

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-687		1045	3	1	2
<u>Committee Pages:</u> <ul style="list-style-type: none"> • Finance 584 • Finance 596-597 				<u>House Pages:</u> <ul style="list-style-type: none"> • 5568(Consent) 	<u>Senate Pages:</u> <ul style="list-style-type: none"> • 2880 • 2889

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 13
5555-6226**

Tuesday, June 8, 1971

14.

MBS

Officers Observe Dogs Attacking Deer, file 653.

Calendar No. 1578, Substitute for Senate Bill No. 1022.
An Act Concerning Appointment to Fill a Vacancy in Judicial
Office, file 1602.

Calendar No. 1579, Substitute for Senate Bill No. 1045.
An Act Concerning Tax Payments Applicable to Oldest Obligation
on Specific Property, file 1591

Calendar No. 1581, Senate Bill No. 1115, An Act Concerning
Removal of Destruction of signs, file 1516.

Calendar No. 1582, Senate Bill No. 1145. An Act Requiring
State Department Heads to File Bills Earlier, file 1538.

Calendar No. 1585, Substitute for Senate Bill No. 1296,
An Act Concerning the Penalty for Assaulting a Police Officer
or Fireman, file 1511.

On page 4, Calendar No. 1591, Substitute for Senate Bill
No. 1572, An Act Concerning Standardizing the Investment of
State Civil List Funds, file 1506.

Calendar No. 1592, Substitute for Senate Bill No. 1573.
An Act Concerning State Referee Approval of Certain Negotiated
Condemnations, file 1520.

Calendar No. 1595, Substitute for Senate Bill No. 1625. An
Act Concerning Exemption of Municipalities from Payment of
Gasoline Tax for Governmental Purposes, file 1551.

On page 5, Calendar No. 1596, Senate Bill No. 1788, An
Act Concerning Discharge of Sewage, Directly or Indirectly,

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CONNECTICUT
GENERAL ASSEMBLY

SENATE

PROCEEDINGS
1971

VOL. 14
PART 7
2874-3413

THE CLERK:

The following bills were passed on a Consent Motion by Senator Caldwell with the approval of the Minority Leader;

GOVERNMENT ADMINISTRATION AND POLICY: Substitute House Bill 8682. House Bill 5854. JUDICIARY: Substitute House Bill 7495. House Bill 5662; Substitute House Bill 851. GOVERNMENT ADMINISTRATION AND POLICY: Senate Bill 652; Senate Bill 1145; JUDICIARY Senate Bill 1788; Senate Bill 805; Substitute Senate Bill 1093; Substitute Senate Bill 868; Substitute Senate Bill 1441; BANKS AND REGULATED ACTIVITIES: Substitute Senate Bill 467; GOVERNMENT ADMINISTRATION AND POLICY: Senate Bill 1833; JUDICIARY Substitute Senate Bill 1296; TRANSPORTATION: Senate Bill 1115; Substitute Senate Bill 255; ELECTIONS: Substitute Senate Bill 508; JUDICIARY: Substitute Senate Bill 1022; Substitute Senate Bill 1543; TRANSPORTATION: Substitute Senate Bill 1807; JUDICIARY Substitute Senate Bill 550; substitute senate bill 823; JUDICIARY: Senate Bill 898. TRANSPORTATION Substitute Senate Bill 807; FINANCE: Substitute Senate Bill 1576; Senate Bill 1570; Substitute Senate Bill 1572; Substitute Senate Bill 1549; Substitute Senate Bill 1549; Substitute Senate Bill 1625; Substitute Senate Bill 1045; TRANSPORTATION: Substitute Senate Bill 815; EDUCATION: Substitute Senate Bill 1840; GOVERNMENT ADMINISTRATION AND POLICY: House Bill 6870; House Bill 9249; INSURANCE AND REAL ESTATE: House Bill 6995; GOVERNMENT ADMINISTRATION AND POLICY: House Bill 9242.

