

HB 8271

PA 748 (Vetoed)

1971

Finance 771-773

House 4841

Senate 3403

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**JOINT
STANDING
COMMITTEE
HEARINGS**

FINANCE

**PART 3
727-1114**

1971

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MARCH 30, 1971

771

State of Connecticut
GENERAL ASSEMBLY
STATE CAPITOL
HARTFORD, CONNECTICUT 06115

HB 8271 STATEMENT BY REPRESENTATIVE WILLIAM F. RYAN APPEARING BEFORE
THE FINANCE COMMITTEE OF THE GENERAL ASSEMBLY, MARCH 30, 1971

HB8271

Mr. Chairman, members of the Finance Committee. My name is William F. Ryan, Representative from the 84th District.

I am here to speak in behalf of HB8271, An Act Concerning The Application of the Property Tax to motor vehicles.

I would like to preface my remarks in the light of a discovery made last week, in which it was found that \$100,000. in tolls were stolen from a toll booth on the Connecticut Turnpike. \$100,000 is a substantial amount of revenue and I commend the State Police for their find.

There are many areas, gentlemen, in which the State loses revenue and its municipalities lose revenue through negligence, theft and loop-holes in the law. Tax-dodging is fast becoming a national sport, at the expense of government and those citizens who are less knowledgeable in tax-avoidance. No one is too proud to take advantage of a defect in the law.

While the State was quick to discover the theft of 100,000 dollars in tolls, we have, for too long, allowed those citizens who are aware of

#16
JC



March 30, 1971

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the inadequacy in our auto tax laws to avoid payment of the personal property tax on automobiles, at the expense of each of our 169 towns.

Taken jointly, the 169 municipalities in Connecticut lose at least \$2,000,000 in personal property tax revenues annually. I would further state that this is a very conservative estimate of the loss. The auto property tax receipts of all Connecticut towns was estimated to be about \$66.5 million using the 1969 Grand List. This was calculated using total assessed valuation of \$1,331,973,156.00 for all cars in the 169 towns and the average mill rate of 49.94 mills.

The property tax losses due to auto purchasers alone who intentionally buy after the October 1st assessment date is estimated to be \$980,047.00. This is a conservative estimate and was arrived at by using the above-normal sales figures for the month of October, including new car purchases and used car purchases. I have given you copies of my statement in which you can summarize the calculations and how they were arrived at.

I was informed by the Department of Motor Vehicles that by and large the largest portion of taxes lost is due to fleet operators, including auto leasing companies and rental agencies where there are a substantial number of vehicles involved. These fleet operators time their purchases and registrations to avoid payment of local property taxes.



State of Connecticut
GENERAL ASSEMBLY
STATE CAPITOL
HARTFORD, CONNECTICUT 06115

Fleet operators remove the majority of their vehicles from the road a short time before the assessment date, leaving a skeleton fleet to operate in the interim, and then register the new vehicles a short time after the assessment date, thus avoiding the tax. Since most of their vehicles are of the current model year, they would be assessed at a higher value than older vehicles and thus their avoidance of the tax results in a substantially higher loss in revenue than that of the average individual operator. This loss is estimated to be well over \$1 million annually.

HB3271 would provide for a state-wide equalized assessment for property tax applied to motor vehicles to be pro-rated on a one-twelfth or twelve month basis, and to be collected by the State Tax Department at the Department of Motor Vehicles. This would insure the payment of the tax on all vehicles, prevent huge losses in revenue, and remove the administrative burden from the towns.

H-118

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 11
4831-5162**

Friday, June 4, 1971

11.

concerning open air theaters, shopping centers on State highways, File No. 1492. Calendar No. 1315, Substitute for H.B. No. 6260, an Act concerning proposed Amendments to the Constitution, File No. 1496. Calendar No. 1317, Substitute for H.B. No. 6316, an Act concerning the registration of commercial motor vehicles, File No. 1483. Calendar No. 1319, Substitute for H.B. No. 6420, an Act concerning the authority of the Commissioner of Motor Vehicles to make regulations and certify equipment in the interest of public safety, File No. 1498. Turning to Page 3, Calendar No. 1321, Substitute for H.B. No. 6444, an act concerning approval of motor vehicle equipment, File No. 1460. Calendar No. 1326, H.B. No. 6564, an Act concerning the classification of forest land, File No. 1491. Calendar No. 1327, Substitute for H.B. No. 6573, an Act concerning erasure of Circuit Court arrest and conviction records, File No. 1484. Calendar No. 1335, H.B. No. 7321, an Act concerning payment for preparation of preliminary school building plans, File No. 1490. Calendar No. 1336, Substitute for H.B. No. 7596, an Act concerning license plates on motorcycles, File No. 1454. Calendar No. 1340, H.B. No. 8127, an Act concerning the sessions of the Board of Admissions, File No. 1465. Turning to Page 4, Calendar No. 1342, Substitute for H.B. No. 8271, an Act imposing an interim tax on motor vehicles registered between assessment dates, File No. 1474. Calendar No. 1343, Substitute for H.B. No. 8467, an Act concerning real estate licenses, File No. 1443. Calendar No. 1345, H.B. No. 8612, an Act permitting Constables in small towns to make arrests outside their jurisdiction in fresh pursuit cases, File No. 1472. Calendar No. 1346, H.B. No. 8690, an Act concerning the

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S-82
CONNECTICUT
GENERAL ASSEMBLY

SENATE

PROCEEDINGS
1971

VOL. 14
PART 7
2874-3413

June 9, 1971

Page 74

File 1186; Cal. 643, House Bill 6904, File 1582; Cal. 1150, House Bill 7901
File 1342; Cal. 1192, House Bill 7148, File 1334; Cal. 1204, House Bill 7256
File 1393; Cal. 1214, House Bill 7014, File 1423; Cal. 1226, House Bill 8914
File 1073; Cal. 1257, House Bill 7048, File 1464; Cal. 1262, House Bill 8271
File 1474; Cal. 1267, House Bill 9020, File 1457; Cal. 1271, House Bill 5049
File 1628; Cal. 1272, House Bill 5415, File 1632; Cal. 1273, House Bill 5627
File 1616; Cal. 1274, House Bill 5709, File 1630; Cal. 1275, House Bill 5714
File 1575; Cal. 1276, House Bill 5834, File 1569; Cal. 1277, House Bill 5938
File 1585; Cal. 1278, House Bill 6210, File 1627; Cal. 1279, House Bill 6367
File 1565; Cal. 1280, House Bill 6561, File 1555; Cal. 1281, House Bill 6674
File 1586; Cal. 1285, House Bill 7077, File 1556; Cal. 1287, House Bill 8272
File 1566; Cal. 1289, House Bill 8578, File 1579; Cal. 1290, House Bill 8799
File 1640; Cal. 1293, House Bill 9246, File 1638; Cal. 1294, House Bill 9256
File 1637; Cal. 1295, House Bill 9001, File 737; Cal. 629, House Bill 7642
File 638; Cal. 721, House Bill 7802, File 1127; Cal. 755, House Bill 8761
File 773; Cal. 802, House Bill 8658, File 906; Cal. 964, House Bill 6197
File 1359; Cal. 975, House Bill 7609, File 876; Cal. 990, House Bill 8561
File 1172; Cal. 1041, House Bill 9196, File 1232.

Mr. President, I move for the adoption of all those bills, I move for suspension of the rules, first of all, for consideration of those which were not single starred or were not double starred rather.

THE CHAIR:

All those in favor of suspension of the rules indicate by saying, "aye"
All those opposed? Suspension is granted.

SENATOR CALDWELL: