

Legislative History for Connecticut Act

HB 5069	PA 321	1975
Senate: 2156-7		(2)
House: 3270-72		
3581-89		(12)
Finance: 403-404		(3)
409		
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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1975

VOL. 18
PART 5
2056-2023

May 19, 1975 C.G.C. 78

Senator Martin.

SEN. MARTIN:

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

THE CHAIR:

Will you remark?

SEN. MARTIN:

This changes the library committee from the state level to a library board. Most of this bill deals only with that change. The other change comes in section 1, sub-section a. Under the new language of this provision an inter-agency library planning committee will be established. There is no cost involved. The planning committee is to serve without compensation or reimbursement. If there's no objection, I move that this be placed on the Consent Calendar.

THE CHAIR:

Hearing no objection, so ordered.

THE CLERK:

Calendar number #742 files number #632 and 787 favorable report joint standing committee on Finance, House Bill 5069 AN ACT CONCERNING ASSESSMENT OF REAL ESTATE IN THE NAME OF THE LESSEE UNDER CERTAIN LEASE ARRANGEMENTS, as amended by House Amendment Schedule A.

THE CHAIR:

Senator Beck.

SEN. BECK:

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Mr. President I move acceptance of the committee's favorable report.

THE CHAIR:

Will you remark?

SEN. BECK:

Mr. President, this piece of legislation is designed to permit those people who are leasing and who are paying taxes on that leased property to be enrolled in the towns in which they are living or carrying out their activities, in accord with the same kind of treatment that we give to owner owned property. And the Finance Committee felt that this is a particularly positive step to be taking, and therefore recommends passage of the legislation, and placement on the Consent Calendar.

THE CHAIR:

As amended by House Amendment Schedule A. Hearing no objection, so ordered.

THE CLERK:

Calendar #744, file #655 favorable report joint standing committee on General Law, on House Bill 7073 AN ACT CONCERNING CONTROLLED SUBSTANCES.

SEN. CICCARELLO:

Mr. President.

THE CHAIR:

., Senator Ciccarello.

SEN. CICCARELLO:

Mr. President, I move acceptance of the committee's favor-

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HOUSE

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1975

SPECIAL SESSION

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3026-3513

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Is there objection? Hearing none, the matter is retained.

THE CLERK:

Calendar 841. House Bill 5069. AN ACT CONCERNING ASSESSMENT OF REAL ESTATE IN THE NAME OF THE LESSEE UNDER CERTAIN LEASE AGREEMENTS. Committee on Finance.

THE SPEAKER:

The gentleman from the 10th, Representative Timothy Moynihan.

REP. MOYNIHAN (10th):

I move acceptance of the Joint Committee's Favorable Report and passage of the Bill.

THE SPEAKER:

Question is on acceptance and passage. Will you remark?

REP. MOYNIHAN (10th):

Yes. This is a Bill that merely is a technical change to Section 12-64 of the General Statutes. It merely adds the name of the owner of a private residence to the assessment roles where formerly his or her property was listed under the name of the landowner. This by the way, is consistent with the practice that many towns have carried on for many, many years and this would just clarify what is a basic inequity in the current Assessment Law.

THE SPEAKER:

Will you remark further on the Bill? If not....the gentleman from the 119th, Representative Gerald Stevens.

REP. STEVENS (119th):

Mr. Speaker, I have several points I'd like to have clarified on this Bill. Through you, in a situation wherein the lessee causes such an improvement to be made pursuant to the terms of the lease, and it is

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in fact a removable improvement, such as a removable building, what if the building is removed by the lessee who is responsible for the taxes? Do the municipalities still have the right to lien the land for the separate improvement that stood in the name of the lessee?

THE SPEAKER:

The gentleman care to respond?

