

Legislative History for Connecticut Act

HB3150	Scan PA 65 of Act	1965
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JOINT
STANDING
COMMITTEE
HEARINGS

FINANCE

PART 1

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CONN.
GENERAL
ASSEMBLY

1965

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THURSDAY

MARCH 11, 1965

Chr. Verriker: Thank you, are there any questions? No, I believe not. Next Representative that wishes to speak.

H.B. 2934 (Rep. Hueston) AN ACT CONCERNING THE REDUCTION OF LISTS BY BOARDS OF TAX-REVIEW.

Rep. Hueston, Sherman: This is a really simple Bill with the addition of two words and it was made for only one purpose and that was to clarify the law for the present term the credit to the law of since any person that appears before the Board of Tax Review should offer to be formed. What this Bill is supposed to do is to eliminate any question of whether or not the Board of Tax Review had the right to ask the person to be formed. Thank you.

Chr. Verriker: Thank you. Any questions Committee? Are there any other members of the General Assembly at this time? If not we are going to refer to House Bill number 3150 and we will have the hearing on that. I know it will be a short one.

H.B. 3150 (Rep. Siemon) AN ACT CONCERNING APPEALS BY CERTAIN LESSEES FROM REAL PROPERTY TAX ASSESSMENTS.

Rep. Siemon, Watertown: In favor of the Bill.

Attorney Fred Rosnik, Waterbury: I am an attorney and I was asked to speak in favor of this Bill by the W. T. Grant Company. However, I feel that my support of this bill is really a support of entire citizens committee of the State of Connecticut. With indulgence of the Committee I would like to point out that there seems to be a perpinary in the first line, where House Bill 3150 seems to refer to Section 12-11 of the General Statutes. It appears that this section refers to Section 12-111 based on the wording of the amendment because this bill, of course, takes the desire to amend these statutes and other statutes. Now this section, as I understand,

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Attorney Fred Rosnik, Waterbury: (Cont'd) this supposed legislation, it serves to lend three existing statutes. Section 12-111, 12-118 and 12-119. And each amendment is all to the affect that a tenant or lessee of real property who is bound to pay the municipal real taxes, by the terms of his or its lease, should have the right to be considered and to the appeal of the assessment, to the Board of Tax Review. I think that this would dissolve a change in the General Statutes for the State for these reasons. There are other present conditions to be covered. People invest yearly dividends, their taxes are assembled and people who are landlords and own buildings today rent them out and they want to know what their return is. They want to know if the land they lease, and some of these leases, Ladies and Gentlemen, are for 25 or 40 or 50 years. But this return will be, on a lien basis and they will not find any return of money because real property taxes do increase, have increased rapidly in the past. And therefore the leases are written, in many cases, so that the tenant finds himself to pay whatever the municipal property taxes are. Now until, a recent case by the Supreme Court of Errors, and that is the many shops of Connecticut versus city audable case it appeared that a tenant might have the right to be considered an aggrieved person. But the Court in that case ruled that a tenant is not such an aggrieved person. It didn't make any difference in that case because the property owner was and it didn't affect any subsequent rights in that particular case. However, because of the ruling of the Court, it is now true that a tenant by himself does not have the right even though he is got the duty and the burden to pay the taxes, he isn't able to have the right to go before the Board of Tax Reviews. He must rely upon the owner of the property going before him.

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Rep. Fred Rosnik, Waterbury: (Cont'd) Now the statutes that are being changed, their own statutes, now I looked up the history of that and they go back to at least 1902 in the cases of 12-111 and 12-118 and back to 1921 when I believe it was a case of section 12-119. If you consider the problem that is involved, the owner of the property which is being leased to a person may not be the original, may not be the one person, as you know a shopping center is assembled to make tracks and frequently it holds up with people who are the owners, they are the owners of the record, of non-records and are the only ones under the present statute who can appeal. You might have four, five, several people, different people who are going to be owners of property, trusts, you might have guardians of the State, you might have Judiciary who are the record owners. You may have people who are minor children, you might have people all over the country because of the set. They picked up the title to death transfers during the past few years. And it is burdensome to these people, the owners, to be asked and to go ahead and go through the Legislative process. Really they have no interest because they are not paying the taxes. And of course it is a burden to the tenant who has agreed to pay the taxes and is bound to under the statutes because he must get all of the paper together and put them through the Legislative process and explain what the whole situation is to the people who do not have any idea of the terms of the lease and everything must be explained to them. I think you can all see the situation that results.

