

HB 5154

PA 614

1971

Finance 147-148, 167-168

House 5063

Senate 3402

**JOINT
STANDING
COMMITTEE
HEARINGS**

FINANCE

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meeting the needs of the state. I am happy to go on record in favor of such a tax, provided that such tax be a pure piggy-back tax no ifs ands or buts or strings. As far as this bill is concerning, it attacks one of the political problems of an income tax. That is it is developing enough support for such a tax. In Illinois, they realizing that they had a problem developing the kind of support necessary to pass such a tax, added a writer very similar to this. All revenues raised by that tax, a certain percentage raised by that income tax, should be returned to the local communities on a strictly per capita basis. Such a tax was passed in Illinois the the in that state they have County government not town government, but, the County's are very happy with the results of that legislation out there. To my knowledge no one out there lost a Senate seat, or a House seat or a gubernatorial race since this bill has been passed. So, I committ it to your attention when you are deliberating on the problems of state finances. Thank you.

Sen. Cutillo: Thank you Senator...Rep. Donnelly

Rep. Donnelly, 46th Dist.: Here this morning to speak to you in support of H.B. 5154 which is entitled AN ACT CONCERNING THE STATE GRANT IN LIEU OF TAXES TO THE FIRE DISTRICT OF WAREHOUSE POINT. This concerns the same Public Act 766 to which Mrs. Truex spoke to you a moment ago. Which substituted a new formula for state grants in lieu of taxes to the previously existing schemes. It went through in the last session as substitute for H.B. 6393. Section 4 of that bill gentlemen, effected the repeal of a number of Sections of the General Statutes which had come into the Statutes from time to time providing for state grants in lieu of taxes to various towns and districts in the state. The difficulty is that the nothing was substituted in lieu thereof in so far as grants to the fire district of Warehouse Point is concerned. The act speaks in terms of grants to towns and not to special tax districts. The result has been, that the Warehouse Point fire district found itself in this last fiscal year without any grant. The state receiving home a facility of the state welfare department, located on Bridge and Gardener streets in Warehouse Point were without any grant in lieu of taxes on that property, and the thrust of 5154 is to make the fire district whole for its' loss in the previous fiscal year and to replace in the General Statutes a like amount in each succeeding year. Perhaps the appropriate way to do this would be to expand the language of Public Act 766 to include Fire districts or special tax districts. I have here correspondence from Mr. Tarrant of the Tax Department, indicating that in his opinion a special act is the only way this purpose may be achieved here. I will be happy to provide the Committee with a copy of that letter. I expect Mr. Tarrant will be here to speak to us later. There are present to space rather to speak in the public protions of this hearing two of our Fire Commissioners from Warehouse Point. Thank you.

Rep. Comstock: I would only say on this Senator, to Representative Donnelly that I don't think anyone really checked over the Statutes, that were being repealed until after the session was over, and some of us did realize that Warehouse Point was eliminated by mistake.

Rep. Holdsworth, 125th Dist: I would like to speak in favor of H.B. 6558 and 6561. The purpose of both of these bills are basically the same. 6558 is relative to temporary notes in anticipation of the receipt of a grant in aid, and the second was relative to GRANTS IN AID AS PART OF THE AGGREGATE INDEBTEDNESS OF A TOWN. Now as you all know many of our municipalities is determined a upon the outstanding debt and so forth, many of the municipalities have reached the point where they are really encroaching on the limits that are available for them. These bills would eliminate the part of the loan which would be provided as a grant in aid. As it stands now, the total monies that are involved are calculated in the indebtedness of the due towns. In so doing this restricts the borrowing capacity of all the municipalities. By the passing of these two bills this would eliminate or make available to the town a greater borrowing capacity. Thank you.

Sen. Cutillo: Any other Legislators? If not we will read from the list of those who have signed up. George Levine...

George Levine, Member of the Hartford City Council and the Chairman of the Council of Legislative Matters Committee: I bring you greetings from Mayor Ucello, who is busy working on fiscal problem of her own. She is pouring over our budget and she apologizes for not being here. I speak in favor of five bills H.B. 6095, which would provide a technical change in the Community Development Act relating to tax abatement. It would enable a grand tax abatement and receive reimbursement from community affairs for building which have been constructed any time. As the law now reads, tax abatement may be granted only to a building which was completed after July 1, 1967 there have been several situations in Hartford where we have had property to which we would like to grant tax abatement but we have been unable to do so, because they were completed prior to July 1, 1967. This would not cost the state any additional money it would not effect the appropriation to tax abatement it would merely give us more latitude in making the best use of those monies with which they are appropriated. The next bill which I speak in favor of is H.B. 6100, this relates to the payment in lieu of taxes in public housing. As the law now reads, we receive a payment in lieu of taxes only for moderate income for public housing that is public housing that is sponsored by the state. The intent of this bill is to include low income public housing which is not sponsored by the state in the pilot grant. Rational is that at the present time, certainly in the Hartford area, the only housing authority is the housing authority of the city of Hartford. As a result the only public housing is built and contained in the city of Hartford. The city is forced to carry all the extra burdens of both low and moderate public housing. This includes of course many extra costs, including the

this program whether some law would make it effective that those institutions directly bear part of that additional cost. It is because of them, and they are not benefiting because most of them are non-profit, but the cost would be spread on a