REP. MOYNIHAN (10th):

Through you Mr. Speaker. That's a legal question that I wouldn't purport to rule on. As I would understand it, it would, the removable property would have to be the liened item and that's consistent with what really happens where inequity rises. You currently have leased land on which a mobile home is situated. The mobile home is leased and the land, in the name of the owner of the mobile home, and the land is listed in the name of the land owner. This is a current inequity where if a person owns a private residence on leased land, he's not in any fashion listed on the assessment roles.

THE SPEAKER:

The gentleman from the 119th has the floor.

REP. STEVENS (119th):

Through you Mr. Speaker. On line 45 where it indicates buildings or other improvements shall be separately assessed, through you, are you satisfied that the municipality could effectuate a lien for back taxes on solely the land, if a building were in fact, removed?

THE SPEAKER:

The gentleman from the 10th care to respond?

REP. MOYNIHAN (10th):

Through you Mr. Speaker. I don't believe that the town would have control because with a State wide building code, the structure could

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not be removed without the approval of the community in which it was involved. As a practical matter, what this Bill would accomplish, has been the way that many, many towns have assessed the properties for many years. One community in particular has assessed them for thirty years this way, regardless of the, of the way the current assessment law reads.

THE SPEAKER:

The gentleman from the 119th.

REP. STEVENS (119th):

Through you, but does not the current law provide a lien on the entire parcel and not authorize any separation in terms of improvement? Under the current Statute?

REP. MOYNIHAN (10th):

Yes.

THE SPEAKER:

The gentleman from the 119th.

REP. STEVENS (119th):

Through you Mr. Speaker. I would request this matter be passed temporarily, to the gentleman reporting the Bill out.

REP. MOYNIHAN (10th):

I would have no objection.

THE SPEAKER:

Is there objection to the matter being passed temporarily?
Hearing none, the matter is passed temporarily.

THE CLERK:

Page 6. Calendar 842. Substitute for House Bill 5213. AN
ACT CONCERNING DISTRIBUTION OF STATE AID FOR OCCUPATIONAL TRAINING PROGRAMS.
Committee on Education.

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
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PART 8
3514-4040

H use of R representatives

Wednesday, May 14, 1975

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The Clerk please announce the tally.

THE ASSISTANT CLERK:

Total Number Voting.....	132
Necessary for Passage.....	67
Those Voting Yea.....	132
Those Voting Nay.....	0
Those Absent and Not Voting.....	19

THE SPEAKER:

The bill as amended is PASSED.

THE CLERK:

Calendar No. 837, H.B. No. 8546, An Act Unmandating Established and Budgeted State Functions, File No. 620.

MR. O'NEILL (34th):

Mr. Speaker, I move that that bepassed retaining its place on the Calendar.

THE SPEAKER:

Is there objection? Hearing none, the matter is retained.

THE CLERK:

Page 5 of the Calendar, Calendar No. 841, H.B. No. 5069, An Act Concerning Assessment of Real Estate in the Name of the Lessee Under Certain Lease Agreements, File No. 632.

MR. MOYNIHAN (10th):

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

THE SPEAKER:

Question is on acceptance and passage. Will you remark?

MR. MOYNIHAN(10th):

I believe the Clerk has an amendment, LCO No. 9376.

THE SPEAKER:

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Does the gentleman care to have the Clerk read House "A" or does he care to summarize?

MR. MOYNIHAN (10th):

The Clerk can read.

THE SPEAKER:

The Clerk please read.

THE CLERK:

House "A" offered by Mr. Moynihan of the 10th District.

In line 37, following the word "LAND" insert the following: "USED FOR RESIDENTIAL PURPOSES"

In line 47, following the word "LESSEE" and before the period insert the following: "PROVIDED SUCH SEPARATE ASSESSMENT SHALL NOT ALTER OR LIMIT IN ANY WAY THE ENFORCEMENT OF A LIEN ON SUCH REAL ESTATE IN ACCORDANCE WITH CHAPTER 205, FOR TAXES WITH RESPECT TO SUCH REAL ESTATE INCLUDING SAID LAND, STRUCTURES, BUILDINGS OR OTHER IMPROVEMENTS"

MR. MOYNIHAN (10th):

Mr. Speaker, I move passage of the amendment.