Chr. Verriker: I say it sounds like a very reasonable Bill. I don't think you have to explain to to much on it. Are there any questions of Attorney Rosnik? No, I believe not.

Mr. Genada, representing the Woolworth Company: Very briefly I would like to say that we have four companies in the State of Connecticut that were required as tenants who paid a real estate tax, which

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Mr. Genada, Representing the Woolworth Company: (Cont'd)
amounts to approximately \$100,000 a year.
The second very brief point is that in the
case of the Waterbury store they tried
to get the consent of the landlords.
Thank you.

Rep. Brown, Easton: To whom does the assessor of the committee
send the Bill. Are you on record as the
one to receive the bill or do the owners
of the property receive the bill?

Mr. Genada, Representing the Woolworth Company: I don't
think it is a definite set procedure
anywhere. Usually it is about fifty fifty.
Around the country and in the state of
Connecticut they send it either to the
owner or to the Central Accounting Office.
There is no definite set procedure on this.

Rep. Brown, Easton: Do you not record the fact that you
are responsible for the taxes?

Mr. Genada, Representing the Woolworth Company: Oh yes Sir.

Chr. Verriker: Any other questions Committee? No, I
guess not. Thank you. Is there anyone
else to speak in favor of Bill 3150?

John Taran, Tax Department: I think that this is a very
reasonable bill.

Chr. Verriker: Anyone else to speak in favor of 3150?
Is there anyone here to speak against
Bill 3150?

Ralph Carter, Assessor of Glastonbury: I am the Chairman
of the Legislative Committee in the
Connecticut Association of Assessing Officers.
I speak with authority for that association.
I am not opposing this Bill, it presents
some serious problems to the assessors and
I would like to point out these as I
come up with them. I think in a Bill such
as this there should be a requirement that
the lease should be on file in the town
or place where it is in effect. I think
that something should be on notice that
somebody is assuming the taxes. At the

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Ralph Carter, Assessor of Glastonbury: (Cont'd) present the statutes require that all assessors in the State of Connecticut list all taxable property and the name of the owner on the assessment date. Now the abstract of assessment which is the list of taxable property in most cases is the basic record on which all Boards of Tax Review operate unless the person who is available for the taxes somehow is put on the abstract assessment. It would be difficult for them to recognize whom they should honor as being able to make an appeal to them. This is a problem which I think possibly could be worked out but I see it would be a long and there would also be an extreme education. I am a little concerned about the fact that all lessees could appeal. I can visualize the time when we may have pantamonium and every single person living in an apartment house would be able to have the right to come in and appeal the assessment. And I can also visualize the fact where people who ordinarily lease an apartment for a stated period of time could very easily have this tax written in to his lease, and he may be somebody from far away who would be here for only a short period of time and he would have a full length appeal. This, I think, would be an extreme administrative problem and I beg your consideration in this before this bill is enacted.

Rep. Cairns, Madison: Mr. Carter, first of all this pantamonium would carry ownership; I believe people would have the right of appeal anyway to its title. As I understand the pantamonium situation but to whom would you have the notice of lease filed with, the town clerk? It would be a very simple matter to modify the bill to say the lessee of any property who is bound and determined to lease, provided that any real property provided a notice has been filed by the town clerk may have the right of appeal.

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Chr. Verriker: Are there any questions of the assessor?
 No. Is there anyone else who wishes to speak against Bill 3150? I will open the hearing on House Bill 2037, AN ACT ESTABLISHING A SPECIAL REVIEW BOARD FOR REASSESSMENT OF PROPERTY FOR TAX PURPOSES. Is anyone else to speak in favor of 2037? Is there anyone to speak against Bill 2037?

H.B. 2037 (Mr. Fennell) AN ACT ESTABLISHING A SPECIAL REVIEW BOARD FOR REASSESSMENT OF PROPERTY FOR TAX PURPOSES:

Henry Smalley, Wethersfield: This is to oppose House Bill 2037 establishing the addition to the Board of Assessors and the Tax Review. You will see in the general statutes 9198 regarding giving 169 cities and towns ample flexibility regarding the Board of Assessors. The Board has no sole responsibility regarding revaluation.

