

Legislative History for Connecticut Act

SB 208	PA 533	Scanned 1977
Finance	690-693, 714, 728-729	7p.
House	5556-5566, 5665-5668	15p.
Senate	2932, 3706	2p.
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PA77-533

Joint Standing Committee hearings, Finance. 1977:pt.2

Proceedings / Connecticut General Assembly, House. 1977 v.20:pt.13

Proceedings / Connecticut General Assembly, Senate. 1977 v.20:pt.7., p.2932

Proceedings / Connecticut General Assembly, Senate. 1977 v.20:pt.10., p.3706

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PRESIDING CHAIRMEN: Senator Beck

COMMITTEE MEMBERS PRESENT:

SENATORS: Beck

REPRESENTATIVES: Wotjas, Collins, Colucci, Caplan,
Dodes, Ritter

SENATOR BECK: We would like to call this hearing to order, please. We would like to indicate on behalf of the Finance Committee that this is the first of our final set of hearings on business tax relief. Anything in which we do in this area will have to require a comparable amount of redemptions in spending or increases in other taxes. It will be our responsibility over the next several weeks to calculate how much we can make available to you depending upon the pressures on the spending side of the budget.

Secondly, where this will do the most good, and I would like to personally thank Representative Collins for a great deal of ground work preparing for these hearings. Secondly, to say that our foremost and uppermost consideration is the creation and retention of jobs in Connecticut, and the expansion over the long run of the vitality of the Connecticut economy. Representative Collins.

REPRESENTATIVE COLLINS: Thank you Senator, and I see we have a familiar group of faces here this morning. Probably some familiar testimony, but the nice part of public hearings is you always learn something. I don't think I have ever been to a public hearing when I didn't feel that I came away with knowing more than I did before. No matter how many times we have been over the same subject matter.

This morning we have so far listed two legislative speakers, and I would first like to call on Senator Putnam.

SENATOR PUTNAM: Good Morning and happy April and it's always nice to see you on April Fools Day.

REPRESENTATIVE COLLINS: We are keeping in mind what the day is.

SENATOR PUTNAM: I will be speaking here on three bills, Senate Bill #208, House Bill #5361, and House Bill 6816. I am speaking on behalf of the fourteen republican senators. Secondly I will be speaking on Committee Bill 1078. I am also speaking in behalf of Senator Gawrych of the 30th, and Senator Madden of the 14th. Neither of whom unfortunately could appear here this morning. I have copies of what I am going to say here. I will go first with Committee Bill 1078. This is for Senator Gawrych and Senator Madden and Section 12-408 Requires that Machinery shall be Subject to a Sales tax, $3\frac{1}{2}$ percent rather than 7 percent.

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Machinery is defined as "The basic machine itself, including all of its component parts and contrivances, such as belts, pulleys, shafts, moving parts, operating structures and all equipment or devices used or required to control, regulate or operate the machinery..."

The legislation seems clearly to state that all parts of "machinery" used in the manufacturing process shall be subject to the $3\frac{1}{2}\%$ sales tax rate and not the 7% rate. The State Tax Department, however, has interpreted the statutes to mean that repair and replacement parts for machinery used in the manufacturing process are subject to a sales tax of 7%, rather than $3\frac{1}{2}\%$.

The department feels that a clarification of the statute is necessary. Before they can change their interpretation. It is this clarification that Committee Bill 1078 addresses itself to, and the two senators are strongly in favor of your favorable approval and early passage.

REPRESENTATIVE COLLINS: Senator do you have any idea what the cost is or do your colleagues have any idea what the cost would be?

SENATOR PUTNAM: As I said I am appearing for them and I don't know the exact cost and I cannot speak to that at all.

REPRESENTATIVE COLLINS: Let me ask the staff. Fran do you know whether we have any figure on that?

SPEAKER: (INAUDIBLE)

REPRESENTATIVE COLLINS: Okay, go ahead.

SENATOR PUTNAM: Now the second one is as I said a position which, as Senator Beck amply put, possibly the committee will find it difficult to support. The main purpose of the bill proposed by the republican senators, that is Senate Bill 208, and House Bill 5361, and House Bill 6816 is to help create jobs for the people of Connecticut. We must provide tax reductions so that businesses will relocate and expand in Connecticut.

