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CONNECTICUT
GENERAL ASSEMBLY
HOUSE

PROCEEDINGS
1971

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and call Calendar No. 1565, the third item on page 8?

THE CLERK:

On page 8, Calendar No. 1565, substitute for S.B. No. 508, An Act Concerning the Appointment of the Head Moderator for Elections and Primaries.

MR. TACINELLI (108th):

Mr. Speaker, thank you, Mr. Speaker. Mr. Speaker, I move acceptance of the committee's favorable report and passage of the bill in concurrence with the Senate.

THE SPEAKER:

Will you remark?

MR. TACINELLI (108th):

Yes, thank you, Mr. Speaker. This bill, Mr. Speaker, provides for the Registrars of Voters to appoint a Head Moderator either from his list of appointed moderators or any other elector of his town. The bill changes that part of the section that states that the moderator of the first district shall be head moderator. I urge passage.

THE SPEAKER:

Further remarks on the bill? If not, all those in favor indicate by saying aye. Opposed? The bill is PASSED.

MR. MAHANEY (92nd):

Mr. Speaker, I would like now to have the Clerk refer back to page 15, Calendar No. 1650, if he would please call that matter.

THE CLERK:

On page 15, Calendar No. 1650, substitute for H.B. No. 5052, An Act Concerning the Valuation, Taxation and Registration of Vessels.

THE SPEAKER:

The Clerk has called on page 15, Calendar No. 1650.

MR. COMSTOCK (71st):

Mr. Speaker, I move for suspension of the rules for immediate consideration.

THE SPEAKER:

Is there objection? Hearing none, the rules are suspended.

MR. COMSTOCK (71st):

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

THE SPEAKER:

Will you remark?

MR. COMSTOCK (71st):

Mr. Speaker, this bill provides three different things. In section 1, it provides that an owner when he registers his boat, he can register the boat in either the town of his residence or the town in which he uses the boat. Section 2 provides for the method of assessment of the boat by the local assessors and Section 4 applies to the fee schedule. The fee schedule wouldn't take effect until April 30, 1972. Thank you, Mr. Speaker.

THE SPEAKER:

Further remarks on the bill? If not, all those in favor indicate by saying aye. Opposed? The bill is PASSED.

MR. COMSTOCK (71st):

Mr. Speaker, I move for suspension of the rules for immediate transmittal to the Senate.

THE SPEAKER:

Is there objection? Hearing none, the rules are suspended. Is there objection to transmittal? Hearing none, the item indicated is transmitted.

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THE CHAIR:

Question is on suspension of the rules, any objection. You may proceed

SENATOR CALDWELL:

I move adoption of the following bills: Senate Bill 383 and 384; House Bill 8464; House Bill 6025; House Bill 6006; House Bill 5052; House Bill 5771 House Bill 5962; Senate Bill 1807; House Bill 9097;

THE CHAIR:

Question is on passage, of those bills that came up from the House, as amended. All those in favor indicate by saying, "aye". Opposed? The ayes have it; the bills are passed.

SENATOR IVES:

Mr. President, I move for suspension of the rules, for immediate consideration of Cal. 1370, Substitute House Bill 6447.

THE CHAIR:

Question is on suspension of the rules. Any objection? No objection you may proceed.

SENATOR IVES:

Mr. President, I move for the acceptance of the joint committee's favorable report and passage of the bill. This is the one year limitation on Welfare.

THE CHAIR:

Question is on passage of the bill. All those in favor indicate by saying, "aye".

SENATOR SMITH:

Mr. President, I rise to oppose this bill. For the record, Mr. President this bill is not a one-year residency requirement. It's not an act concern-