Chr. Verriker: Actually Bill 2437 is an exemption for the tree plantations of not less than 25 acres. Now is there anyone here to speak in favor of the Bill?

Rep. Welden, Simsbury: Senator Verriker, I introduce these bills and I have an expert on the subject - Mr. Schrieber. May I introduce him?

Chr. Verriker: Certainly Sir. Step right up here.

Mr. Schrieber, State Forest Fire Warden: I think as was pointed ahead this morning that this Bill was the assessor who said that we'd save in a great deal of time and with a very sensible Bill because these men are used to working with assessed values and not with true values but with actual values. All this does is to make this assessed value something so that they can know what they are talking about. I have had the responsibility of administering this for many many years and some of these applications that come in to me under this law are pretty hard to understand. Now I

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H.B. 2934 (Rep. Hueston) AN ACT CONCERNING THE REDUCTION OF LISTS BY BOARD OF TAX REVIEW.

H.B. 3150 (Rep. Siemon) AN ACT CONCERNING APPEALS BY CERTAIN LESSEES FROM REAL PROPERTY TAX ASSESSMENTS.

H.B. 3151 (Rep. Whittemore) AN ACT CONCERNING AUTHORIZATION TO THE TOWN OF MIDDLEBURY TO REBATE CERTAIN TAXES TO JOHN STEINMANN.

Rep. Cairns, Chairman: We will proceed to 2934. Mr. Hueston has spoken. Does anyone else wish to speak in favor? Against? We will pass to 3150 which has been heard. 3151 AN ACT CONCERNING AUTHORIZATION TO THE TOWN OF MIDDLEBURY TO REBATE CERTAIN TAXES TO JOHN STEINMANN.

Rep. Whittemore, Middlebury: I have spent alot of time listening to John Steinmann about this. The Bill and his case does have certain flaws in it. It rather if the members of the Committee wish to elaborate, I will elaborate.

Rep. Cairns, Chairman: We will pass that in consideration of the Executive session. Bill 4026.

H.B. 4026 (Rep. Davis) AN ACT PROVIDING FOR ABATEMENT AND REFUND OF TAXES ASSESSED AGAINST PROPERTY OF THE TEMPLE B'NAI SHALOM, INC. IN THE CITY OF MILFORD.

Rep. Davis, Milford: I am in favor of 4026 and 4041. There is an attorney here to speak for the city and the synagog. He will speak now.

Rep. Cairns, Chairman: Mr. Davis, do these bills have the approval of the town government?

Rep. Davis, Milford: Yes they do. The taxes were collected so this is the only way to rebate the taxes.

H.B. 4041 (Rep. Davis) AN ACT PROVIDING FOR ABATEMENT AND REFUND OF TAXES ASSESSED AGAINST A PROPERTY OF ST. GABRIELE'S ROMAN CATHOLIC CHURCH OF MILFORD.

ELIZABETH

CONNECTICUT

GENERAL ASSEMBLY

HOUSE

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importance to many towns who do not have a uniform fiscal year starting on July 1st. Every town is now required as of the last session to submit to the Tax Department a statement of the total receipts of the taxes laid on the Grand List for the three years next preceeding the previous July. Where a town has a fiscal year ending after July 1st, then the revenue received for that current year cannot be reported to the Tax Department. Since the bonding capacity of a town is in proportion to the revenue received as of the last session, they will always be one year behind in the true bonding capacity. This bill remedies this situation by requiring the Treasurer to report at the close of the last fiscal year instead of July 1st. In many towns this will greatly increase their bonding capacity. This bill has the unanimous support of the Finance Committee, deserves passage and we certainly have no objection to the amendment.

THE SPEAKER:

Will you remark further? If not, all those in favor of passage of Bill 2921, File No. 144, as amended by Schedule "A" signify by saying "aye", opposed? The bill is passed.

THE CLERK:

Calendar No. 155, File No. 145, Substitute for House Bill No. 3150. An Act concerning Appeals by Certain Lessees from Real Property Tax Assessments. Favorable report of the Joint Committee on Finance.

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THE SPEAKER:

The Gentleman from Newtown.