Mr. Kurker: I am sure that it can be. I think what their concern in the Mayors is the fact that when you have a large institution say servicing 3 or 4 thousand people this is demanding extra capacity of their plant and in turn all the related services.

Rep. Clark: That is my point, and I am not going to ask for a direct answer. I think some consideration should be given, that those institutions be required

Mr. Kurker: If it can be funded in a total project in whatever funds can be provided for them it may be desirable to help and assist in offsetting their share. If you like I can get an official statement for you.

Rep. Clark: I would appreciate that.

Rep. Spain: Any other questions? Mr. Giulmet.

Mr. Giulmet, from the town of Wethersfield: Mrs. Truex spoke this morning about the grant in lieu of taxes, in reference of the State Highway Bureau Office Building the total state property in Wethersfield is about 9 million hundred three thousand which at the present tax rate 52 1/2 mills shows a tax loss of 476 thousand. We are trying to recover the loss on the state highway property, which is valued at three million three hundred and seventy four thousand which we feel was just overlooked by the last legislature. We hope you support this bill. Thank you.

Rep. Comstock: What is your total grand list?

Mr. Giulmet: Our total grand list is 170 million, the state property is roughly 5 percent of the taxable grand list.

Rep. Spain: Anyone who wishes to be heard? Mr. Tarrant do you have any comments you would like to offer us?

Mr. Tarrant: Mr. Chairman, I have three bills that are good bills and ought to pass. All three bills of these bills gentlemen, are taken up with our department and we approve of what is involved that is bill no. 5154, even though I drafted it originally has been changed somewhat perhaps by the Legislative Commissioners office and I think it has been changed in such a way that I am not sure that the tax commissioner is going to certify payment of 2800 dollars or 1400 dollars I think, when you put this bill into its proper form you might bear that in mind, because I am sure that the 2800 dollars is just for the back payment of what they were done out of in the last year. Regular payment in the future is 1400 dollars. Bill No. 5225

I think if you look at the statement of purpose and on all of these bills, I have gone to some extent to explain them. This was drawn for Representative Thornton, and it is necessary to reimburse Glastonbury for manufacturers inventory of exemptions that they did grant prior to the bill which held that exemption in abatement for one year, so they are out that amount of money that they already grabbed because of their early assessment day. Being January 1st Glastonbury is entitled to that money and I think Warehouse Point is entitled on 5151.

Rep. Comstock: Jack, can I interupt you for a minute, and ask you how many towns in the state? Have this January 1st assessment?

Mr. Tarrant: I think there are just towns rather two South Windsor and Glastonbury. The third bill I want to say a word on is a bill department has asked for it is just a housekeeping bill, I am sure it has no opposition the statement of purpose will tell you that all it is to avoid a duplication in grant because, when you gentlemen enacted the overall grant legislation in 1969 you repealed all the special grant, but you did not repeal this or these two that involved here. All I am trying to do here is get those two repealed. H.B. 5993. Thank you.

Rep. Spain: Any other questions? Anyone else who wishes to be heard? If not this Public Hearing is adjourned.

11:45 AM

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HOUSE**

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would indicate that many of these bills are meritorious. However, I think it is wrong for us to take up the items without a total budget package being arrived at. I have agreed that we could take these up, that my objection to this particular bill will stand on all the succeeding items, strictly in the interest of the convenience of this assembly, so that we would not have to spend several hours on each individual item with statements and with votes.

MR. SPEAKER:

First, we thank the gentleman of the 165th, it is to the benefit of all the members that when we consider the budget that we have before us the major document and when we consider the tax program, it also is not cluttered by a number of individual bills.

CLERK:

I am now going to read the calendar numbers, bill numbers and the file numbers of 62 bills.

Beginning on page 6, Calendar 103, House Bill 5154, file 913.

Page 7, Calendar 277, substitute for House Bill 6908, file 1442.

Calendar 278, substitute for House Bill 7438, file 890.

Calendar 322, Substitute for House Bill 5661, file 919.

Calendar 421, House Bill 5688, file 1385.

Calendar 456, substitute for House Bill 6914, file 1388.

Page 8, Calendar 460, House Bill 7450, file 1198.

Calendar 544, substitute for Senate Bill 149, file 1501.

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