

Legislative History for Connecticut Act

SB 396	PA 498	1977
House - 5496 - 5497		2
Senate - 2943		1
State & Urban Development - 10-11, 22-29, 32		11

**LAW/LEGISLATIVE REFERENCE  
DO NOT REMOVE FROM LIBRARY**

14p.

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate  
and House of Representatives Proceedings

Connecticut State Library

Compiled 2014

H-194

CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
1977

VOL. 20  
PART 13  
5235-5673

House of Representatives

Wednesday, June 1, 1977

31  
MFD

REP. LAVINE:

Mr. Speaker, during the discussion of the amendment we have touched on much of the bill. I think that the only additional point to note on the bill is that there is a second section which extends Public Act 76-409 to allow an exemption for solar electrical generating systems which are wind mills, water wheels and photovoltaics in section 2 starting at line 49. In general, I think we can summarize by saying that this is a step forward to allow a community to grant that portion of the solar system which is used for the generation of either space heating or that portion which is used for the generation of electrical heat if it's a residence, space heating if it's a business or industry to get property tax relief, if the town so deems, for that portion of the system and only that portion of the system which is either generating the heat or the electricity. I think this an important step forward and I would urge us all to adopt it.

THE SPEAKER:

The gentleman from the 5th.

REP. CARRAGHER:

Mr. Speaker, may this bill be passed temporarily?

THE SPEAKER:

Is there objection? Hearing none, it is passed temporarily.

THE CLERK:

Page 4 of the Calendar. (END OF TAPE #5) Calendar No. 1321, File No. 1133, Substitute for S.B. 396. AN ACT CONCERNING GRANTS IN LIEU OF TAXES ON STATE OWNED PROPERTY. Favorable report of the Committee on Appropriations.

House of Representatives

Wednesday, June 1, 1977

32

MFD

(TAPE #6)

THE SPEAKER:

The gentleman from the 84th, Benjamin DeZinno.

REP. DeZINNO:

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

THE SPEAKER:

The question is on acceptance and passage. Further remarks?

REP. DEZINNO:

Mr. Speaker, this is another bill/interlaces itself with which the budget package which the General Assembly passed approximately two weeks ago. It's in place in the Budget and it costs exactly 3.2 million dollars. I move for its passage.

THE SPEAKER:

Will you remark further on the bill? If not, will the members be seated, the staff come to the well and the machine will be opened. Have all the members voted? Is your vote properly recorded? If so, the machine will be locked and the Clerk will take a tally. Will the Clerk please announce the tally?

THE CLERK:

Total Number Voting.....150

Necessary for Passage..... 76

Those Voting Yea.....145

Those Voting Nay..... 5

Absent and Not Voting..... 1

THE SPEAKER:

The bill is PASSED.

S-126

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1977

VOL. 60  
PART 1  
S-126-1000

## SENATE

WEDNESDAY

MAY 25, 1977

98  
LFU

THE CHAIR:

Hearing no objection, the matter is ordered to the Consent Calendar.

THE CLERK:

Calendar 1035 I have now marked passed retaining. We'll go on to Calendar 1036, File 1133, Favorable Report of the Joint Standing Committee on Appropriations, Substitute for Senate Bill 396, AN ACT CONCERNING GRANTS IN LIEU OF TAXES ON STATE OWNED PROPERTY.

THE CHAIR:

Senator Cloud.

SENATOR CLOUD:

Mr. President, I move acceptance of the Committee's Favorable Report and passage of the Bill.

THE CHAIR:

Will you remark further, Senator?

SENATOR CLOUD:

Yes, Mr. President, this Bill would remove the inequity of the \$600,000 CAP, as it's commonly called that any one town may receive as a grant in lieu of tax on State owned property. If there is no objection, Mr. President, I move that this Bill be placed on the Consent Calendar.

THE CHAIR:

Hearing no objections, so ordered.

THE CLERK:

On page nineteen of the Calendar, Calendar 1037, File 1135, Favorable Report of the Joint Standing Committee on Appropriations, Senate Bill 1330, AN ACT CONCERNING THE USE OF DAILY LOTTERY GAME RECEIPTS.

JOINT  
STANDING  
COMMITTEE  
HEARINGS

STATE &  
URBAN  
DEVELOPMENT

1977  
INDEX

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

We did reach a compromise which would allow the Department of Environmental Protection, at its discretion, to use an additional 10% for development purposes and that is the way the Statute presently reads. I hope the Department of Environmental Protection will see fit to support the bill at this session.