THE SPEAKER:

Question is on adoption of House "A". Will you remark, sir?

MR. MOYNIHAN (10th):

The amendment, I believe, meets the objections and questions that were raised previously. It's a good amendment. It makes a good bill better.

THE SPEAKER:

Will you remark further on House "A"?

MR. CAMP (111th):

Mr. Speaker, as I understand the amendment, then a piece of personal property which is--or leased property which is upon this land would in some way

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affix the tax obligation to the owner of the land. Is that correct, through you please a question to the proponent of the amendment.

THE SPEAKER:

Does the gentleman from the 10th care to respond?

MR. MOYNIHAN (10th):

Yes, it would, as it currently does under the current law under these types of lease agreements.

MR. CAMP (111th):

Thank you. Mr. Speaker, through you please, a second question.

THE SPEAKER:

Please state your question, sir.

MR. CAMP (111th):

Would the provision about the lessor of land then if there was a lien filed would that lien then be filed against the real property if the taxed remained unpaid?

MR. MOYNIHAN (10th):

Yes, it would as it is now.

THE SPEAKER:

The gentleman from the 111th has the floor.

MR. CAMP (111th):

Could you suggest that language in the amendment which requires the tax collector to lien the real property?

MR. MOYNIHAN (10th):

I believe the amendment reflects that language.

THE SPEAKER:

The gentleman from the 111th has the floor.

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MR. CAMP (111th):

We rely heavily on legislative history and I think we will here. Thank you very much.

THE SPEAKER:

Will you remark further on the amendment?

MR. DICE (89th):

Mr. Speaker, I have a further question of the proponent of the amendment.

Just one--

THE SPEAKER:

Excuse me, sir. The Chair is very much aware of the fact that it's been a long and arduous day. The Chair would respectfully request that you give attention each to the other. The Chair is having difficulty hearing members.

MR. DICE (89th):

Mr. Speaker, through you a question to the proponent of the amendment. If the lien attaches to the reality, does the lien also attach to the property that is removed?

THE SPEAKER:

Does the gentleman care to respond?

MR. MOYNIHAN (10th):

I don't understand the question, Mr. Dice. What property that's removed?

MR. DICE (89th):

Is it my understanding that part of this amendment was based on the arrangement where you had mobile homes on property that was leased and the mobile home then would be assessed because the leased facility then removed or am I incorrect in that respect?

MR. MOYNIHAN(10th):

Through you, Mr. Speaker, no this in no way relates to any change in the

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procedure for assessment of mobile homes.

THE SPEAKER:

The gentleman from the 89th has the floor.

MR. DICE (89th):

A further question then. If the leased property is removed from the real estate, is the leased property also assessed or is it just real estate that's assessed under your amendment?

THE SPEAKER:

Does the gentleman care to respond?

MR. MOYNIHAN (10th):

I'm not clear as to what that question is, Mr. Dice.

MR. DICE (89th):

Is it my understanding that part of the problem that this amendment is designed to correct is when you have leased property on a real property and then the leased property is removed and is it my understanding your response to Rep. Camp's question that the lien would attach then to the real property, is that correct?

MR. MOYNIHAN (10th):

Through you, Mr. Speaker, this in no way deals with leased property affixed to real property. I frankly have difficulty following the thrust of your question, Mr. Dice.

THE SPEAKER:

The gentleman from the 89th has the floor.

MR. DICE (89th):

May I question then, what kind of property does it apply to under Mr. Camp's arrangement then?

MR. MOYNIHAN (10th):

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Through you Mr. Speaker, it deals with permanent single family homes or residences that are constructed on leased land.

MR. DICE (89th):

Is there a, in the follow-up question, is there assessment then beside it being on the land against the permanent structure that's on the land?

