy. Alain stated that the historical society is supportive of the other 50% going to municipalities, and hopes that towns use the funding to support local arts, culture, and tourism efforts including supporting Main Street initiatives, grant programs for local cultural workers and organizations, marketing support, or support of cultural districts. He emphasized the CT Office of the Arts and CT Humanities provide support and guidance to nonprofit cultural organizations and accountability on behalf of Connecticut residents.

Sarada Nori, Artistic Director, Layavinyasa: Submitted testimony in support of this legislation noting that her organization represents Asian communities through arts education, youth workshops, performances, and library programs. She shared that support from the CT Office of the Arts enables them to sustain teaching artists, expand programming, and contribute to workforce development. Sarada stated that through CT Humanities, they have developed innovative projects, including a recent immersive event at the New Britain Museum of American Art in collaboration with the Asian Pacific American Coalition, highlighting 250 years of Asian immigrant histories. She expressed that these initiatives increase cultural visibility, support educational attainment, and drive engagement with local cultural institutions and businesses. She emphasized that investments strengthen their capacity to expand programs, reach new audiences, and contribute more meaningfully to the state's cultural economy.

Jessica Olander, President, CT River Valley Chamber of Commerce: Submitted testimony in support of Section 1 of this legislation noting it would provide immediate relief for small businesses that are hurting due to the rising and crushing costs of energy. She expressed that inequity in businesses being the only ratepayers in the state to pay states sales tax on energy puts small businesses at a disadvantage and makes it harder to invest in employees, wages, and growth. Jessica shared that reducing energy costs by more than 6% will provide much-needed, immediate relief to the Connecticut River Valley Chamber members and small businesses throughout the state. Jessica emphasized that cost savings will go directly back into operations for many small businesses, supporting wages, jobs, reinvestment, long-term stability, and growth, which will help grow the state's economy and provide needed revenue for the state, offsetting any reduction in the sales tax.

Maryann Ott, Retired Executive Director, NewAlliance Foundation: Submitted testimony in support of this legislation sharing that arts organizations have hardly recovered from Covid and executive orders have decimated funding sources that have been available to the arts. Maryann stated that this legislation would provide stability to the state's arts organizations and provide support to an industry the state cannot afford to do without.

Francis Palasieski, Director of Government Affairs, Lumber Dealers Association of CT: Submitted testimony in support of this legislation explaining that it would enable member companies of his organization, small businesses, and organizations to allocate more resources toward business growth, job creation, and innovation. Francis stated that this legislation would provide immediate relief for lumber dealers and material suppliers that are suffering due to rising and crushing costs of energy. Francis expressed that inequity in businesses being the only ratepayers in the state to pay states sales tax on energy puts small businesses at a disadvantage and makes it harder to invest in employees, wages, and

growth. Jessica shared that reducing energy costs by more than 6% will provide much-needed, immediate relief to members of the Lumber Dealers Association of Connecticut. Francis emphasized that cost savings will go directly back into operations for many small businesses, supporting wages, jobs, reinvestment, long-term stability, and growth, which will help grow the state's economy and provide needed revenue for the state, offsetting any reduction in the sales tax.

Jason Patlis, President & CEO, Maritime Aquarium: Submitted testimony in support of this legislation expressing that consistent investment in tourism marketing is essential to maintaining and growing visitation to attractions like the Maritime Aquarium, which in turn drives spending in surrounding communities. Jason added that visitors to the aquarium frequently extend their trips to include dining, shopping, and overnight stays, amplifying the economic impact beyond their doors. He stated that in Norwalk, Aquarium visitors contribute tens of millions of dollars annually to local businesses, helping to sustain jobs and supporting small business growth. He emphasized that the Aquarium provides hands-on learning experiences that connect students and families to the Long Island Sound and inspire future careers in science and conservation.

Tim Phelan, President, Connecticut Retail Network: Submitted testimony in support of this legislation noting that it aims to benefit Connecticut consumers, before and after purchases are made. Tim shared that his organization would continue to review the mechanisms that would be established under this draft of the legislation, to determine whether there may be additional costs or administrative complications to achieving compliance and will share any concerns that may be evident during that review. Tim expressed that they agree that it is in the best interest of the state, businesses, and customers to help families make ends meet and promote a positive business environment for our businesses, because the benefits of such policies accrue to customers and communities throughout the state.

Kristen Phillips, Board Member, Hartford Symphony Orchestra and TheaterWorks Hartford: Submitted testimony in support of this legislation noting that the creative sector contributes more than \$12 billion annually to the state's economy, supports more than 54,000 jobs, and nonprofit arts organizations generate \$600 million in local spending and attract over 10 million people to Connecticut cities and towns every year. She shared that this legislation is a significant and strategic investment in this sector. She stated that by dedicating funding to the Tourism Fund, the state will provide reliable support to organizations that drive workforce development, educational outcomes, and economic growth. She added that her organizations are also supportive of provisions directing a portion of this funding back to municipalities, hoping that those resources will be used to strengthen local arts organizations, activate Main Streets, and support community-based cultural initiatives. Kristen expressed that the state lags neighboring states in per capita arts funding and this legislation provides an opportunity to close that gap and ensure that our cultural sector remains competitive, vibrant, and accessible to all residents.

Francis R. Pickering, Executive Director, Western Connecticut Council of Governments: Submitted testimony in support of this legislation explaining that the state's municipalities are highly dependent on the property tax as their primary source of locally controlled revenue. He stated that by allowing municipalities to share in the revenue generated by the businesses and destinations they support, this approach creates a more balanced and responsive system of public finance. He added that without municipal access to other revenue sources, the property tax would remain the mechanism for funding nearly all

local needs in the state, regardless of its well-documented structural issues. Francis noted that tourism promotion plays an important role in supporting the state's economy and continued investment is appropriate. But, stated that this level of funding represents a sharp increase relative to recent spending and advises the committee to consider whether the proposed 50/50 distribution appropriately reflects relative need and potential impact.

Gerard Puia, President, The Bagel Stop Production Co: Submitted testimony in support of this legislation noting that saving 6.35% on electricity and gas bills would be a huge help and equate to saving a few thousand dollars, which can be better spent on employees.

The following submitted testimony offering that this legislation can provide help for the state's cultural organizations. They noted that this legislation would promote workforce development, educational attainment, cultural vibrancy, civic and community health, and America 250 | CT. They emphasized that CT Humanities and the Connecticut Office of the Arts both provide support and guidance to nonprofit cultural organizations and accountability on behalf of the state's residents:

Susan Huizenga, Volunteer Executive Director, WPAA-TV and Community Media Center

Renee Jaworski, Executive/ Co-Artistic Director, Pilobolus

The following submitted general support for the bill:

Mary Pelletier, Director, Park Watershed

NATURE AND SOURCES OF OPPOSITION:

Harland Christofferson: Submitted testimony in overall opposition of SB 2. Christofferson supports the provision exempting gas and electricity used in certain commercial and industrial business from tax. CT has one of the highest costs for electricity that directly impacts operations. They state cost relief does not drive growth and there are no provisions that encourage expansion or investment in workforce development. There are no guardrails included with the commission tasked with promoting trade between CT and India. They are concerned that there is a risk of incentivizing outsourcing and reducing reliance on domestic teams. The bill could be strengthened by directly incenting in-state manufacturing growth and aligning economic development efforts with long-term supply chain resilience.

Gregg Grippo: Submitted testimony in opposition for reasons largely unrelated to the topics of the bill.

Robert LaBonne Jr, CEO, LaBonne's Markets: Submitted testimony in opposition to this legislation noting the state's expensive electricity rates and rising costs and notes cutting taxes will help the state be more competitive by lowering fixed expenses.

**Reported by: Tyler Fisher, Aliana Montalvo &
Lawrence Sanchez**

Date: 4/15/2026