House Bill 5663 which is AN ACT CONCERNING REPRESENTATION ON REGIONAL PLANNING AGENCIES, I am here to oppose. Presently our regional planning agencies are relatively loose confederations where towns band together on a voluntary basis. Each town generally has one representative. In some of our more urban areas, they have several representatives but the majority of the regional planning agencies throughout the State have a single or possibly two representatives from each town. My concern is that if we impose a statute that requires proportionate representation on these regional planning agencies many of the smaller towns who have voluntarily associated themselves with these regional planning agencies to solve common problems will simply feel that they have been overpowered by the larger communities and will just walk away from a planning agency which in my opinion has been very helpful throughout the State. While I recognize that we are getting into some areas that are dealing with Federal funding that may necessitate a different type of representation, I would caution this Committee to move very carefully on this proposed legislation because I think it would do serious harm to many of the regional planning agencies that we have in this State. I happened to visit a regional planning agency in my district which held its monthly meeting last night and that is the Connecticut Overestuary Planning Agency and they instructed me to come to this hearing today to voice their opposition and to let this Committee know that they have gone on record opposing Bill 5663.

The final bill that I would like to speak on is Senate Bill 396 which is AN ACT CONCERNING GRANTS IN LIEU OF TAXES ON STATE OWNED PROPERTY. I think that this Committee would do well to consider this positively to let the \$600,000 ceiling that presently is imposed on certain of our towns in lieu of taxes in that they be granted the full amount of tax abatement that this statute calls for. I would like to know if this Committee has been able to get a fiscal note as to how much lifting that ceiling would cost the State?

SENATOR CLOUD: Senator, in response to your question, the Committee has not yet sought an official fiscal note from the Office of Fiscal Analysis but we do have some indication as to how much the towns would benefit from this particular

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

bill; mainly Hartford, New Haven and Bridgeport and I believe the figure is around \$3 million that we would be having to appropriate in terms of additional funds to those cities.

SENATOR SCHNELLER: These funds would come from the State of Connecticut.

SENATOR CLOUD: That is correct.

SENATOR SCHNELLER: Well I would urge this Committee to give serious consideration and put a favorable on this bill. I think that these larger cities certainly need these additional funds as well as many of our smaller cities need this program to help them with their current expenses.

SENATOR CLOUD: Any questions of Senator Schneller on any of these bills that he has spoken in favor of or against? Thank you very much.

SENATOR SCHNELLER: Thank you.

SENATOR CLOUD: We will now hear from Representative Patricia Hendel.

GARY DEANE: Members of the Committee, my name is Gary Deane, Trinity Legislative Intern for Representative Patricia Hendel of the 40th District. Representative Hendel regrets that she is unable to appear before your Committee today but she is chairing a hearing in Room 411 for GAP. She has requested that I make this brief statement for her in support of Proposed Bill No. 401.

"I support this effort to increase the amount of state-administered federal funds available to municipalities for development purposes from the minimum of ten percent now provided under the statutes to 30%. New London contains a total of 6.2 square miles. 92% of all of its land is developed. It has the fifth highest density of population in the State of Connecticut trailing behind only the much larger cities of Hartford, New Haven, Bridgeport and New Britain. Its needs for park and recreation site development are acute. With only 8% developable land in a city with 52% of its property tax-exempt, the present statute does not meet the needs of the community. Revision of the statutes as proposed in this bill would go a long way towards meeting the needs of this land-poor, densely populated community. Thank you for your attention.

SENATOR CLOUD: Any questions of members of the Committee? Thank you very much. Senator Madden.

SENATOR PATRICK MADDEN, 14th District: I come this afternoon to speak to the Committee concerning three bills

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

WILLIAM DiBELLA: Thank you Mr. Chairman. For the records, my name is William DiBella. I am the Deputy Mayor of the City of Hartford. I am here representing the City in that capacity.

I am here to speak on basically two bills. The first bill deals with - there are several of them - Bill 396, 7175 and 6350. All bills pertain to the same topic, that is, the removal of the tax on the payments in lieu of taxes to towns, cities and municipalities. The basic restriction comes down heaviest on the larger cities in the State of Connecticut. Under the formula that has been purported by the legislation, it is comprised of the city's tax levy divided by the statewide grand levy times the assessible value of state-owned property less highways and bridges times the \_\_\_\_\_ of that specific city or town or borough that you are dealing with times ten.