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Walter Birk: Thank you Mr. Chairman, I'm here representing -- The Connecticut Association of Assessing Officers. We're the major factors involved in the current municipal fiscal squeeze that has been the mandating of the special subsidies in the form of property tax exemptions in recent years. These exemptions are a critical factor in the inability of the local property tax to function efficiently and equitably and business, industry and individuals all have a substancial interest, or stake in -- tax rates and assessment levels. We feel that we must do everything possible to increase revenues within the existing structure rather then by increasing present rates and imposing new taxes. Our organization wishes to go on record as being generally opposed to any legislation which will further erode the local property tax base. We would like to recommend for your consideration the provisions for comprehensive revue of the property tax exemptions. Secondly to provide a system whereby assessments can be equalized more frequently then the present 10 year period. We would like to recommend that the provision for use charges by local governments, in lieu of the local property tax to exempt properties in an amount sufficient to offset the whole, the costs of those municipal services which these exempt properties avail themselves of, I'm thinking here in the neighborhood of refuse removal, or water, police or and such services as furnished by the municipalities in the same proportion for gem properties for tax paying properties do it. We would also like to endorse HB5052 Concerning the Valuation, Taxation, registration of Vessels. Boats have been a problem for assessors for a number of years and we think that this bill will do a great deal to alleviate some of the administrative problems that we have . We would, also, like to and we have submitted a bill, I do not have the number yet, to provide for the trainee examination certification and tenure of assessing officials. The purpose of the bill has grown out of the belief that the present limited training program for assessors is not equipped to provide well qualified assessors for all Connecticut taxing jurisdiction. We have presently in annual 4 days school at the University of Connecticut, through the efforts of our organization , the State Tax Department, the University that has been running since 1944, but it is inadequate for a number of reasons. Lack of class time and to cover the continual changing and expanding duties of the assessor, their gaps in the present costs content, plus districts much in need of paying for their

Walter Birk: assessors probably are the ones least likely to sponsor their attendance and merely to make a program training available is not sufficient, individuals must be motivated to take advantage of it. There is a lack of security and incentive which would give the individuals some assurance that if he attains the qualifications for the job and does his work well, he will be able to continue. The rapid turnover of assessors, presently, leads to a wasting of funds of those that do take training for a few years and leaves the field. A local property tax that may solve some municipal revenue and it is going to continue to be so for the foreseeable future. It is essential that the property tax be distributed equitably and the tax payers are calling for law. It is recognized that no other single factor is so important and sharing the competent and equitable administration of the local property tax as the assessment be made by a well qualified person. We believe that the time is now here to initiate a major step towards supplying more qualified assessors for Connecticut's 169 towns and cities and recommend that it be done through this program. We feel that a fair knowledge in the procedures of property tax administration are necessary and now the principal of real estate appraising, first the property evaluation and be generally informed about building construction, the ins of maps and other assessors tools which are critical in good administration. I think the training , a public authority should be established, and we have made provision for this in our bill, to establish comprehensive assessor programs to enable each assessor to achieve these qualifications. Witha certification procedure and a tenure program for the proper people. The certification program would insure that only qualified assessors remain in office and a tenure would serve as an incentive for the assessor to gain sufficient training for the post. It would be a State examination, administered by the public authority, it would be comprehensive and would cover all materials which I listed under the qualifications. There are provisions here for grandfather clause, people who are presently in office to continue without certification, The long range idea of the program is that as wo go along we will elevate the quality of assessment administration in the State and the

Walter Birk: authority would be empowered to establish the assessment qualifications and appraisors and certify them on the basis of the examination. Our present training along with other training programs set-up by the commission would provide the basis for the certification. As far as the renumeration ic concerned we would leave this up to the direction of the local municipal party. Salary level mandated by statute usually must be fixed at a level which would be reasonable for the poorest paying jurisdiction plus the fact that fixing salaries by State Statute may well be infringement on the concept of home rule. The requirements for certification and re-appointment of qualified persons would serve, we think, in the long run to limit the supply of candidates to the point where competition would level out salaries to the proper level. We would like to see provisions for joint assessment districts and the elimination of residence requirements. We would feel that anyone filing for a joint assessment position should be a certified assessor. The authority would accept , the authority that we would set-up would consist of three assessors, two members of the Connecticut Institute of Public Service from the University and one member of the State Tax Department. One of the problems that we are running into, and I would direct your attention, gentlemen, to Conn. news letter published by the University of Connecticut and the article deals briefly with the details of revenue sharing of which we have heard a great deal, and it says that while the opposition to revenue sharing may not be overcome within the next two years, it is doubtful that the continued pressure from the combination of political and profesional forces interested in State and local government can be held back. Before the decade of the 1970's closes, the dream of Federal revenue sharing will most probably become a reality I concur with this, also, in all the formulars, there is one allocation formular that is used consistently throughout the proposed plans for revenue sharing and that one is keyed to tax effort. In other words the share of the total revenue appropriation that each State receives and the total share of the State's allocation of that must be passed through to lower levels of government and the amount that each local government receives of the past through amount. Now, this formular is on a per caputa basis with an adjustment for the relative tax effort than an individual or State and/or its localities when compared to a National average would

Walter Birk: receive, in other words, if you're not making an adequate tax effort in relationship to a formula established on a Federal level, you would stand to lose. I think that this bill would certainly be a step in the right direction to indicate that we in Connecticut our making a very substantial effort in this direction and I think it would avoid the possibility of being refused the portion of the Federal Government Tax revenue because assessors did not measure up the standards of a Federal level. Thanks, thank you very much.