HB 5361 would completely eliminate the sales tax on the sale of machinery for use in a manufacturing process. We believe that the $\frac{1}{2}\%$ reduction in the tax proposed by Governor Grasso is just "tokenism" and will do little to help stimulate the development of jobs. Our neighboring states of New York, Massachusetts, and Rhode Island do not impose any sales tax on the sale of machinery. If Connecticut expects to compete for the locating of manufacturing plants, we must eliminate the tax.

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HB 6816 would completely eliminate the $3\frac{1}{2}\%$ sales tax on services, unlike the small $\frac{1}{2}\%$ reduction proposed by Governor Grasso, which would do little, if anything, to relieve the businesses which have been hindered by it. Since this tax was imposed in 1975, it has proven to be a job-killing tax that has created a great deal of hardship and confusion. Nothing short of the complete repeal of this burdensome tax will be satisfactory. This bill also calls for the elimination of the sales tax on leasing. We are not recommending this change because it is our understanding that most of the hardship regarding this tax occurred in the original imposition of the tax, and to change back to the old system would not at this time be beneficial.

SB 208 would provide a property tax exemption for machinery and equipment which would be phased in over a three-year period. It is critical that Connecticut provide such an exemption from the property tax because all of the surrounding states that we are often competing with for jobs, do not impose this tax on business. Also, the sunbelt states with which Connecticut competes, have much lower property taxes than Connecticut, and so the burden is not so great to industry located there.

In this particular context Connecticut did institute a property tax exemption for machinery and equipment in 1974, but this was eliminated in 1975 due to a projected cost of \$100 million dollars. Let me point out that this bill is not the same bill that was in effect in 1974, because it would freeze the reimbursement to the towns at the mill rate in effect in 1977.

So that the state in effect would be reimbursing the towns and they would still have a flow of cash coming from this particular tax. There is one further point that is not in the prepared statement and that is when 1974 tax was put on, many tax collectors in the towns apparently saw a way to tax something that they had not known about before a separate tax. They put in a great deal of new tax expecting the state to pick it up, rather than the businesses. It doesn't seem likely that this would happen again. Once a tax collector finds a source, and I don't know of any that have dropped it, so I would presume that the tax in effect today would not balloon as it did in 1974.

My final part of the statement is that if we take into effect, the very severe economic problems that the United States and our state have been through in the last three years, and if we will assume that there will be an increase in business for the next four or five years, as we begin to expand throughout the whole nation, there should be adequate funds generated from business alone in Connecticut. Above and beyond what you are very conservatively are estimating which should make these changes possible without a major modification of your estimates.

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REPRESENTATIVE COLLINS: Do you feel that the present growth and the sales and other taxes would be enough to offset the property tax relief?

SENATOR PUTNAM: This is freezing the property tax.

REPRESENTATIVE COLLINS: But it would be growing. 208 repeals the property tax over a three year period.

SENATOR PUTNAM: This is for this one particular area. It is not all properties.

REPRESENTATIVE COLLINS: Equipment. Now that turns out to an awful lot of dollars. The fact that the complete sales tax repeal on machinery, and equipment, and on services comes to an awful lot of dollars. I am just wondering ...you are saying we wouldn't need any new taxes to offset this. That simply the growth in the economy at this point would provide us with adequate funds through our existing tax structure.

SENATOR PUTNAM: I'm an optimist and a stock broker at heart, and by profession. From the studies that come out of my own business, and that I read from banks, and from insurance companies, the economy is not slowing down, but rather it is picking up. We have a very strong base of a sales tax throughout the state. As the economy picks up and as the inflation continues, which I understand will slowly but surely raise the prices. We are going to have more money coming into this state. We have got to. We are no longer going downhill as we started in 1969, but we are beginning at a gradual uptrend and it could keep going for the next five, six, or seven years without anything but powerful impetus. I believe it is possible.

REPRESENTATIVE COLLINS: Our own projections aren't quite that optimistic. I think the committee's position would be, in order to undertake any sort of reform of that size that there would have to be an alternative source of revenue to offset the losses. Particularly the property tax repeal on machinery. This is for your own understanding that we don't see the kind of growth that would allow us to repeal those without some sort of alternative source. If you would like to find some alternative source for us we are all ears. I would say that we are not that bullish on America at this point.

SENATOR PUTNAM: America will surprise you yet.