The problem in the legislation in terms of equity they maintain a \$600,000 cap. Under this cap, the City of Hartford can receive no more than \$600,000. In terms of assessible property in the City of Hartford, the State of Connecticut has roughly in our assessed value of this fiscal year some \$76 million worth of non-taxable property.

SENATOR CLOUD: Would you give me that figure again?

WILLIAM DiBELLA: \$76 - excuse me, \$74 million, which if taxed on our 79 mill rate it would yield some \$5,680,436. Under the State formula which differs because of the way the structure under the legislation, it would come out to some \$4,173,925. if in fact legislation was adopted and the cap was taken off the legislation. That would enable the City of Hartford to collect the amount of money that this non-taxable property now defers us to restrict us under the legislation. Instead of receiving the \$4 million, we are only entitled to some \$600,000. Now to add insult to injury, the State of Connecticut, because \_\_\_\_\_ in its wisdom, has paid us a level of \$545,000. The State right now isn't even paying us for the cap which this legislation calls for but, in fact, is paying us \$545,000. That was the receipt to the City of Hartford in fiscal year 1976.

I think that the inequities in terms of legislation are quite obvious. I think when you take the City of Hartford with a grand list that tops a billion dollars of which 40% of that grand list is non-taxable, those areas of schools, public buildings, state buildings and federal buildings, things of that nature, 40% of the grand list that we can not tax - roughly almost some \$413 million of taxable property, non-taxable properties you can not levy a tax on. You take into consideration the City of Hartford

FEBRUARY 8, 1977

10:00 A.M.

which is a very densely populated area of eighteen square miles, some eighteen square miles, we have a limited access to taxation. That is our basic ability to raise taxes and to pay our operating costs in our budget. We raised some \$79 million every year on our tax list from the City of Hartford to operate the City and a combined budget of somewhere near about \$121 million so almost in excess of 75% of the amount of money we raise comes from the property tax so that the restrictions placed by non-taxable property on the City of Hartford in terms of their ability to raise revenue and income is quite restrictive. I would wholeheartedly support this. I think in terms of equity and fairness the legislation on its merits should be dealt with with the removal of the cap in that legislation.

REPRESENTATIVE BILLINGTON: What reason did the Department of DCA give to Hartford being \$55,000 short?

WILLIAM DiBELLA: Well I believe it was based on the formula that the Department of Community Affairs adhered to in their budget in terms of the amount of dollars that they had. Because of budget restrictions there was a cutback in terms of all payments to municipalities. Obviously, the larger payments to a municipality, the difference would be in terms of payments. With us it is a difference of \$55,000. After that, we have no recourse. Under State Constitution we do not have the right to sue the Department of Community Affairs. We can only sue those agencies, departments or sub-divisions of the State of Connecticut by which the State Legislature enables us to do that. We have legislation in, and we have had it in in prior years, questioning the State Legislature, in their wisdom, provide us with the ability to bring litigation against the Department of Community Affairs.

SENATOR PUTNAM: Mr. DiBella, does the Metropolitan Water District pay taxes?

WILLIAM DiBELLA: The Metropolitan Water District has somewhere in the area of I believe \$26 million worth of non-taxable property and they don't pay taxes on that.

SENATOR PUTNAM: Are they not putting up a brand new building down on Main Street?

WILLIAM DiBELLA: They are putting up a new building of which -

SENATOR PUTNAM: I am just wondering, the only reason I am asking is if you are talking about 40% non-taxable and I understand it is a fairly attractive area right there and you are putting up a non-tax building with a non-tax organization.

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

And I am wondering why you come here and say that you are allowing this to continue. I should think you would send them to East Hartford and let East Hartford have the problem.

WILLIAM DiBELLA: Well Senator, I will address myself to that question. I am quite close to it. I was part of the Metropolitan District Commission. I think there are several reasons. First of all, I think in the Charter of the Metropolitan District, it quite explicitly says that the headquarters of the Metropolitan District should remain in the City of Hartford. I think above and beyond that the Metropolitan District Commission has the responsibility to pay a service charge in lieu of the non-taxable properties. I think you will see that this will be a position taken by the new Metropolitan District Commission and it is presently under consideration. I think that they do have a responsibility to pay a service tax for those services provided by the City.