Rep. Violette: Thank you Mr. Birk, are there any questions from the members of the Committee.

Rep. Spain: Mr. Birk, you spoke about more re-assessment, re-evaluation more frequently than 10 years, do you have a theory in mind and is reasonable.

Walter Birk: I don't have in mind any particular , let me say this that I think the tne year period now, in many instances is not frequent enough. Rather than opposition as , rather our position is rather than say five years, or fouryears, I would like to see it keyed in somehow to perhaps a sales ratio somehow to a sales ratio study which is a standard method of determining how far your assessments are getting out of line and tie this in perhaps to requiring each municipality a continuing sales ratio study and when your ratio index exceeds a certain point as what is known as a formula for this, it is assumed that assessments are reasonably good if the index is under 40. When it becomes over 40 and this index represents a percentage of how far you are off and what your assessment ratio should be. When it exeeds 40, an indication that you're in a little bit of trouble and that your assessments are really not uniform and inequitible in relationship to fair market value in which our statutes require. The problem with a fixed period of say four or five years is this may well be doing one municipality and not in another because even areas within given tax jurisdictions do not increase in value or decrease value at the same rate. I'm not sure you would answer the problem by saying five years, you may well toss a municipality into a re-valuation which is an expensive proportition when it really isn't needed. They may not be that far out of line, where with someother municipality within a five year period land values can very substantially, this has happened in my own community in the past fifteen years or so we have had land values have tripled and quadrupled due to zone changes

Walter Birk: and other outside influences, true in many cases and in other municipalities where th ere are some smaller towns which perhaps ten years would be apt to be adequate, but I think ten years should be an absolute minimum Rep. Spain.

Rep. Ritter: from M . Violette, we would ask a question. Thank you.

Rep. Rittter: Of the sixth district. I may have missed this,but you, would you comment at all about your view of the desirability of establishing an equalized grand list. No, I did not , we would have no objection to this, to an equalized grand list, I believe that we have some 100 municipalities of 169 which now use 60%. I would have no objection to - some municipalities might possibly object to it if their grand list suddenly shrank because they went to an 80% assesment ratio down to 60. I suppose this could be overcome by giving them a reasonable period of time and have them go on to the uniform percentage at the time of their next revaluation. In effect it would not cost any individual tax payer any more money because even though the assessment list shrank and tax rate went up, your tax dollar should come out the same with the exception of whatever increase would be in budget appropriationfor the next year. I think 60 is a nice round figure, a little better than 65 and an even percentage might be more exceptable to everybody concerned. One of the things that, I think an equalized grand list frankly it is a bit of a misnomer because if you say everybody shall do it at 60%, it is not merely as important what percentage you use as it is that you have half of the people making the valuation in the first place and coming close to it, whether you are using 60% or 80 if the basic valuation isn't correct from the beginning and really it doesn't make much difference what assessment ratio is used.

Rep. Ritter: Mr. Chairman, one further question. In the first page of your presentation, I may misquote you,so you may want to look at your notes. I noted that your n, I noted that you indicated that you wanted to prevent the eroding of the real property tax base and you indicated further that you wantedto keep the present tax structure. I think you indicated, also, that we should have no new taxes.

Rep. Ritter: Am I correct in quoting you.

Walter Birk: Not quite. What I said

Rep. Ritter: I would just like to be clear on this, because I have another question that I want to put to you.

Walter Birk: What I said is that we must do everything possible to increase revenues within the existing structure rather than by increasing the present rates for imposing new taxes.

Rep. Ritter: Now what new taxes would you be thinking about. City, municipal taxes.

Walter Birk: Yes, I think whenever tax revenue in the municipality is eroded and decreased for some reason and expenses continue to go up we simply can't ignore the discrepency there somewhere along the line these dollars will have to be made up and the usual procedure is for the towns to start hollering to the State that you have to funnel some money back to us. If the State doesn't have the dollars readily available, they have to provide some means of producing this revenue which general means a new tax base, whether it be an income tax, or an increase in the

Rep. Ritter: This is my question.