REPRESENTATIVE COLLINS: Thank you very much.

SENATOR PUTNAM: Thank you.

WINGATE: Good morning. My name is Anne Wingate and I am Director of Research for the Connecticut Business and Industry Association. We support several of the bills before you this morning. So I will just go through them quickly.

CBIA supports S.B. No. 208 and Proposed Bill No. 5558 which would repeal the personal property tax on machinery and equipment. This is one of the most onerous taxes of all to our manufacturing members. Machines are not luxuries; they are essential to production and the providing of jobs. To tax both the purchase and the ownership of machinery and equipment is a disincentive to investment which does not exist in many other states, particularly those around us.

We recognize that there is a high cost associated with this tax, but we hope the Committee will recognize its importance and put in motion some mechanism to remove it.

Of course we would favor a bill that would reduce the Corporate Business Tax. As you know Connecticut's rate is one of the highest in the country.

We are in complete support of Bill No. 5361 which would eliminate the sales tax on machinery and equipment. This tax is a significant disincentive to capital investment which is necessary to maintain and improve capital stock. Other states have recognized the importance to the job creating ability of business. We would also hope that repair and replacement parts would be included.

The elimination of this tax is of absolute priority with our members.

Bill No. 5374 - We support exempting research and development facilities from the sales tax. It is difficult to hear back there and the figures that John Matthews gave around 67 million I am not quite sure what that referred to...I am sure that was not what the tax was.

REPRESENTATIVE COLLINS: That's awfully high.

WINGATE: Yes George Carson and I were discussing it. We have always estimated it to be somewhere between 1 and 2 million in tax.

REPRESENTATIVE COLLINS: In actual tax. He may have been talking...

WINGATE: He may have been talking about the total. I couldn't quite hear, but the tax itself the department....John and I agreed would be somewhere between 1 and 2 million. That is not a significant loss in revenue, along with other incentives could be a way of indicating that we are eager to attract the kind of sophisticated thinking and testing that is essential to improve technology.

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ANCE TAYLOR CONTINUED) levying a significantly high percentage of taxes on business. In a recent report released by the U.S. Department of Commerce, Connecticut ranked fifth out of fifty states, with 33.5% of all taxes collected in the state being paid directly by business. Not only are new companies discouraged from locating in Connecticut, but those presently here are reluctant to remain or expand.

The picture does not have to be this dismal; the trend can be reversed. Through much-needed business tax relief, increased private investment in the State can be fostered. Areas we feel will encourage the most private investment and create new jobs without excessive losses of revenue to the State are:

- 1) Repeal of the sales taxes on manufacturing equipment and business services from their present level of $3\frac{1}{2}\%$, called for in H.B. 5361 and H.B. 6816 respectively. In her State of the State message on January 5, Governor Grasso called for a "reduction" of these taxes. Repeal is obviously far more desirable and still fiscally feasible, particularly in view of the projected surplus envisioned by the State. Additionally, certain reduction plans may result in tax collection costs being greater than revenues received. Consider the fact that in the Governors proposal of a five-tenths of one percent reduction per year by the fifth or sixth year when the tax is down to one percent or less I seriously question whether or not the revenues received could indeed pay for the administration costs of collecting that revenue.
- 2) Repeal of the sales tax on research and development equipment, proposed in H.B. 5374, is also needed to keep the State competitive in the high technology market. Connecticut's labor force has always been highly skilled, and encouraging purchases of technological equipment can help place many of the State's unemployed in jobs well suited to their abilities.
- 3) The third is again, listed according to the priorities. A reduction in the personal property tax for machinery and equipment. As early as 1963, when a tax study of Connecticut was conducted by Alfred Buehler of the University of Pennsylvania, this tax was identified as a "troublesome feature of property taxation in Connecticut", and the report further added "the final burdens of the tax tend to rest on consumers as business costs are passed along to purchasers in higher prices." The Chamber agrees with the spirit of S.B. 208 and H.B. 5558 but realizes the proposals are not presently fiscally feasible, considering the lost revenues to the municipalities could total as much as \$20 million in the first year, according to a September 1976 report prepared by the Office of Fiscal Analysis.

