

Legislative History for Connecticut Act

<u>SB625</u>	PA 256	<u>1978</u>
<u>House</u> : P. 4232 - 4254		(23p)
<u>Senate</u> : P. 2161 - 2170, 2271		(17p)
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House of Representatives

Saturday, April 29, 1978

109  
re

concerning Judicial Compensation. (As amended by Senate Amendment Schedule "A"). Favorable Report of the Committee on Appropriations.

REP. O'NEILL (34th):

Mr. Speaker, I move that this ought to be passed temporarily please.

THE DEPUTY SPEAKER:

Any objection to that motion? So ordered.

THE CLERK:

Cal. 1145, Sub for S.B. 625, File 544. An Act concerning Payments in lieu of Taxes. (As amended by Senate A Amendment Schedule "A").

Favorable report of the Committee on Appropriations.

REP. WRIGHT (77th):

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

THE DEPUTY SPEAKER:

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

REP. WRIGHT (77th):

Yes, Mr. Speaker. This bill changes the Section of the statutes dealing with the pilot program on state-owned property by eliminating the Section that says, "that we will pay a pro-rata amount if less than the full necessary costs are appropriated. We have adopted a policy in the state that have been for the last 2 years been funding at the full value

and we think that this section of the statutes is no longer necessary. So I move for adoption of the bill. Mr. Speaker, the Clerk has an amendment, Senate amendment LCO No. 3367. I would like to call the amendment and ask for permission to summarize.

THE DEPUTY SPEAKER:

The Clerk has LCO 3367 in his possession which is designated as Senate Amendment "A". Clerk please call.

THE CLERK:

Senate Amendment Schedule "A" LCO 3367.

THE DEPUTY SPEAKER:

Is there any objection of the gentleman's summary of the amendment. Please proceed, sir.

REP. WRIGHT (77th):

Mr. Speaker, this amendment is a major step away from our current policy of requiring revaluation every year and putting all property under 100% of value. This amendment would state that any municipality that revalues after their 10 year period, if the Grand List has increased, 30% instead of implementing the revaluation by putting all properties at the current value the town would have the ability if they so elected to phase in that reassessment over 4 years by only increasing the property value by 25% of the increase instead of the total amount of the increase and Mr. Speaker, I urge rejection of the amendment and I would like to comment.

THE DEPUTY SPEAKER:

The question is on rejection of Senate Amendment Schedule "A". Would you remark.

REP. WRIGHT (77th):

Yes, Mr. Speaker. Mr. Speaker, over the past 7 or 8 years this Legislature has required that towns go to a uniform fiscal year. We tried to implement that, we tried to implement a uniform assessment value and require that each town reevaluate its property every 10 years.

This amendment would put in the General Statutes a condition which says that, when you reevaluate after 10 years, you do not have to implement the revaluation. You can delay the effects of revaluation by only implementing it at a rate of 25% per year. This would entirely defeat the concept and the purpose of revaluation by continuing to have those people who are overtaxed before the revaluation continue to be overtaxed for 4 years and those people who are undertaxed would continue to be undertaxed.

This amendment is different, far different from the situation which we passed recently regarding revaluation in Hartford. [HB 5973] The Hartford Revaluation Bill that we passed required that revaluation would take place and that all homes and all individuals and all residential property would be valued at its true market value and that all industrial and commercial property would be valued at their true market value.

The Hartford bill just delayed implementation of the 70% assessment. The Hartford bill had a 2 year sunset provision. This is a general statutes which would be on the books forever, which would allow towns to continue to delay revaluation. It would impede the calculations, I believe, for all state grants

which are based on Grand List such as the GPB. I think it's a bad precedent, it goes against the trend we are trying to accomplish and I think we should reject this amendment.

REP. GOODWIN (54th):

Thank you, Mr. Speaker. I'm not at the moment taking a position on this amendment but I would like to elaborate a little bit on some of the circumstances surrounding it and what I believe it does do and then ask the House whether it wants to do that or not. I agree with Rep. Wright, that the Hartford case has almost no bearing on this case at all. In the Hartford case a full revaluation was done and completed and then classified. This one would I believe perpetuate inequities over the 4 or 5 year period and does not have the effect of rectifying inequities within classes. Whereas, the Hartford case, the inequities within classes were rectified and those inequities were very severe. Now, another thing, I think, we have to recognize with respect to the Hartford case was the whole impact of revaluation practically fell upon 15% of the Grand List. (record 17)