Walter Birk: whatever it might be and I think that by stopping erosion of the local property tax and allowing municipalities to approach and get as much as they can get out of this under the thing, it will release some pressure on the State from the towns. As soon as you diminish the potential of revenue on the local base, somewhere it has to be made up and there is only one place for the municipality to go and that's to come up on the hill here and ask for some money.

Rep. Ritter. We understand that, now this is what I want to get your thinking about. Are you suggesting that it is the position of your Association, that you are opposed to new State taxes which would return sizable sums to towns and cities which would enable the reduction of real property taxes.

Walter Birk: No sir, not at all. It is our position that if the local property tax is not further eroded and we can reach the full potential and in that it will be unnecessary to provide additional funds to funnel that, to funnel back to the towns.

Rep. Ritter: Now, you say that this with the, is this a voted position of your Association.

Walter Birk: This is the position of our Association that we would like to be able to realize the full potential of the local property tax as it exists.

Rep. Ritter: Excuse me, that is not what I'm addressing myself to, I understand that and this will be my last question. Are you also taking the position that you represent the elected officials of your city, the councilmen, mayors etc.. Are you taking the position that there is no need, nor will there be any need for new State taxes to provide increased grants to towns and cities if there is no further extension of the real property taxes, is that what you are saying.

Walter BirK: No sir, we do not say that

Rep. Ritter: I think that is what you are giving the impression to this Committee.

Walter Birk: I'm sorry if I did. This was not the impression that I was trying to give. We are fully aware of the fact that the local property tax is not capable of providing all the revenues necessary to operate our systems of government. What I intended to indicate to you was that if the revenue potential of the property tax is reduced and the towns cannot produce as much in the future as they do presently or in the past that there will be more call upon additional taxes to make up that deficit. What I'm talking about is simply that wherever a deficit is created that somewhere along the line that it has to be made up and we feel that the local property tax is a long established institution and can be made efficient, efficient enough to collect and spend moneys on the local level and therefore release some pressure on the higher government units. I'm sorry if I gave the wrong impression, it certainly was not my intention, nor the intention of the Association because obviously the chief administrative officers of our municipalities and the people on the hill are just as fully aware of the problems that exist in this field as we are and we have no intention of trying to usurp their duties because, believe me we have many problems of our own.

Rep. Violette: Mr. Birk, I believe Rep. Clark has a question for you.

Rep. Clark: from the 14th district. I'm interested in your views, or opinion relative to the rquirements in a board of Tax Revue and the situations between the local assessors and the Boards of Tax Revue.

Rep. Clark: I'll give you a for instance. A recent complete revaluation and accepted by the board of Assessors and the Revue the request of the tax payers questioned that revaluation. Do you think that there could be a more, and I'm going to put this right out frankly that some of the boards of tax revue that I've seen, in other words the competency of those people presumably in having to make a decission which is then binding at least until the following year on the board of assessors in most instances, am I right in that

Walter Birk: Yes, as far as it goes it is binding all the way through. Now, it used to be that the assessor could put the assessment back up, once it is -- by the the board of tax revue, now an assessor can't do it, but the following year he can.

Rep. Clark: He can or cannot. There would be no situation

Walter Birk: I believe a change in the 1967 session of the Legislature which precluded this.

Rep. Clark: It happened in the for instance that I thinking of took place prior to that, but in other words that if the board of tax revue is the final say what is the need for the expert, education and the boards of assessors who, if your so called program of education can, really do not have, they are not the assessors at the end, are they.

Walter Birk: I would have to disagree slightly, they are the assessors in the end, we hope that number one that our program would raise the level of competency of the assessors, believe me this is my own personal opinion, not a statement from my Association. We, also, have assessed, assessors that really are incompetent and this is no reflection on the individual, simply the system that presently that to be an assessor, you only have to attain a majority and be an elector and to be elected to the office, there is no requirement that you know anything about an assessment law or about real estate appraisal or personal property appraisal. We feel thatt this would require some level of reasonable level of confidency, number 1. That perhaps as may people would not go to the board of tax revue, it would not be necessary because of the uniform

Walter Birk: incompetency of the assessors, or assessment. Course this not goint to solve or the problems this no fantasy, you know it and so do I. 2. we would like very much to see members of the members of the tax revue to attend these courses required to attend these courses and gain some resonable level of confidency .