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FINANCE TAYLOR CONTINUED) As a compromise, therefore, we recommend the Committee consider proposing a special property tax exclusively for machinery and equipment at a rate less than any prevailing municipal personal property tax rate. To prevent any fiscal hardships to the municipalities resulting from lost revenues, the State could either reimburse the municipalities, as previously done, or the legislation could be made permissive to allow the respective communities the final decision. Such a tax, if made uniform, would also enable urban areas, where taxes and unemployment are generally higher, to compete more favorable for new and expanding industries. Of course if it is permissive you could legislate total repeal of the tax and again allow the municipalities that final option to decide whether or not to adopt it.

4) Reduction of the corporate business tax, proposed in H.B. 5214, would also help stimulate business, but the Chamber and many of its members feel this tax is the least oppressive. Business, if it makes a profit, is generally agreeable to pay a tax on this profit. To make a reasonable profit, however, the tax reform legislation mentioned previously must be enacted.

With implementation of this comprehensive, cohesive package of tax relief recommendations, Connecticut could again become a viable entity in the nation's marketplace. The immediate loss of revenue to the State would, we believe, be counterbalanced over the years by increased jobs, increased industrial/commercial development, and consequently increased state and local revenues. Greater amounts collected in corporate taxes, sales taxes and property taxes would provide the tax bases necessary for continuing delivery of quality public services on both state and local levels.

The Greater Waterbury Chamber of Commerce, together with its over 700 members, is anxious to work with you in continuing to improve Connecticut's economic climate and the quality of life of its residents. We look forward to your favorable reaction to our recommendations. Thank you for your consideration of our requests.

REPRESENTATIVE COLLINS: Mr. Taylor, if the Waterbury Chamber had to choose between the eliminating the sales tax on machinery and equipment on the one hand, or services on the other, which way would you like us to go?

TAYLOR: Representative Collins if there was a choice between that I think from our memberships point of view we would prefer to have the sales tax removed on machinery and equipment. Obviously I think from a point of view of encouraging, again encouraging, modernization of existing industrial facilities, I think that this would provide the greatest stimulus than elimination of the business service tax.

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PEP. GILES:

Mr. Speaker, I move passage of the bill, as amended by Senate Schedule No. "A".

THE SPEAKER:

The question is on passage of the bill as amended by Senate Amendment Schedule "A". Will you remark further? If not, will the members please take their seats, the staff and guests come to the well of the House. The machine will be opened. Has every member voted? 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.....	146
Necessary for Passage.....	74
Those Voting Yea.....	146
Those Voting Nay.....	0
Absent and Not Voting.....	5

THE SPEAKER:

The bill as amended is passed.

THE CLERK:

Page 6 of the Calendar. Calendar No. 1328. Substitute for Senate Bill 208. File 1097. AN ACT CONCERNING PROPERTY TAX EXEMPTION FOR PROPERTY LEASED TO A CHARITABLE, RELIGIOUS OR NON-PROFIT ORGANIZATION. Favorable report of the Committee on Finance.

THE SPEAKER:

Representative Dorothy Goodwin.

PEP. GOODWIN:

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

THE SPEAKER:

The question is on acceptance of the Joint Committee's favorable report and passage of the bill in concurrence with the Senate. Would you remark?

REP. GOODWIN:

Thank you, Mr. Speaker. This bill would allow a tax exempt organization to lease property from another organization for tax exempt purposes consistent with its purposes and that leased property be exempt from the property tax because its uses are by a charitable organization. I move passage of the bill.

THE SPEAKER:

The question is on passage of the bill. Would you remark further?

REP. GOODWIN:

Yes, Mr. Speaker. There is an amendment. LCO 8584. May the Clerk call and I would like to yield to Representative Moynihan.

THE SPEAKER:

The clerk has LCO 8584 which shall be House Amendment Schedule "A". Would the Clerk please call the amendment?

THE CLERK:

House Amendment Schedule "A". LCO 8584 offered by Rep. Moynihan of the 10th District.

THE SPEAKER:

Representative Moynihan.

REP. MOYNIHAN:

I accept the yield.

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THE SPEAKER:

Does the gentleman seek permission to summarize?

REP. MOYNIHAN:

Yes, Mr. Speaker.

THE SPEAKER:

Are there any objections to the gentleman from the 10th District summarizing this amendment? Please proceed, sir.