Now, I would like to review for you some figures on the Manchester situation so you can make a comparison in your own minds of the severity or non-severity of this situation. The overall increase in the Manchester assessment as a result of the revaluation was 74.3%. That is a fairly normal rate of increase in property values resulting from a revaluation. Of that residential properties represented about 61% and it is true, there's no question about this, that the assessments on residential properties would variably double 98.3%. Commercial

properties would increase by about 58.2%, indicating about a 40% spread between commercial and residential properties. The other classes of property were not a large enough portion of the total to make a great deal of difference, so I think I will not bother to elaborate on them in detail, but the question that I would raise with respect to this for you to evaluate is the question of whether 73.3% increase of evaluation with no other ingredients in the problem at all, is a hardship. I think the automatic reflex that it is a hardship probably comes from an ignorance of the effective revaluation or the effective reassessment on the mill rate, and as I think many of the people of this House know an increase in over all values does not necessarily mean an increase in the tax burden on any individual. It all depends on what other ingredients you crank into the equation. What happens with respect to expenditures but it is quite possible for a doubling of value to occur and the having of the mill rate to occur and no increase in the tax value on the average. Yet, you will have readjusted some of the inequities within the system. I would point out that the amendment does say quite clearly that if an evaluation has resulted in an increase in the total assessed value of all real property on the assessment list in a year immediately preceding such revaluation of no less than 30% of such total assessed value. You may phase in the revaluation. Now, I would guess that at the present time, there is hardly a town in the state that revaluation does not exceed 30% so that we are opening up a very large and revolutionary change in the whole revaluation system. I have been asked what harm it would do and I think that's for the Chamber to decide. I

House of Representatives

Saturday, April 29, 1978

114  
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would point out this issue did not to hearing. It has not been studied and it is a major change, and suggest that you evaluate the importance of the hardship relief against that piece of information. I think that's all I need to say. At this point, I would like to yield to Rep. Cummings.

THE DEPUTY SPEAKER:

Do you accept the yield?

REP. CUMMINGS (12th):

I accept the yield, sir. Yes sir, Mr. Speaker. I'm speaking in behalf - and I would say first that it is a homeowners amendment and those homeowners who are affected by the revaluation in the town of Manchester and in any other revaluation that takes place next year or the year following or thereafter will express no ignorance of the impact upon themselves from the increase in assessments. The tax bill in Manchester and in similar communities, I'm sure, increases on an average assessed property before revaluation of \$15,000 that is reassessed to 30 or 31 by some 225 to 250 dollars before there's any action as far as establishing a new mill rate in a new budget is concerned. That's a heavy impact for any homeowner to carry. I have great respect for Gardner Wright and for Dorothy Goodwin. I have great respect for the Committee's system and its work here but for many years, the Finance Committee and others have wrestled with the impact of revaluation. Many towns have suffered over the years that impact. And if the Committee has not found a remedy to ease the burden by phasing in as this amendment suggests, I do not think that

it does severe harm to either the Committee process or in fact the tenant's statutes of the state. It will do no harm to any state formulas including GTB. It will require no borrowing in anticipation of taxes in the community and it will require no state funds. A few days ago, we addressed a singular problem with a singular piece of legislation and I can tell you right now that if this amendment that we offer would be kicked in the head, that I would come back tomorrow and have a similar piece of legislation as that which was brought forward to meet the Hartford problem, came to us again, I'd vote yes because I have a sense of responsibility to a city such as Hartford, Bridgeport, New Haven and many others. But that does not deny the fact that suburban and small town communities are impacted heavily by revaluation and we seek to avoid nothing. We are willing to pay our taxes. This year, in fact, with two months to go in the Town of Manchester, the collection rate is at about 97.5%. All we ask is the opportunity, the permission so that the local legislative body can phase in the impact of this revaluation and yes, in a five-year period of time and it is five years by the way, not four, up to a maximum of five, either 2, 3, 4, or 5, the business properties in the first two years, would pay slightly more but thereafter, the increase in assessment and the dropping mill rate would level off. There are property that have been adjusted, for example. I'm sure that this holds true in many other communities undertaking revaluation now or about to undertake revaluation of increases of up to 175% and while Miss Goodwin cites figures that the overall increase is 98 and approximately 98½%, I would just indicate to you that

the percentage of the Grand List after revaluation that residential property has gone up some 12% and commercial property has dropped some 10% and that's an overall differential of 22%. All that this amendment asks is for permission to be granted -

REP. HANLON (70th):

Mr. Speaker. A point of order.

THE DEPUTY SPEAKER:

What is your point of order, sir?

REP. HANLON (70th):

Mr. Speaker, I would submit that this amendment is not properly before this body is not germane to the main body of the bill which deals with payment in lieu of taxes. This deals with revaluation and Pursuant to Sec. 402 of Mason's, I would submit it is not properly before us.

THE HOUSE WILL BE AT EASE

THE DEPUTY SPEAKER:

The Chair will invite debate on the point of order.