Rep. Clark: My next question then would be were a town under the requirement, which as they maybe and I think they intend to make it mandatory with some punishment by withholding grants etc. if the towns hire presumably and in many instances great expense presumably an evaluation company, somebody supposedly with the full anc complete ability to make that assessment then they present that and they get paid, their bill is paid, and the board of tax revue who subsequently to the acceptance of that revaluation so now is the assessors have agreed in a supposedly impartial revaluation team hired by the municipality and that the assessors and that revaluation team come pretty close, ther are many, many instances and I'm asking you this, and in my belief, where the boards of tax revue still make some tremendous adjustment in that, can you give us whether your Association finds that. I don't want use my limited knowledge of particular towns or instances.

Walter Birk: Yes, I think this is probably true that in the opinion of some assessors, individual assessors the reductions are possibly made by the board of tax revue which they don't feel is warranted because they think that the assessment is correct, however, I would rather hesitate to be the final authority on it, I think the reason for the board of tax revue actually, the board of tax revue is quasi-judicial body and it does give the tax payer an opportunity to appeal his assessment without the necessary expense and complications of going into the court. If he is not satisfied with the board of tax revue then he can the, of course go to the court of common pleas and carry it all the way through, however this isn't, this is an expensive process. I think there are a number of things wrong, I think that too many assessors without qualifications are in office and I think this is probably more true of the tax revue, perhaps and I think if we could encourage our boards of tax revue to participate or perhaps even require them to participate in this training program, while it wouldn't solve all of the problems with which you have mentioned, I'm sure that it would resolve some of them and at least they would be in agreement

Walter Birk: on the basic principals involved in they would both be working at the problems, you know, from the same angle and if the assessment by the revaluation Company or the assessor was a reasonable and equitable assessment competent people on the board of tax revue would be more apt to recognize this fact. The way of my pursuing this, is because before another committee here yesterday, a bill was presented relative to arbitration by a real estate, by the real estate commission in a dispute of property or land values and eventually it may come to the floor etc., and I am trying to fix something in my own mind relative to what we might be up against if such was so, because I understood in questioning that bill that if you even, if by agreement theparties could then go to the real estate commission and accept the arbitration, if both parties were willing you could run that down into the probate courts with heirs and sales etc.. But, basically you do find or feel thatit would be a step and a healthy approach to have boards of tax reviews really educated and conversant with real, I certainly do and our Association takes that stand.

Rep. Violette: I'm sorry that it takes too much time, gentleman If there are any further questions. Hear none, thank you very much Mr. Birk. Id'dlike to call upon this Mr. John Tarrant, member of our Tax Department.

J. Tarrant: Mr. Chairman and members of the Committee, I might just re-iterate what Mr. Birk has said on speaking on his bill, I drafted it, it's a good bill without a fact, laugh, he was quoting my 30 year ago predecessor when he said that who drafted the bill after the law , drafted the law that this seeks to amend. Gentlemen, this bill that Mr. Bigosis, thatis the bill that we prefer way and above 5466 which is out of the same organ and Bill 5455 if I may just say a word on that. Per= haps the 5% percent interest rate is too low and in some towns, but I have here in my hand the latest municipal bond maturities on the ratings and you have to go pretty far probably before you get to 5% fifteen bonds with a triple A rating is 4.50, a double A rating is 4.75, so you don't get into 5% until you get into an A rating which is a pretty low rate for a municipal bond. I would think that perhaps the better way to handle this, is to just raise figure in parenthesis to 5 to 6 and you might take and --- the whole matter in as simply a way of that..

Rep. Violette: Thank you Mr. Tarrant. Any questions from

Rep. Ritter: No, I wonder who requested it, that he introduce it. Do you happen to know .

Alan Lesser: I have no knowledge.

Rep. Ritter: Rep. Rose didn't , I'm sorry. And what is the actual effect of the - that tends to cause you to be here today.

Alan Lesser: I wonder if I could again defer to Mr. Snyder who is presently operating a Water Authority and who is specifically affected by

Rep. Ritter: Let me tell you this, this has been reviewed before by the, this Committee, I withdraw my question.

Rep. Violette: Any further question from the Committee. Hear none. Thank you. Are there anyone else in the audience who would like to speak.