REP. MOYNIHAN:

Mr. Speaker, the amendment is very simple. It would just allow those communities with substantial back taxes owed by bankrupt railroads who have substantial property in their towns to be able to negotiate with the Bankruptcy Court to accept settlements that have been offered to pay for those back taxes. I move adoption of the amendment.

THE SPEAKER:

The question is on adoption of House Amendment Schedule "A". Would you remark further? If not, all those in favor of House Amendment Schedule "A" indicate by saying AYE. Those opposed. House "A" is adopted. It is ruled technical. Would you remark on the bill as amended by House Amendment Schedule "A"? Representative Goodwin.

REP. GOODWIN:

Thank you, Mr. Speaker. There is another amendment. LCO No. 8370. Would the Clerk please call and I would like to yield to Representative DeZinno.

THE SPEAKER:

The Clerk has LCO 8370 which shall be designated as House

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Amendment Schedule "B". Will the Clerk please call?

THE CLERK: House Amendment Schedule "B", LCO 8370 offered by Representative DeZinno of the 84th District, Representative Tulisano, 29th District, Representative Della Vecchia, 82nd District.

THE SPEAKER:

Representative DeZinno.

REP. DE ZINNO:

May I have permission to summarize?

THE SPEAKER:

The gentleman seeks permission to summarize. Are there any objections? Please proceed, sir.

REP. DE ZINNO:

Yes, Mr. Speaker. LCO 8370 is permissive type legislation which allows the municipalities through an affirmative vote of the legislative body to abate a tax for a period not to exceed five years in the area of home improvement to help prevent blight or ghetto areas from forming. I urge its adoption.

THE SPEAKER:

Would you remark further on House Amendment Schedule "B"? Representative Varis.

REP. VARIS:

Yes, I have a few questions to the proponent of the amendment. Mr. DeZinno, does this require any regulation to be established by the community?

REP. DEZINNO:

Through you, Mr. Speaker, yes it would. We would grant

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through the legislative body where they would have an enabling act through this piece of legislation to promulgate an ordinance that designates certain areas of their community and only certain areas of their community to prevent blight or ghetto type areas from forming.

REP. VARIS:

Mr. Speaker, through you, for everything you have just said, any part of it, can you show me the line?

REP. DEZINNO:

On line 21 where it talks about its legislative body.

REP. DE MERELL:

Point of order, Mr. Speaker.

THE SPEAKER:

Representative DeMerell. What is your point of order, sir?

REP. DE MERELL:

Mr. Speaker, I believe this amendment is already in force attached to another piece of legislation.

THE SPEAKER:

Would the gentleman care to cite the specific situation, bill number and the date, sir?

REP. DE MERELL:

I'll withdraw the point of order temporarily.

THE SPEAKER:

Thank you, sir. Representative Varis still has the floor.

REP. VARIS:

Mr. Speaker, I believe this is significant enough for all

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members of this legislature to have a copy so I am going to read it in its entirety. This amendment says, "any municipality may, by affirmative action of its legislative body, upon application of any owner of a single family or two family owner occupied residential building who agrees to improve, rehabilitate or construct an addition to such property enter into an agreement with such owner affixing the assessment of such property during the period of improvement, rehabilitation or addition and to defer any increase in assessment attributable to said improvement, rehabilitation or addition for a period not exceeding five years". That's the part I want to address myself to. The bill makes no provision for any regulations by the municipality. It would, in its present form, allow any person who owned a residence, one or two family houses, to go to its assessor. The assessor then could, according to this amendment, through its council, say it's alright Joe, we'll defer your assessment for your improvement, rehabilitation or assessment for a period not exceeding five years. It opens the door probably to the biggest abuse that could occur by the wording of this amendment. It refers to improvement, rehabilitation or addition. What other type of thing does a person do to his property as a landowner, as a homeowner? The bill is so defective it could allow just about any council in the State of Connecticut to enter into any political hack and give them a free ride for five years on anything they may have done with their bill--building. Having spent some time in boards of tax review and as an assessor, I think this is probably the most horrible amendment as written, to come before this House in my five years in the General

having a decent idea as to what their revenues were going to be on this kind of a law. Further, what would the town do as far as deal of room for abuse in a municipality in the administration of nightmare. Further, very frankly, I think there would be a great quite frankly that in my opinion, it would create an administrative a good idea. However, the way this is drafted, I would have to say Meriden on this, but frankly, the concept seems to be probably amendment. I'm sorry to have to disagree with my good friend from Mr. Speaker. I rise to speak in opposition to the

REP. CARRAGHER:

Robert Carragher.