I think there are also some other reasons. I myself did not vote in favor of the new building. However, I do not have the control of the Metropolitan District. At that time it was the wisdom of the other Commissioners that they proceed with the building so that is basically the issue. It will be taxed for one year because of the relationship with the Bushnell Plaza Development Corporation has in terms of its building it. A lot of that has to do with the problem of the City in maintaining a growth in our grand list and, under the old legislation which gave us a tax assessment agreement to provide for the building of 200 units of apartments on that particular site. We need another \$5 million worth of buildings so that we can get the tax agreement. That is one of the reasons the Metropolitan District was considered favorably by the Court of Common Council in Hartford.

SENATOR PUTNAM: Okay, and one last question. Is not this money that is allotted in lieu of taxes, isn't that money fixed? Because the towns are receiving a percentage of a specific amount of money and if we take off the \$600,000 cap there is going to be a large number of other towns, not including Hartford, Bridgeport, Stamford, who would suck it all out?

WILLIAM DiBELLA: I would say possibly the towns that would impact most would be obviously Hartford because of the tremendous number of state buildings. This only deals with state buildings now. It doesn't deal with federal buildings or any other type of buildings. This is just land owned by the State of Connecticut. Now I would say the greatest build-up or greatest density of state owned buildings would be that in the

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

area of the City of Hartford because we have the Capitol and so many other buildings. I don't think you are going to see - and again I don't have a statistical breakout of the number of buildings, state buildings, which we have statewide which I am sure the Department of Finance could provide you. But the major impact would be in the City of Hartford. There would be impacts in New Haven obviously, in Bridgeport and in other towns who do have state-owned property. But I think what you are talking about is a lion's share of that being the City of Hartford. I am sure Barbara Kennelley may have additional facts in regard to that.

REPRESENTATIVE BILLINGTON: Isn't it true, Mr. DiBella, that there are only two other cities I think in the State that might use more than \$600,000? Bridgeport and New Haven.

WILLIAM DiBELLA: I believe so. I think obviously we are talking about the expenditure of money but I think in terms of equity and the merits of what we are discussing, if the equities are there I think it is obviously going to require additional funding through the Department of Community Affairs with a pilot program.

REPRESENTATIVE PUTNAM: I was just trying to bring out that I thought there was a specific amount of money involved and that the cap was put in there so no one town took all of the money. Not that I am against what you said because I understood that was how it was written.

WILLIAM DiBELLA: Well I believe the rationale probably could have been because at that time like you say there was specific money allocated in terms of the Legislature and that may have been the reason. The same thing under the cap from the instant lottery on disbursements back to the city in terms of the educational grants which flow from the instant lottery. Basically we deal with a fiscal world, fiscal responsibility has got to be exercised at both ends. But I also think we have to deal in terms of equity when we deal with these matters too.

SENATOR CLOUD: I don't deny that fact.

REPRESENTATIVE MAZZOLA: Councilman, I missed the figures. What did you say the difference was between what you did under the present formula and what you would get if this were adopted?

WILLIAM DiBELLA: Well under the present formula, the cap is \$600,000, that is what the Legislature has set as a maximum. In this fiscal year, 1976-77 which we are in now we received a payment of \$545,000 which is below that. Under the formula, and again, this is a formula that I have, there could be a difference

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

I would say it would be no more than this. This is probably the outside number. There are other figures in the formula that the State of Connecticut receives. The State Tax Department will probably be able to give you more precise figures, the way they figure it. We figure it on the same formula, come up with some \$4,073,925. That is what would be paid if the cap was lifted and the figures under the formula were adhered to. That is what we would be paid. I gave another figure of the assessed properties. Here we only have \$71,000. I am using last year's grand list - \$71 million. That would be somewhere in the area of about \$5.68 million so that under the cap, if the cap was taken off under the legislation formula the City of Hartford, instead of \$600,000, supposedly \$600,000, would receive somewhere in the area of \$4 million. That would be an outside number. Again it would be a question as to the figures that I plugged in, the statewide property tax less the property, the statewide city tax levy, and also the statewide grand list levy, whatever those figures were. It wouldn't exceed the \$4 million though.

SENATOR CLOUD: Any other questions?