R. Chalecki: Mr. Chairman, my name is R. Chalecki and I'm Director of the Boating Commission. I just want to comment sitting here for an hour, you've got your problems. I'd like to comment on HB5052 AN ACT CONCERNING THE VALUATION, TAXATION AND REGISTRATION OF VESSELS, because we register the vessels. Now, I'm not going to speak either in favor or not in favor, I think that decission is up to you, if you give us the job, we will do it. I would like to make several comments concerning the loop holes in it and also my suggestion, after working with the assessors and how it should be handled, because I think it is quite a problem. First I want to point out that we're one of the very few agencies that live off a revolving fund, in other words my entire operation is financed from fees from motor boats and of course the statutes are not specific, I should say the statutes are specific. First the administration of my department; secondly reimbursement to the towns for enforcement expenses and third allocation to the towns of the $2,000. for boating facilities. Course we have never got to step number three. We don't have enough money to pay the towns for their full enforcement expenses, so the cost of this operation actually would in effect be robbing Peter to pay Paul. In checking with the Comptroller's Department we have come up with a figure of about $25,000. to set this up and about $10,000. to man it each year. Now, one of the loop holes that I think, in this particular bill, is to permit a boat owner to state his choice where he wishes his boat to be taxed. Per se if it is in the town of his residence or the town that he usually uses it and knowing boatmen

R. Chalecki: I can tell you the best town will be the town that gives him the best tax advantage. Also, by giving him a choice, you make the cost of using data processing very expensive, because each year you will be putting in new import and the cost rise when you put import. Also, there is no provision of requiring the person to make a choice. In other words if the person doesn't make a choice, can we deny the registration. Now I think you are all familiar that the Coast Guard says that we cannot deny a registration for this purpose so that I would suggest, if you want this bill, if they don't make a choice it should go to the person's residence, the town of residence. Now, as far as, setting up a valuation of all vessels, I see no problem there, I think we can handle it, course I don't think it would cost more than two or three thousand dollars. I think it is the function of the tax department because I mean they have there books on determining what the sales tax would be, but if you feel that we should handle it, I see no problem there. Now, concerning the loop holes in the tax structure, because I've been with boats ever since 1961, I know what the problems are, and I think there are two problems. With boats you have a very liberal reciprocity, other words, you can register a boat in another state and use it this state for almost the entire year. You have 90 calendar days to use it and I would say that a lot of boats, and the director of Vermont has told me, that many of his boats up there are registered by Connecticut residence we lose the tax on that particular thing. Also, we lose the tax on many documented pleasure vessels. Now, as far as I can determine there is almost a thousand documented pleasure vessels that have their home port in Connecticut and there is no telling how many have their home ports, say Miami Beach, and of course these type of vessels range anywhere from $10,000. up. In order to have a vessel documented it has to be 30' in length. Now, I never got into this before, but this is my recommendation and the way this problem should be handled. Because I have talked to the assessors and I know they are up with. I think you should include in Section 1, the word commercial. We have the exeption - except registered enrolled sailing vessels, except commercial. I think that we should try to get for taxation purposes documented registered vessels. I would suggest that it would be the responsibility of the person that he pay the tax in the town that he resides in, and

R. Chalecki: I might add that the word "resides" should be defined. Just by saying resides is pretty loose, I have found that out. You should qualify where he is eligible to vote or something like that, but I have been told by the Assistant Attorney General that it is a very elastic word. And then the exceptions would be, now this would take care of the vessel that was registered in Florida, as a documented vessel, it would take care of the vessel that would be registered in Vermont. The exception that I would then put in, that if he got a statement from another town saying that the vessel would be registered in thatparticular town then it would be exempted, but I think, knowing human nature, it is very easy to put something on paper, I think that he should have an eyeball-eye ball confrontation with his assessor in his town, telling him that his boat is going to be taxed some place else. Thank you.

Rep. Violette: Any questions.

Rep. Spain: 166th district. Mr. Chalecki, I was under the impression, perhaps incorrectly that we could not levy any kind of a tax on documented vessels.

R. Chalecki: Well, I know certain states do levy a tax, I'm pretty sure. I know that it is determined by the home port of the vessel. But, this is something that you would want me to look into, I would be very happy to look into

Rep. Spain: If it is not too much trouble, I would appreciate it.

R. Chalecki: Alright, sir. I want to point out among the boating administrators, we all feel that a pleasure vessel should not be documented, because the purposes of a documented vessel is to enter foreign ports without excessive red tape and of course the feeling amongst many of us is the reason why many pleasure vessels are documented is to escape this tax.

Rep. Violette: Just a minute Mary. Will you pass down the mike.

Rep. Griswold: 109th. May I ask what documented means.