In the affirmative, a roll call is in order. Representative call please indicate by saying AYE. More than 20% having answered The question is on a roll call vote. All in favor of a roll

THE SPEAKER:

roll call.

I would ask that when the vote be taken it be taken by

REP. VARIS:

Representative Varis.

Will you remark further on House Amendment Schedule "B"?

THE SPEAKER:

is written, it is a terrible piece of legislation. assessment reduced, I would probably support the bill, but as it adopted so that anyone would have the same chance to have their If the amendment had established regulations which would then be what they might do to their community before voting on this bill. Assembly. I would urge everyone to consider very, very carefully

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local property taxes if all of a sudden during the course of the year hundreds of people were getting abatement on local property taxes because of rehabilitation of their property. As I say again, I think conceptually the gentleman from Meriden probably has a good idea but the way this is drafted I just in good conscience could not support this amendment.

THE SPEAKER:

Representative Tulisano from the 29th.

REP. TULISANO:

Mr. Speaker, speaking on the amendment, it makes me actually quite happy that we are at least having a debate on the concept here. (END OF TAPE #14) There may be deficiencies in the wording of this but for any member of the General Assembly to stand up in good conscience and seriously say that we reject bills because of the wording of it is really a joke because we just passed the reorganization bill and everybody admits that we're going to have to reword it next year because of the wording in it. Be that as it may, I disagree with Mr. DeZinno also because it does not just I am afraid, limit it to rehabilitation of areas which are already in blight. It would allow any individual who adds on, or rehabilitates their property or improves it, a five year respite in any increase in their taxes...no abatement to the taxes that are presently due but no increase. Now ladies and gentlemen, let's look at what happens if you happen to destroy your property in any assessment year. If you tear down your porch or let it rot, if you knock off a dormer, knock out a few windows and guess what happens. You get rewarded by your municipality. The tax

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assessor can come down and reduce your assessment,
because it's not the same property and does not have the same
fair market value. Not only can they, they often do. Unfortunately
what we do with our present system of taxes and assessments of
property, real property, is we reward people who do not take care
of their homes. Now I also spent some time as a tax assessor.
Now remember, this is limited to single family or two family
owner occupied families or homes, not business property or other
kind of property. I also spent some time and one of the biggest
gripes of those individuals who pay their taxes time in and time
out and supporting his government both on a local, state and
national level, is the fact that they're paying their way and
every time they do anything to improve themselves or to help
themselves out, they pay the taxes for it where the fellow down
the street lets it go to rot and probably is taking a few other
dollars out of the community and other services that are required,
he gets a tax deduction--reduction. I think this is really the
kind of a concept that we should be thinking about seriously
right now. We should really be concerned about rewarding those
individuals who pay the way. Now frankly, I've had proposed
legislation like this in the past and every time you get into any
place where the public is generally, those individuals who are
paying their way, they approve of this kind of legislation because
it is one way this government can say to them that we care about
them and we do care that they maintain themselves as productive
members of our society. Let's give another example, however.
Someone might complain that after all, you can have--add on two

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rooms. Or after all, they can add on two rooms. Maybe their mother or father will come to live with them. Would you prefer we subsidize a little more housing someplace and send them there and pay for some outside health care at much more expense? Remember, this is also not mandatory. This allows a local municipality then to enter this kind of contract. And my friend from Hartford should know that everybody from Hartford should be able to participate in this program right now under the Statutes. The Statutes let any community to determine a rehabilitation area and if they are so determined by their council or legislative body, then there is a system just like this in the present statutes. The leaders of Hartford are very bright individuals. I understand they have declared the whole City of Hartford a rehabilitative area. At least they had two years ago. That might have changed since then and I stand to be corrected whether it exists at the present time but at one point in time everybody in the City of Hartford because of their legislative action could have participated in a program similar to this. I am willing to sit down with Mr. Carragner, pass this matter temporarily, and rewrite the amendment so he could support it, as he indicated and I would like at this point in time to yield to Mr. DeZinno.

THE SPEAKER:

Does Mr. DeZinno accept the yield?

REP. DE ZINNO:

Yes, Mr. Speaker, I would like to temporarily P.T. (pass temporarily) this bill so we can write the appropriate amendment.