MR. MOYNIHAN (10th):

Yes, there is, and under the proposed bill as amended, the assessment for that residential structure would reside in the name of the owner of the residential structure, the assessment for the land would reside in the owner of the land.

MR. DICE (89th):

Through you Mr. Speaker, does that mean then that if there was a total land and structure assessed at \$14,000 with the real property was assessed at \$4,000 and the structure assessed at \$10,000 that the assessment would be split in between the real property and the structure, and thus placed against each proportionately?

MR. MOYNIHAN (10th):

Through you, Mr. Speaker, the assessors now establish a separate value for the land and the structures and they would assign the amount that they have so assessed against those particular parties.

MR. DICE (89th):

Just to clarify it then. So there would be assessment as to the structure against the owner or the lessor of the structure--the lessee of the structure and the real estate against the owner of the real estate.

THE SPEAKER:

Does the gentleman care to respond?

MR. MOYNIHAN (10th):

Through you, Mr. Speaker, yes, as is now commonly done in the State

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MR. DICE (89th):

Thank you, Mr. Speaker.

THE SPEAKER:

Will you remark further on House "A"? If not the question is on its adoption. All those in favor will indicate by saying aye. Opposed? House "A" is ADOPTED. The Chair rules it technical. Will you remark further on the bill as amended?

If not, will the members please be seated, the staff come to the well.

MR. CAMP (111th):

Mr. Speaker, through you please a question to the proponent of the amendment.

THE SPEAKER:

Please frame your question.

MR. CAMP (111th):

Yes. When we get through with this bill, as it's amended, as I understand it, the assessment for the movable leased property will be in the name of the individual who has leased that property and who's owner of the leased property. Is that correct?

THE SPEAKER:

Does the gentleman care to respond?

MR. MOYNIHAN (10th):

Through you Mr. Speaker, I believe you asked the question now, it is incorrect. The value of the underlying land would be assessed in the name of the landowner; the value of the structures affixed to that land would be recorded in the name of the owner of the structures or the lessee.

MR. CAMP (111th):

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Yes, through you Mr. Speaker, that was what I thought was the case. Then the tax collector from the town will get from the assessor, again through you please a question, on the grand list of the town will send out a bill to the owner of the leased structure in so far as the leased structure value is concerned. Is that correct?

MR. MOYNIHAN (10th):

Through you Mr. Speaker, that is correct.

MR. CAMP (111th):

Thank you, finally I think we're getting there.

MR. MOYNIHAN (10th):

I hope so sir.

MR. CAMP (111th):

So do I. Then the owner of the land will nevertheless be liable for the taxes if the owner of the leased structure does not pay them, is that correct?

MR. MOYNIHAN (10th):

Through you, Mr. Speaker, that is correct. That is as it now is. The amendment that we just adopted was worked out jointly between myself and the Minority Leader. We wanted to give the--have the towns retain the right to continue to lien the land for the total liability of the taxes as is now currently the case.

MR. CAMP (111th):

Thank you. Through you please, a further question. Will the owner of the land be in some way notified of the fact that he is responsible for taxes prior to the time when he winds up with a lien on his property for somebody else not having paid those taxes, who properly should have paid those taxes?

MR. MOYNIHAN (10th):

Through you Mr. Speaker, I believe the normal procedure in the local

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communities would be so notified the owner of the land prior to liening. This would in no way increase his liabilities. He's currently liable. He would continue to be liable.

THE SPEAKER:

The gentleman from the 11th has the floor.

MR. CAMP (11th):

No further questions.

THE SPEAKER:

Will you remark further on the bill as amended? Will you remark further? If not, will the members please be seated and the staff come to the well. The machine will be open. Have all the members voted and is your vote properly recorded? If so, the machine will be closed and the Clerk will take a tally.