R. Chaleck: Documented vessel was formerly registered by the Bureau of Customs and it is now taken over by the U. S. Coast Guard, and the purpose of documenting a vessel is that it permits a vessel to enter a foreign port without excessive red tape as far as custom is concerned. There is a law stating that

R. Chalecki: any commercial vessel over 32' has to be documented, such as a fishing boat or anything like that. They have included, also, pleasure vessels, and of course if the pleasure vessel does want to go a foreign port, it would be worthwhile, but the boating industry is pretty cynical about that, we feel that most of the documented vessels don't even leave Long Island Sound.

Rep. Clark: of the 14th. Since the mike was this close, thank you Mr. Chairman. Just so that I would understand your words there, you say that a commercial vessel is required to be documented over 32', but does that law say still that a pleasure vessel may be or would it be an exeption, and that only upon an application because the intent was to go to a foreign port - maybe it can be checked out

R. Chalecki: I'm pretty familiar with it, I've gotten into it, but because we feel that there is a lot of loopholes, especially as I said before, we live in our motor boat fees and actually these are the the big vessels that cause our trouble on the Connecticut River which we get no income from, but a person that has a recreational vessel that is over 5 gross ton, which comes out roughly 30', has an option of either registering with the boating commission or documented with the Coast Guard. Now, there is certain advantages of documenting your large vessels. First of all there, first of all it is free, secondly you escape the tax problem in may cases

Rep. Clark: Just a minute while I bother you, you had better keep going. Wouldn't the law here be written regardless of whether there is a documented vessel or not, that as long as the other qualifications relative to residence, to whatever would go into the law, would make it still taxable in the town of which the party resides, or whichever way we write the law

R. Chalecki: That's what I suggested, in the exceptions, that they put in the word "commercial" registered and enrolled sailing vessels.

Rep. Clark: I think I've gotten enough. Thank you.

R. Chalecki: You see the problem with vessels now, is treated as personal property and the assessors tell me that some of the boatmen are very wise, they will keep it two months in one town, 5 months in another

R. Chalecki: but this way if you put it in, they are required to list it in the town that they resided and that's why I suggest that if you put in the word "Commercial Registered" it would take care of it. Now, I'm not saying this is going to be the immediate solution, but I would say it would be a step in the right direction where we would understand the taxing of these documented vessels.

You mean the words "personal property" or commercially registered vessel, so thatit would cover both so-called tax, in other words when you come to a definition that a commercial vessel registry is not personal property, so that it would appear to me that something would have to be written in this proposed bill to clearly define that either personal property vessels or a commercially designated

R. Chalecki: I think you have a good point

Rep. Clark: What I'm suggesting here is that you should consider this approach, I mean, this is an approach that I think if someone did a little more research, you can get at this proble. Now, one more question. You seem to indicate something relative to the definition of residence. Now, it is true that for tax, vote etc., persons only, owning property in another town or another state, I'm certain tax bills or munibills have the right of in not audible , whether they actually reside there or not, but it is, with your thinking on this is that somebody owning another home in Vermont or another state which by their laws would allow them to vote on certain issues, thatyou would have some clear definition of the term residence.

R. Chalecki: Yes, but I wasn't thinking necessarily of another State, I was thinking of our own state. Now, for example, our law states that a boat owner register in the town of his residence, say for example his residence is Hartford and he spends a week, say in Niantic and he registers the boat in Niantic, the question comes up which is his town of residence and I've never got a good opinion from the Attorney General's Office of what the residence is and if you look it up, a residence is where you staying, and if you are staying a week in Niantic, that is his residence. So usually what we do is to notify the officials in West Hartford or Hartford where the case may be out of courtesy and we would accept the registration from the town where they get it.

R. Chalecki: But, I think that the, this residency quack should be defined and the way I suggested it, is by voting but of course, as you pointed out we have property, so much property, we are entitled to vote. But, any time you leave, as you well know, any time you leave a loop-hole somebody, in taxes or anything else, someone finds it.

Rep. Violette: Any further questions.

Rep. Comstock: Mr. Chalecki this is off this bill, but you have raised the point that your department operates strickly from the fees that you recieve from the registration of boats and in turn you operate your department and then re-imburse the towns for regulations and enforcements etc. Is any consideration being given at this point to increasing the fees so that you can reimburse these towns sufficient sums of money for the operation of patrolling the river at etc.

R. Chalecki: I don't think that the, if we, we would have to increase the fees substantially. Last year we received, and of course we tell everybody else, how poor we are, received a bill of $200,00 from which we reimbursed $52,000. We have introduced a bill that all vessels should be registered. Now, only motor boats are registered and we estimate that there are 50,000 vessels that should be registered. I think that the time will come when the fees will go up, but they are very low. But, this is one reason why I'm interested in helping this group to work out the tax basis problem, because if the boats have to be taxed. I know quite a few are not, particularly the trail vessels. I feel that if you leave a choice, there is going to be too many loop-holes, that's certain.