THE SPEAKER:

Representative O'Neill.

REP. O'NEILL:

Mr. Speaker, in due respect to the individual who has offered this particular amendment, I at this time, will pass the item temporarily so that he can prepare the proper amendment so that we can vote on the amendment, vote on the bill and proceed with the business that's on the rest of the Calendar.

THE SPEAKER:

The question is on passing temporarily the Calendar item now before us. Is there any objection to that motion? Without any objection, it is so ordered.

THE CLERK:

Page 5 of the Calendar. Calendar 1326. Substitute for Senate Bill 492. File 1120. AN ACT CONCERNING EQUALIZATION OF STATE SUBSIDIZED BUS FARES. Favorable report of the Committee on Appropriations.

THE SPEAKER:

Representative Mark Bordiere.

REP. BORDIERE:

I move for acceptance of the Joint Committee's favorable report and passage of the bill in concurrence with the Senate.

THE SPEAKER:

The question is on acceptance of the Joint Committee's favorable report and passage of the bill in concurrence with the Senate. Will you remark, sir?

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well of the House and the machine will be opened. Have all the members voted? 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.....	145	.
Necessary for Passage.....	73	.
Those Voting Yea.....	68	
Those Voting Nay.....	77	
Absent and Not voting.....	6	

THE SPEAKER:

The bill fails.

THE CLERK:

Page 6 of the Calendar. Calendar 1328. Substitute for Senate Bill 208, File 1097. AN ACT CONCERNING PROPERTY TAX EXEMPTION FOR PROPERTY LEASED TO A CHARITABLE, RELIGIOUS OR NON-PROFIT ORGANIZATION. Favorable report of the Committee on Finance. As previously amended by House Amendment Schedule "A".

THE SPEAKER: (Speaker Kennelly)

The lady from the 54th, Representative Dorothy Goodwin.

REP. GOODWIN:

I move acceptance of the Joint Committee's favorable report and passage of the bill as amended by House "A".

THE SPEAKER:

The question is on acceptance and passage as previously amended and will you remark, madame?

REP. GOODWIN:

Thank you, Mr. Speaker. I believe I explained the bill previously. I think no further comment is needed unless somebody wants a question asked..answered.

THE SPEAKER:

Will you remark further on the bill as previously amended? If not, will the members please be seated, staff come to the well? The Chair would call the Chamber's attention to the status of the matter previously reached. The lady from the 54th moved acceptance and passage. House Amendment "A" was adopted on a voice vote. The gentleman from the 84th had moved House "B". There was colloquy and dialog on House "B". House "B" is pending. Will you remark further on the bill as amended, previously amended by House "A". The gentleman from the 84th.

REP. DE ZINNO:

We are withdrawing House "B" at this time, Mr. Speaker.

THE SPEAKER:

House "B" having been withdrawn, will you remark further on the bill as amended by House Amendment Schedule "A"? The gentleman from the 114th has the floor.

REP. TABER:

Thank you, Mr. Speaker. Through you to the proponent of the bill, how many people will be affected by the enactment of this bill?

THE SPEAKER:

Does the lady care to respond?

REP. GOODWIN:

Thank you, Mr. Speaker. At the moment, there will be one institution that is affected by it. A group home for retardates in Hamden which is renting space from a Congregational Church which is a tax exempt organization and as I understand the bill, the assessor said well all right if this is producing income to the

Church it will go on to the tax rolls. The effect of this is to say that because it's used for the same purposes as the group home that it falls under the tax exempt status of the group home. I should point out I think that perhaps the alternative of the group home would be to build a new building that would definitely be tax exempt.

REP. TABER:

Through you, Mr. Speaker, then the number is less than 20, less than 10. Could you give me a figure, a definite number of people?

REP. GOODWIN:

Through you, Mr. Speaker, the home at the present time has something like 6 people in it but I believe it has a capacity for something like 14.

REP. TABER:

One final question. Through you, Mr. Speaker, what do you envision to be the total number of people that may eventually be involved in this particular legislation.

REP. GOODWIN:

Through you, Mr. Speaker, I haven't the ghost of a notion.

(END OF TAPE #29)

THE SPEAKER:

Will you remark further on the bill as amended? If not, will the members please be seated, the staff come to the well and the machine will be opened. Have all the members voted and 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?