THE ASSISTANT CLERK:

Total Number Voting.....	134
Necessary for Passage.....	68
Those Voting Yea.....	124
Those Voting Nay.....	10
Those Absent and Not Voting.....	17

THE SPEAKER:

The bill as amended is PASSED.

MR. O'LEARY (60th):

Mr. Speaker.

THE SPEAKER:

For what purpose does the gentleman rise?

MR. O'LEARY (60th):

Mr. Speaker, I would request that the Journal note that Rep. Truglia is out of town on legislative business.

THE SPEAKER:

JOINT
STANDING
COMMITTEE
HEARINGS

FINANCE
PART 2
357 - 655

1975

FINANCE COMMITTEE

PRESIDING : Representative James Clynes, Chairman
Senator Louis S. Cutillo, Vice Chairman

COMMITTEE MEMBERS PRESENT

SENATORS: Cutillo

REPRESENTATIVES: Clynes, Martin, Kemler, Tanger, Fox,
Mercier, McGuirk

REPRESENTATIVE JAMES CLYNES: I'd like to call this Public Hearing the Finance Committee to order. And we'll start right off with the Legislative portion of it. And the first Legislator to speak, Tim Moynihan.

REP. TIMOTHY MOYNIHAN: Thank you Chairman Clynes and Members of the Committee. I'll be very brief. There are people with expertise concerning this Bill who will speak under the public portion. And speaking on Bill #5069 which is just a technical correction to the Assessment Law. Under 1910 or 1911 case, owners of buildings on leased land were exempted from being under the Assessment Law. Since that time we've had proliferations of other types of uses and assessment procedures which certainly begated the situation that were perhaps the case in 1911. This would simply allow those that own residential dwellings or buildings that are on leased land the rights to be included as a matter of assessment. In certain communities that have Town Meetings this would also extend them the rights to vote on financial matters within those communities. I'll defer to a little bit later on in the meeting where a representative of an area that is particularly effected will speak. But it's merely a technical correction, it's not in any way a substantial change to the Assessment Law. I also have a copy, you don't have a fully drafted Bill, I do have a copy of the language that will appear in that drafted Bill which I'll leave with you. That I talked to the people down in the Legislative Commissioner's office, they fully agree with the change. In fact thought that this is the way it was anyway. This is the language which I imagine you'll be seeing in your Proposed Bill. But I'll leave it with you now. Thank you very much.

REP. CLYNES: Okay , thank you. Senator Page.

SENATOR STANLEY PAGE: Thank you Mr. Chairman. My name is Senator Stanley Page from the 12th District. And I would also like to ithel the thoughts of my colleague's from Wallingford, Representative McCluskey, Representative DeZinno and Representative

FINANCE COMMITTEE

SENATOR STANLEY PAGE: (CONTD.) Grasser. We would support Proposed Bill 5321, and I have a prepared statement that I will leave with the Committee, but in essence this Bill repeals the Gross Earnings Tax presently being assessed by the State of Connecticut against municipally-owned utility companies. And just a few points that I'd like to make.

The municipal utilities are owned by the citizens of the State of Connecticut, who reside in the towns involved. And I believe there are 5 municipally owned utilities in the State of Connecticut, Groton, Jewett City, Norwalk, Norwich and Wallingford. And this tax I believe is a tax by one governmental entity against another governmental entity. In other words we don't tax our municipal fire departments, our municipal school systems or our municipal police departments. Now I realize that there is an expensive price tag on this and I recognize fully the financial situation on the State of Connecticut. Therefore I would propose rather than a total repeal this year which would amount to somewhere \$1.2 million and \$1.5 million that maybe perhaps we could consider a 5 year plan, a 10 year plan or at least a Study Committee to look into this matter to determine the exact effect of repealing this municipally owned tax. I also think and I know the Bill says Water Companies, I do not believe that the State of Connecticut now has a Gross Receipt Tax on municipally owned Water Companies. And I know that when you have a private utility that they are allowed to make a . . . profit in return to their investors. Municipally owned Utility Companies do not return a profit to the investor if there's a deficit. Then citizen's of the town must make up that deficit. If there's a profit then it's returned to them in the form of lower rates. And I think, I know that in the case of Wallingford, I don't have the exact figures, the rate is somewhat lower because the efficiency that they have in their municipally owned Utility Company, and I'm sure that if you were to check the other ones, the situation would be the same. As I say I have a prepared statement that I will leave with you. And if you have any questions I will be glad to answer them.