THE CHAIR:

Is there any objection to the passage of the bills, as called by the Clerk? If not, Senator Fauliso, do you move the passage of all said bills?

izing Investment of State Civil List Funds; Cal. 1074, File 1521, Substitute Senate Bill 1549. An Act Requireing the Preparation of Tropical and Chornological Indexing of Legal Opinions Issued by the Office of The Attorney General. On page 12, Cal. 1100, File 1301, House Bill 6870. An Act Concerninc A centralized Microfilm Service for State Agencies. Cal. 1106, File 1260, House Bill 9249, An Act Concerning a Tax Refund to Richard Stowrofski of the City Of New Britain. Page 13, Cal. 1109, File 1551, Substitute Senate Bill 1625. An act concerning exemptions of Municipalities from Payment of Gasoline Tax for Governmental Purposes. Page 14, Cal. 1118, File 1591, Substitute Senate Bill 1045, An Act Concerning Tax Payments Applicable to Oldest Obligations on Specific Property. Page 17, Cal. 1144, File 3553, House Bill 6995, An Act Concerning the Charter of Security of Connecticut Life Insurance Company; Page 21, Cal. 1167, File on desk, Substitute Senate Bill 815, An Act Concerning Motor Carrier Property for Higher Interstate Commerce. Page 22, Cal. 1178, File on desk, Raised Bill 1840. An Act Validating late application for School Construction Grants.

THE CLERK:

Mr. Majority Leader, may the Clerk interrupt, to note a technical error in the bill, just for the record? On Bill 1840, in line 22, Clerk has been shown that the word, "late appreciation" is there and apparently it should be "application". So I've made that correction.

SENATOR CALDWELL:

That's correct. On page 36, Cal. 954, File 1113, House Bill 9242. An Act Naming the Vocational Technical School of Milford; I move that suspension of the rules for all single starred items and no starred items as well.

THE CLERK:

**JOINT
STANDING
COMMITTEE
HEARINGS**

FINANCE

**PART 2
330-726**

1971

looking for. I don't know if that is as realistic what would happen in affect. That is people who build houses usually are under certain amount of committment, that is to banks, to subcontractors, just to complete and deliver a house and if you left out a bathroom, for instance certainly wouldn't be as usable under those conditions. I think that, in theory there is going to be someone who would think of circumvention, but in practice, I think that that possibility is not realistic. I think that most builders I have known, try to complete and deliver so that they get paid. The only problem is the town has to wait sometimes 16-18 months before it can build rather bill the owner for the full amount, while they use all the services. Thank you.

John Tarrant: We have already testified on the subject of many of the 62 bills before you today, so I will confine myself to just a few. Bills 1045, 5040, and 7876 all seek to do the same thing. I drafted 7876 at the request of the Tax Collectors Association and I think it does the job better than the other tow. The others do nothing to resolve the join tennancy situation or the mortgagagee on the leased property situations. Moreover, it is easy to get the tax on real estate, the collectors need help on personal property. Bills 5049 and 7475, both seek to tax new construction. I think these bills are unworkable: if you pro-rate taxes monthly, it seems you would have to pro-rate refunds demolitions. All towns do not have building inspectors, even though they are supposed to, to issue "certificate of occupancy". If an automobile is purchased just after assessment day, it is not taxed until the next. How about a transfer after the certificate of occupancy and before the next assessment day? H w do we handle substantial improvements (new wing) to present homes? The improvement constructed on the land may not be the property of the "record owner" of the land and it would be unfair to tax such record owner. Bill 5998, Annual revenue cost to the towns in this bill is about \$15.3 million annually and the bill does not provide for state reimbursement. Moreover, the percentage increase in exemption allowance is less for disabled and paraplegic veterans than for non-disabled. Bill 6098, since assessing is not an exact science it should perhaps allow for a margin of tolerance 10 percentage points either side of 100. Bill 5706, I don't think it is any longer needed since interest rates are dropping. Bill 530, we are opposed to this bill as all real property tax liens automatically attached of the assessment day on property found within the taxing jurisdiction on that day and such taxes are laid to pay the expenses of the municipality for the ensuing year. Bill 7397, gives the tax commissioner only 3 months to equalize the grand lists of 169 towns! (from the effective date of July 1, 1971 to October 1, 1971) Bills 7871, 7872, 7874, were all drafted at the request of the Tax Collectors Association of Connecticut and the Tax Department supports all of them. We have tried to make the statement of purpose as explanatory as possible in each case. Bill 7871, (which is identical with 5703) would set the miniumu interest on local taxes of \$1.00. Bill 7872, (identical with 5704) would create a

the tax rolls. Therefore, there would not be any need for taxation on that particular kind of property. In conclusion, I would just like to say that as far as the schools are concerned, I have talked about the problem of giving aid on one hand, and taking it away on the other. I might say the same thing about the hospitals. The cost of taking care of patients, and to add to these institutions, the burden of tax exemption would simply add one more burden to the person who perhaps of all people can least afford to pay for it, and that is, the patient who is ill in the hospital and who in the last analysis would be the one that would have to pay the taxes that would be imposed on these bills.

Representative Violette: Any questions? The next speaker.....David Schwartz

David Schwartz: I am speaking for the Savings Banks Association of Connecticut, I would like to first talk about 3 bills which would amend Section 12-144b of the Statutes. That section was enacted in 1969 as Public Act 98. Public Act 98, was directed to the practice of certain landowners to refrain from paying taxes on some properties they owned while paying them on others. The theory of Public Act 98 was to eliminate this practice bythat whenever a tax payment was made to a municipality the municipality would apply that tax payment to the oldest outstanding tax obligation of the property owner. Even if that were an obligation in respect to a different piece of property. This act would have had a very drastic impact on mortgagees, the tax lien would all of a sudden have come in ahead of the mortgagees interest in the property even though the mortgagee had seen to it that the mortgager keep count on his taxes, whether rather with respect to the mortgage property. The Act may have very well been unconstitutional with respect to land subject to existing mortgages. A considerable amount of relief was provided by opinion of the Attorney General. The Attorney General primed that the act simply did not apply to payments made by the mortgagee from tax escrow account/ But, I think in this session of the legislature we have got to get this squared away. There are three bills before you this morning that make an effort to do this in various ways, to take them in the order to which we prefer them. The one we like best, is 1045, which amends Section 12-144B by saying that, tax payment made for taxes due on any specific property shall be applied by the municipality for payment of the almost outstanding taxes levied on such property. So, this restores the situation, which each piece of property stands on its own and a mortgagee can adequately protect itself, by seeing to it that the mortgage or pays the taxes on the property. The mortgagee, would no longer have to worry about the possibility that the fellow is delinquent. A bill that does not go quite so far as 7876, which would legislate the opinion of the Attorney General. It says that this section shall not apply to tax payments tendered by third parties for pursuant to contract or by operation of law. So, this would protect the bank, in the situation in which the bank itself was making the tax payment pursuant to an escrow arrangement. Does not go as far as 1045 in that it would not protect

the bank in a situation with were the mortgor was making the tax payments himself. The third bill is number 5040, which really doesn't go far enough at all, all it does is limit the impact section 12-144b to real property taxes. It protects only in a situation in which the land owner is delinquent on his automobile taxes, under the present law if a landowner is delinquent on his automobile taxes and he tenders payment of his real estate taxes the tax collector applies that payment to his automobile taxes, and so the mortgagee has the problem there. Bill 5040, would only dismiss that situation, where the delinquency was with respect to personal property taxes, it would not help us. We would like to see you enact Bill 1045. I would like to speak to one other bill, HB 7872, an act concerning tangible personal property tax liens this bill would give a municipality a lien on personal property, for personal property taxes. Similar to that which a municipality has on real property. Thank you.

Rev. Roger Rotvig: Mr. Chairman, gentlemen of the Committee, and our patient lady member of the Committee, I am the Pastor of Grace Lutheran Church, in Hartford. I represent and speak for the Legislative Committee of the Connecticut Council of Churches. I have been its Chairman for the past 4 years, through 3 legislative sessions. I have spoken before many committees and usually I come with a prepared statement because speaking for a number of Church bodies as I do, when I represent Legislative Committee of the Connecticut Council of Churches, I like to be very presise. Today, you have a dozen different bills before you that relate to churches, they are on a wide variety of issues, I don't know if any of them are being really seriously considered, some of them I definitely am opposed to, some of them I am in favor of. Some of them you ought to be considering. So, if you would allow me, I would certainly open myself up to questions at the end of my brief statements. I would like to talk in general about the growing idea of some taxation of churches in the loss of exemption, I guess is a better way of saying it. As many churches are coming to understand the necessity. As I read the proposals that are before you today, there at least five and possibly a sixth one although I haven't been able to locate it a specific bill that relates to it. There are porposals that talk about taxing all church property except the Church building itself. There are proposals that talk about state reimbursement to the towns where these facilities are located and are exempted by state laws. There are bills relating to charging back of identifiable services that the towns provide for churches and incidentally I am talking here about other non-profit organizations. There are bills that relate to the accountability of churches and non-profit organizations, there are bills that relate to the difference of residential and non-residential members and users of tax exempt, property. Those I am sure are before us, and it seems to me that I have seen although, I can't find it this morning, a bill somewhere that talks about the removal of sales tax execmption that churches and other non-profit organizations now have. There is a broad number of categories in other words and the position of the people that I interact with is quite different that a lot of these. Connecticut