MR. COLEMAN:

I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE SPEAKER:

The question is on acceptance of the Joint Committee's favorable report and passage of the bill. Will you remark?

MR. COLEMAN:

With reference to House Bill 3150 Substitute, for a great number of years this has been an increasing practice in the leasing of real estate for commercial purpose to require the lessee to pay all taxes assessed on the lease premises. This payment of taxes is in addition to the payment of rent to the landlord. Generally speaking, this is known as a net-net lease. It has been the experience of many tenants occupying land under such a net-net lease that when the assessor has set a value on the land, the lessee has no right of appeal to the Board of Tax Review and the Courts. The tax is of course assessed against the owner of the premises. He may often reside out of state, thus do nothing to help reduce the unfair assessment or tax to be paid by his tenant. This bill provides that where a lease of the net-net type has been recorded on the land records of the town, the person who is bound by its terms and pay the tax bill, will have the right to take an appeal if he feels that he is agrieved by the

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doing of the assessor. He is also authorized to take the same appeal to the courts as the property owner himself would be able to do. In short, this bill empowers the person having the actual burden of tax payment to claim such relief as may be allowed by law to the lessee of the property. It's a good bill, it had the Joint Committee's favorable, and I move for its passage.

THE SPEAKER:

Will you remark further? If not, all those in favor of passage signify by saying "aye", opposed? The bill is passed.

THE CLERK:

Calendar No. 156, File No. 146, Modified House Bill No. 4040. An Act concerning Examination Fees on Relocation of Gasoline Pumps. Favorable report of the Joint Committee on Finance.

MR. CARTER:

Mr. Speaker, I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE SPEAKER:

The motion is on acceptance of the Joint Committee's favorable report and passage of the bill. Will you remark?

MR. CARTER:

Under the present law a fee is charged for an examination of each gasoline pump which is added to any licensed gasoline station. No fee is mentioned where there is a relocation of an existing pump. This bill provides that a fee of \$7 is to be charged for an examination of a relocation of such gasoline pump.

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STREET

NEW YORK

PART 3

UNIVERSITY OF
MICHIGAN

May 12, 1965

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Will you remark?

SENATOR PICKETT:

Mr. President, this bill would amend Section 8-191 of the Special Acts of 1915 concerning the Charter of Litchfield to permit the warden and brugesses of Litchfield to be paid a certain compensation for fulfilling their duties. It is also concerned with other things, but primarily is this bill concerned with the payment of compensation of the wardens and the burgesses. I move its passage.

THE CHAIR:

The question is on the acceptance and passage of this bill. Further remarks? If not, in favor "aye", "opposed". The bill is passed.

THE CLERK:

Calendar No. 242. File No. 145. Substitute for House Bill No. 3150. An act concerning appeals by certain lessees from real property tax assessments.

Favorable report of the Joint Committee on Finance.

THE CHAIR:

Gentleman from the 15th.

SENATOR VERRIKER:

Mr. President, I move acceptance of the committee's favorable report and passage of the bill.

THE CHAIR:

The question is on acceptance and passage. Will you remark?

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SENATOR VERRIKER:

Mr. President, for a great many years there has been an increasing practice in the leasing of real estate for commercial purposes to require the lessee to pay all taxes assessed upon the leased premises. This payment of taxes is in addition to the payment of rent to the landlord. Generally speaking this is known as a "net net lease". It has been the experience of many tenants occupying land under such a lease that when the assessor has set a value on the land such lessee has no right to appeal to the Board of Tax Review and the Courts. The tax of course is assessed against the owner of the premises. He may often reside out of the state, thus do nothing to help reduce an unfair assessment of tax to be paid by his tenant. This bill provides that where a lease of the "net net" type has been recorded in the land records of the Town, the person who is bound by its terms to pay the tax will have the right to take an appeal if he feels that he is aggrieved by the doings of the assessor. He is also authorized to take the same appeal to the Courts as the property owner himself would be able to do. In short this bill empowers the person having the actual burden of tax payment to obtain such relief as may be allowed by law to the lesser of the property. The Joint Committee In Fiance recommends its passage.

THE CHAIR:

Further remarks? There being none, the question is on the acceptance and passsge. Those in favor say "aye", "opposed".

Passed.