WILLIAM DiBELLIA: There is one other bill I would like to address myself to and that is Proposed Draft 6473 which deals with AN ACT CONCERNING SHORT TERM BORROWING. Basically what this would do is legislation would be amended to go from three years under short-term borrowing regulation to ten years and the basic reason for this is in the development program or even when you take into consideration any types of development the general problems of raising money are in the front end. And when I say the front end is to prepare a parcel of land, we have condemnation costs; we have demolition; we have utilities; we have the whole gambit of costs; which we program at the front end. We don't receive our money back until we sell that parcel of property so that obviously the resale of some of our -- as we look in hindsight at some of the redevelopment programs we have had in the City of Hartford where we have gone somewhere in the area of an average of about nine to eleven years before we have resold those properties so that funds could be paid off to close out the project as it is.

It also would provide us in terms of a bad market which we have done in the past in terms of going for a long-term commitment on some of our capital projects, it would allow us more than three years to defer short-term payments so that we could go beyond three years to four, five up to ten years. It is basically something that would be at no cost at all or no responsibility in terms of the State of Connecticut to assume the responsibility of the bonding that we would be doing. It would be in conjunction with the charter that we are required

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

to bond certain capital projects in our own charters. This would make it compatible with State legislation by extending it from three to ten. You regulate how long we can roll bonds over and to what extent we can go into the short-term market. It is basically a tool we need to extend out our financing on capital projects. It would not be for the funding of operating budgets which prohibits us under our charter requirement.

SENATOR CLOUD: Any questions of Mr. DiBella regarding that bill? Mr. DiBella, regarding Proposed Bill No. 6473 are the municipalities in favor of this piece of legislation? Have you had any conversations with leadership in other towns and cities?

WILLIAM DiBELLA: I have discussed the matter at financial meetings that we have had with the Connecticut Conference of Municipalities, with some of the fiscal officers and they seem to be in support of it because it is basically a problem that we have in terms of rather than going into a long-term market, I can't see any municipality that would be opposed to having more flexibility in the short-term market. Rather than going out and selling twenty year bonds and being hooked into that for twenty years, it would be wiser to have more latitude in the short-term market where you can convert and move out of that market within a year or two years because every year you would be - you could get out of the market or stay in and extend it over and resell them every year. It is restricted now to three years.

SENATOR CLOUD: Any other questions? Thank you very much.

WILLIAM DiBELLA: Thank you.

SENATOR CLOUD: The next person on the list is Councilman Richard Suisman.

RICHARD SUISMAN: I am Councilman Suisman from the City of Hartford. I am wearing a different hat as I testify today as the Chairman of the Capital Region Council of Governors. Some of you I think are very familiar with it, but essentially it is the 27 towns in this area that have joined together in voluntary groups and this year for the first time we have a legislative caucus to meet with our State Senators and State Reps and area selectmen and councilmen. We have developed a legislative packet or are formulating one right now.

One of the bills we have approved at our steering committee and will vote on Thursday morning relates to the grant in lieu

## STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

of taxes, taking the cap off of it. I sense that by Thursday you will have the strong support, if not unanimous support, of the officials from Greater Hartford. It is true that bill would benefit Hartford greatly, New Haven to a lesser degree and Bridgeport to a minimal degree. I think the facts speak for themselves. Hartford is the capitol city. Councilman DiBella is correct in his figures. I think it is \$71 million of tax exempt property that the State owns in the city and every indication is that that figure is going to continue to increase. It places tremendous burden on the City that is required to provide services-fine, police, roads, streetlights and the like. The cap we feel is artificial and unfair. This is not an handout to the City . It is really a reimbursement for services provided to all of the residents of this State. Most of those facilities, and you will hear later testimony, do not serve Hartford and many of them don't even serve the region. They serve the entire State and if you want to liken Hartford to Washington, D.C., there the Federal Government pays for all the services, all the taxes, all the buildings. Obviously it is not a perfect comparison but I think that is the reason in 1969 the legislation was passed to reimburse municipalities. This legislation recognized the need, based on equity, based on problems in Hartford, New Haven and other municipalities were having. The situation is much, much worse seven years later, more tax-exempt properties, more demands in the municipalities and yet an artificial figure that even last year was not fully funded. DCA, in its wisdom, withheld ten percent of the legislated appropriation so we are talking about, to the City of Hartford, \$2.3 million on top of the \$550 million. New Haven I think would get somewhere less than a million dollars and Bridgeport might get \$60,000 or \$70,000. As I said, that is the facts as they exist. It is not special legislation. We feel it is equitable legislation and by Thursday afternoon I would hope to have the full support of the officials in the region. I'd be glad to answer any questions.