Rep. Spain: Could you give us an example of what it might cost to register a boat of various sizes.

R. Chalecki: $3.00.

Rep. Spain: Regardless of the size.

R. Chalecki: Regardless of the size.

Rep. Violette: Any other questions from the Committee.

R. Chalecki: I just want to point out that the boating commission was established in 1961 was not popular, I mean we are dealing with a fun activity and of course we would like to keep it that way, but there is no question that the registration fees would go up. Considering it stradegically now,

R. Chalecki: this is the thing that we may, we feel that all vessels should be registered and I think when that bill is going to come up, we will have opposition to that and if we are going to raise them at the same time, we have double the opposition but I think eventually the time will come

Rep. Spain: What are the registration fees in other states, do you know.

R. Chalecki: Well they probably range from New York is very low, they range from $6.00 to 3 years for a vessel on their 16' to ten years for vessels over. New Jersey has gone up very high. I think anywhere from $10. to $15. a vessel. I just want to point out that the problem that we're faced with, as you, you are dealing with personal property that is, not only do we register them, but we try to tax them, where there is a lot of other personal property that the individuals have that are not taxed for example, guns and camera equipment and all that. I think the registration will go up, but of course, we have been operating on a revolving fund, I think we're doing a pretty good job and Of course, I mean, when we started everybody said well another bureaucracy, all it's going to do is expand and of course this is the philosophy that we try to keep it as small as possible.

Rep. Comstock: Yes, but you are confronted with here, is the fact that these towns along border of the Connecticut river are faced with the enforcement of these regulations and yet aren't gaining, necessarily, a tremendous tax take.

R. Chalecki: Yes, and I

Rep. Comstock: and compounding every

R. Chalecki: and you are going to consider a bill in the future trying to get some of the unrefunded fuel tax. These motor boats that are raising cain, on the water, actually is going into the highway and we feel that some of this should go back to the towns. Now, furthermore I want to point out that there is Federal boating bill that Congress, where they are encouraging the states to force the boating laws and it looks like there will be an allotment of say $100,00. towarsd boating safety and boating enforcement. I think this would be, this is why, I would recommend that a boat be taxed in the town where the person resides for the sake of efficiency and try to get money either from the Federal Government or from the highway fuel tax to enforce it in those areas where the boats are being used

R. Chalecki: and give them, the towns a hard time.

Rep. Spain: or increased registration.

R. Chalecki: Yes.

Rep. Comstock: I think you should definitely pay more for your automobile than you do for a $30,000. boat that is using our waterways.

R. Chalecki: It is going to come up and to the Committee and this is the time I wish to express an a opinion and we will take it. All I'm saying is I know the nature of the problem and you go slowly and I want to point out thatt we have a young skippers course. It has worked out very well and it took four years for us to get it and I don't want to quit before I run.

Rep. Clynes: Don't you think that this registration also could or should be based on size, as far as amounts go. You registered $3.00 for any size boat registerry,

R. Chalecki: Actually the theory sounds good, but the director of New York tells me that the administration costs of handling it, isn't worth it, because the predominately for inaudible in Connecticut we have about 60,000 registered vessels that go from the three year period to one. Out of this 60,000, 40,000 are under 16' 1 10,000, 20,000 are between 16 and 26', there is only 4 Or 5 thousand that are over 26'. Now, what's the price - quite high - it wouldn't be worth the p roblem of doing, but again I think it is going to come to this in the future from the conservation end. I big boat takes up a lot of room.

Rep. Clymes: It seems that we take this basic rule on motor vehicle and it would seem that in theory this should be the same there, except that I can see your point, unless you make the registration is substantial

R. Chalecki: Generally speaking, New York and possibly one or two others, Its a flat fee, an actually for the amount of difference, it is not worth it, if it is taxed properly actually this is what you interested in, I mean what's $5. or $10. is nothing, but the difference between alarge bonus and a small bonus may be $200,000. and I think this is where a lot of attention should be paid.

Rep. Violette: Any further questions from the Committee. Sir, I would like to have you re-identify yourself, please, for our secretary and possibly spell out your last name, so that we can be recorded properly.

B. Chaecki: I'm the Director of the Boating Commission. Bernard Chalecki: