



FOR IMMEDIATE RELEASE

New State Tax and Convenience Fee on parking begins Feb. 1, 2020 in West Hartford

WEST HARTFORD, CT (January 6, 2020) – On January 1, 2020, new State legislation went into effect that requires the addition of a 6.35% sales tax on parking services, including self-service metered parking facilities. This sales tax will be collected by the Town and remitted to the State; the Town will not receive a share of the tax proceeds.

"The Town has determined that the most efficient way to collect this tax is to add 10-cents to the base hourly parking rate. To be clear, parking rates in Town have not increased; the 10-cents per hour increase is for the State-mandated sales tax. Posted parking rates will now read \$1.60 per hour, as opposed to the prior charge of \$1.50 per hour," said Matt Hart, Town Manager.

The new policy will commence February 1, 2020 in West Hartford, as the Town is working with its vendors to adjust the kiosks and signage.

In addition, the Town will begin to charge a convenience fee of 25-cents per credit card transaction, as reviewed with the West Hartford Center Special Services District Board and the Town Council's Finance & Budget Committee. Anyone paying with cash will not be charged a convenience fee.

Up to now, the Town has absorbed merchant service fees. It has refrained from increasing parking rates to adjust for the rising cost of doing business, as credit cards have become the preferred method of payment by consumers. Each time a consumer pays with a credit card, the Town is forced to pay the bank fees. This practice negatively impacts the Town's Parking Fund, which is designed to cover all operating costs related to parking.

Bank fees are escalating; in FY2019 the Municipal Parking Division paid \$298,000 in bank fees and staff expects those fees to increase in FY2020 as more consumers pay with credit cards.



"Bank fees comprise the highest annual expense payable to a single vendor," said Brooke Nelson, Municipal Parking Operations Manager.

Mr. Hart added, "We are breaking out the convenience fee as a separate charge in order to ensure that the Parking Fund remains viable."

There are options when it comes to paying for parking in the Center Business District, which includes West Hartford Center and Blue Back Square.

"When paying with coins, consumers have the flexibility of choosing a minimum of 15 minutes for on-street for 40-cents and a 30-minute minimum in the municipal lots and garages for 80-cents," Ms. Nelson said. "Consumers can buy parking time in increments of 15-minute intervals up to two hours for on-street parking," she continued.

West Hartford's kiosks accept coin dollars, quarters, nickels and dimes at all of its locations: garages, municipal lots, and on-street parking in the Center Business District.

Anyone using a credit card to pay for parking at a kiosk will pay \$1.60 per hour, plus a convenience fee of 25-cents per transaction. An one-hour minimum applies to credit card transactions at the kiosk and with the app.

Anyone who uses the PassportParking app will pay \$1.60 per hour, plus a 25-cent app fee and the new 25-cent convenience fee per parking session.

Monthly permit holders will now pay \$110.00 base rate plus \$6.99 sales tax and the new 25-cent convenience fee.

Information will be posted on the kiosks explaining the new rates by February 1, 2020.

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