SENATOR CLOUD: Any questions of the Committee? Thank you very much. Councilman Barbara Kennelly.

BARBARA KENNELLY: Councilman Kennelly, from the City of Hartford. I am not going to go through all the facts that Councilman DiBella went through. But I would first of all like to say to State Representative Clyde Billington to give you the direct answer on the appropriations you questioned Billy about. In 1976-77 there was an appropriation of \$3,860,000. (Inaudible) In sitting here, I learned that I have not an up-to-date list. That figure is much higher (inaudible) with the cap on the 12-198 statute. I come here today and will forget my facts and figures and only speak as a representative of the taxpayers of Hartford. When the Senator said "why do you want any more tax-free property," times have changed. We have the Bushnell Memorial. We have three

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

fine hospitals. We have a university. We have a college that is world-wide reknown and we are proud of all these things. However, I think if I give you a few figures to show that the City of Hartford is one-two hundred seventieth of the land in the whole state and within the 18 square miles you have 1/20th of the population of the State of Connecticut.

To bring out the problem we are talking about today, we have one-tenth of all the tax-exempt properties in the State of Connecticut and that is why I feel we have to ask for help now because times have changed. Of course we are proud of our City and we are glad people use these things but the days of carrying the load are over.

The reason I am here speaking in favor of this bill and I didn't know that Councilman DiBella was coming and Councilman Suisman was coming. I am sure we all feel that strongly. I am not a municipal official that feels the State can bail us out as the answer. What I am looking for is legislation in this session that will give us breathing space that will be able to let us run our City in a responsible way until help can come from the Federal Government. Hopefully there will be some new programs and we need these programs drastically. We all know it is the national funds that are going to save the cities at this point.

I also chose to speak in favor of this bill because I feel it is a reasonable request that every city and town be treated equally. And I also have to say that this bill doesn't add any administrative costs and nobody has to change their philosophical mores by voting for this bill.

After hearing Councilman DiBella's figures, I really wonder if the whole 12-19a can be amended, and I only hope in your wisdom if you don't feel you can lift the protocol, you won't shut us out completely. (Inaudible) I thank you very much.

SENATOR CLOUD: Any questions of Councilwoman Kennelly from members of the Committee?

SENATOR PUTNAM: You said a million six is one mil?

BARBARA KENNELLY: No, you are already giving \$600,000. All I am saying is when I see how high now the state-owned property is in the City of Hartford that even if you look at the mil list of the caps, the \$1,600,000 (inaudible)

SENATOR PUTNAM: Thank you very much.

SENATOR CLOUD: The next person on the list is Attorney William Rogers.

STATE AND URBAN DEVELOPMENT

FEBRUARY 8, 1977

10:00 A.M.

SENATOR PUTNAM: So that this should equal the same statute?

WILLIAM ROGERS: Yes, I think the bill does refer to those. It goes on to lay out the procedure generally but that is the same procedure.

REPRESENTATIVE BILLINGTON: Thank you very much. Next, Janet Stason.

JANET STASON: I am Janet Stason speaking for the League of Women Voters of Connecticut. I am here to support on the League's behalf Proposed Bills, Senate Bill 396 and House Bill 7350 concerning grants in lieu of taxes on state-owned property. Both bills have as their purpose the removal of the \$600,000 cap on grants to towns made under the formula of Section 12-19a of the General Statutes.

The League has, for some six years, supported increased aid to towns for property tax relief, for education, for local welfare, and for urban problems. These bills address the question of aid for those communities most in need of these particular kinds of assistance, through the use of the formula made rational by removing the cap.

There is no excuse for the State to place the enormous burden of providing services to state-owned facilities on towns and cities without reimbursing those towns and cities in some way. And when it is most convenient and efficient to centralize functions and facilities, as in cities like Hartford, New Haven and Bridgeport, it obviously means a greater cost to those cities. It is somehow is unfair to reimburse them less - to make it less costly to the State because of the cap.

The cap on PILOT grants seems pegged to a 1971 level. And for many of the same reasons, both formulas should be brought up to date to account for inflation and for cost increases due to other factors.

The League would specifically like to see these grants brought up to date, not merely by removing the artificial limit on the amount any one community may receive, but through a program which would work toward full funding of the formula. We recognize that the cost is prohibitive this year, but we are also prepared to suggest an appropriate source of funds for this vital program.

In the meantime, we do support the removal of this \$600,000 limit and urge the Committee to report this proposal favorably.