REP. CLYNES: Any questions? Thank you. Senator Smith. James O' Connor.

REP. C'CONNOR: Thank you Mr. Chairman. REpresentative O'Connor from the 50th District. I just want to speak very briefly on 5069, in favor. This would give people, specifically in my town of Killingly where we have a large body of land, a large body of water with the land being owned by one land owner all around it. And another of these cottages would give them the right to vote in Town Meetings and Matters and Finance . Many of them do pay a large amount of taxes in the area and it would afford them rights that other citizens in the area do. This was a law passed in 1911, as Representative Moynihan mentioned. And I think it is quite an enequitable at this time. Any questions I would be more than happy to answer them.

REP. CLYNES: I guess not. Thank you very much. Senator Houley.

SENATOR CUTILLO: (CONTD.): On revenue loss?

COUNCILMAN CARBONE: I doubt that there'd be any revenue loss right now because I doubt any new non-profit housing starts have taken place. I think they'd be almost zero. You know, not unless you're talking about 2 or 3 o'clock.

SENATOR CUTILLO: Very minimal, anyway.

REPRESENTATIVE CLYNES: Mr. Howard Flora.

MR. HOWARD FLORA: Mr. Chairman, and Members of the Finance Committee, I wish to speak in favor of Bill 5069 on which Representative Moynihan and Bill O'Connor spoke favorably earlier.

My name is Howard Flora. I am President of the Tynning Buyer District, called the Latimer Point District in the Town of Stonington, Connecticut. Latimer Point is a summer community with 75 cottages occupying approximately 25 acres of leased land on Fisher's Island Sound. In addition, home owners lease land from the Latimer Point Company, which owns the land. Until 1970, cottages on Latimer Point were on the tax list of the Town of Stonington. Then the town took the cottages off the tax list due to a suggestion by Connecticut State Tax Department Auditor in reference to a 1911 court ruling, requiring that in the case of cottages located on leased land, the owner of the land is responsible for the taxes on the cottages. Due to this change in the town's tax listing, the cottage owners on Latimer Point lost the voting rights of non-resident property owners, which they had held for approximately 30 years. Now to lose voting rights means more than just the right to vote at financial town meetings. It also involves the right to acquire building permits, the rights of appeal to zoning boards of appeal, the right to appeal to board of tax review, the right to veteran's exemptions, the right to petition, and probably even the right to organize and maintain a fire district.

Now, I'm not saying that the people of Stonington has denied us access to appropriate officers for some of the above areas of rights, but we have lost the rights involved. The 1911 law decision involved the problem of the Town of Waterford, collecting taxes from owners of 4 cottages, who lived out of state. In those days to collect taxes from the local land owner to insure tax collection was probably a sound procedure. Today, such a procedure is not necessary. Towns tax thousands of property owners, who do not reside in the towns, and much of the property is easily moveable and valuable, as in the case of boats and trailer homes. A cottage on leased land is certainly comparable to these forms of property on tax collectability. In judging from the fact that the Town of Stonington never lost a dime in 35 years of taxing cottage owners on Latimer Point, the chances of tax collection on cottage properties is undoubtedly higher than on trailers or boats or even homes, permanent homes. There is no good reason apparent why cottages on leased land should be an exception to the usual taxing procedures for personal property. The laws should be that cottage owners pay their tax for their property. The land owner should pay his tax for his property.