House of Representatives

Wednesday, June 1, 1977

203
MFD

THE CLERK:

Total Number Voting.....141
 Necessary for Passage..... 71
 Those Voting Yea.....136
 Those Voting Nay..... 5
 Absent and not Voting..... 10

THE SPEAKER:

The bill as amended is passed. The gentleman from the 10th.
 For what purpose does the gentleman rise?

REP. MOYNIHAN:

Mr. Speaker, at this time I would like to put some single
 starred items on the regular Consent. *

THE SPEAKER:

Please proceed, sir.

REP. MOYNIHAN:

Starting on Page 7, Calendar No. 1336, House Bill 7335, File
 No. 1169. Calendar No. 1337, House Bill 5735, File No. 1170.
 Calendar No. 1350, House JOint Resolution No. 141, File 1178.
 Page 8, Calendar No. 1352, House Joint Resolution 143, File No.
 1182. Calendar No. 1153, House JOint Resolution No. 144, File
 No. 1183. Calendar No. 1354, House Joint Resolution No. 145,
 File No. 1184. Page 9, Calendar No. 1358, House Joint Resolution
 No. 149, File No. 1188. Page 10, Calendar No. 1376, Substitute
 for House Bill 6597, File No. 1196. Page 11, Calendar No. 1383,
 House Bill 7722, File No. 1201.

THE SPEAKER:

You have the motion of the gentleman from the 10th. Is
 there objection? The gentleman from the 70th.

REP. HANLON:

Mr. Speaker, I would request on page 7, Calendar No. 1337

SENATE

WEDNESDAY

MAY 25, 1977

87
LFU

on Finance, Substitute for Senate Bill 208, AN ACT CONCERNING PROPERTY TAX EXEMPTION FOR PROPERTY LEASED TO A CHARITABLE, RELIGIOUS OR NON PROFIT ORGANIZATION.

THE CHAIR:

Senator De Nardis.

SENATOR DE NARDIS:

Yes, Madam President, I move acceptance of the Joint Committee's Favorable Report, adoption of the Bill.

THE CHAIR:

Will you remark?

SENATOR DE NARDIS:

Yes. This Bill would deal with a problem with respect to an adult mentally retarded home which could be sponsored in any community in our State which might want to lease from a church or other charitable institution, make an arrangement for the shelter of their people. The present statutes raise certain technicalities with respect to this problem which this Bill would overcome by way of enabling legislation and if there is no objection to the Bill, I would move it to the Consent Calendar and, at the same time, thank the Chairman of the Finance Committee for allowing me to bring the Bill out.

THE CHAIR:

Hearing no objections, it is so ordered.

THE CLERK:

Turning to page seventeen of the Calendar, second item from the top, Calendar 1905, File 1100, Favorable Report of the Joint Standing Committee on Finance, Substitute for Senate Bill 1428, AN ACT CONCERNING PARTIAL EXEMPTION FROM MOTOR FUEL AND SPECIAL FUEL TAXES FOR TAXICAB COMPANIES.

Friday, June 3, 1977

31.

SB-208

roc

AN ACT CONCERNING PROPERTY TAX EXEMPTION FOR PROPERTY LEASED TO A CHARITABLE, RELIGIOUS OR NONPROFIT ORGANIZATION, as amended by House Amendment Schedule A.

THE PRESIDENT:

Senator Denardis.

SENATOR DENARDIS: (34th)

Yes, Mr. President, I move adoption of the bill as amended by the House Amendment Schedule A. The House amendment would allow Connecticut cities and towns to accept partial payment of back taxes from railroads that are in bankruptcy as a settlement of the whole amount owed. The present statutes do not permit this kind of leeway for Connecticut municipalities and in the case of the now defunct Penn Central Railroad, this would allow at least three cities, New Haven, North Haven and Hartford, as well as a few other cities that might be involved to exempt up to fifty percent of the taxes owed and at least get fifty cents on the dollar, whereas now they are not able to get anything. I move adoption, as amended.

THE PRESIDENT:

We will move the amendment first, Senator. Will you remark further? All those in favor of the amendment signify by saying Aye. Those opposed Nay. The ayes have it. THE AMENDMENT IS ADOPTED. Will you move the bill, Senator?

SENATOR DENARDIS:

I move the bill now as amended to the Consent Calendar,