REP. HANLON (70th):

Mr. Speaker, I think it's clear if one examines the content of the amendment in the file copy in the bill. The file copy of the bill relates directly to payment in lieu of taxes that's relating to grants to municipalities under the payment in lieu of taxes program. The text of the amendment relates to the revaluation process and it interjects a completely entirely new subject matter into the file copy of the bill as has absolutely no relationship or connection to the file copy of the bill and therefore, I believe it's not germane to the

House of Representatives

Saturday, April 29, 1978

117

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main copy of the bill.

REP. COATSWORTH (32nd):

Mr. Speaker, I would rise to object to the point of order and to point out to the distinguished gentleman from Naugatuck, the amendment is germane if ever so slightly, because if you will read the file 544, we're talking in that bill an act concerning payment in lieu of taxes, the assessed value of all state on real property. The thrust of the amendment which I also would favor deals with the assessed value of property in any given town or city in the State of Connecticut, Mr. Speaker I would maintain is in fact germane to the main body of the bill.

THE DEPUTY SPEAKER:

The debate has been completed on the point of order and the House will now be at ease.

THE HOUSE AT EASE

(record  
18)

THE DEPUTY SPEAKER:

Will the Chamber please come to order. The Chair has prepared to rule on the point of order raised by the gentleman of the 70th district. The Chair has had much difficulty in reaching a decision on the point of order and the Chair would like to share with you its concern and from the observations of reaching this conclusion. Addressing Sec. 402 and the section cited by the gentleman from the 70th specifically, I believe are subsections 3 and 4, the Chair took great care to read over and over the file and the amendment and the language of subsection 3 and 4 of 402 to be germane to the amendment required

only to relate to the same subject, and the Chair's determination No. 1 was the subject of the file. The determination quite obviously is the subject of the file in payment in lieu of taxes. Recognizing that, it could entirely change the effect of the motion and measure and still be germane to the subject. Subsection 4, the Chair was also concerned with the language in Mason's, an entirely new proposal maybe submitted by the amendment so long as it's germane to the main purpose, once again is payments in lieu of taxes. The amendment addresses itself to re-evaluation, recognizing that it affects every town in the State of Connecticut and that payments in lieu of taxes will apply to state properties that are located in many of the towns in the State of Connecticut. The Chair feels and it's the Chair's opinion and ruling that the amendment because it does address itself to assessment and re-evaluation that it would have a definite affect on the payments in lieu of taxes is in fact, germane. The gentleman's point of order is not well taken.

REP. CUMMINGS (12th):

Thank you Mr. Chairman. May I proceed please, and in return, I'll wrap it up real quick. Many communities like Manchester accept the shift in revaluation from commercial to residential property. We do not quarrel with the methodology nor do we quarrel with the conclusions but we do ask for those homeowners who pay their taxes and for communities that stick by the law and have their revaluations on time, the opportunity to phase in the impact of that revaluation as concerns the

increased assessment. It will do no violence except perhaps step on the toes or perhaps damage the pride somewhat of some others. I heard here in the past especially the past several days, that we serve here to assist the people of Connecticut. Now, I ask that that be done now for everybody, for revaluation affects everybody and this is a general application, a request for permission that the local legislative body have the right to phase in or spread out the impact of the increase in assessments and the corresponding tax bill, and when the vote be taken, I request that it be taken by roll call.

THE DEPUTY SPEAKER:

What's before the House is rejection of Senate Amendment A. There's a request for a roll call vote. All those in favor of roll call indicate by saying Aye. More than 20% have answered in the affirmative. The roll call is in order. Rep. Lavine.

REP. LAVINE (100th):

Mr. Speaker, there is an aspect of this amendment which is bothering me and I would like to address a question to the Chairman of the Finance Committee. Through you, Mr. Speaker, as I understand the amendment, when the reassessment takes place, if I assessed at a 100% increase and my neighbor is assessed at a 50% increase and our properties originally were the same amount, in effect, for a five year period, his is going to be carrying a higher percentage of the mill rate than I'm going to be carrying. Is that a correct understanding?

REP. WRIGHT (77th):

Yes, Mr. Speaker, through you. That's correct. If

the property that goes up the most, the highest percentage, which basically means it was being undertaxed before the revaluation will continue to be undertaxed while the property that increases in value the least percentage which theoretically was overtaxed before will continue to be overtaxed until you reach the point in the phase-in where everybody is taxed at their true market value. So the largest % increase would get a break and the smallest % increase would overpay under this phase-in program.

REP. FOX (149th):

Mr. Speaker, recently the distinguished chairman of the Finance Committee chided me during this session I had not differed with him on the floor. I think the time has come. Last week or earlier this week, we eroded the assessment reform program by allowing a revaluation program of a discriminatory nature for the benefit of one town. This program put before you here today erodes the assessment reform program a little bit more but in an equitable manner and I feel that if the majority of the House as it did, earlier vote in favor of the first revaluation erosion, it certainly should feel prepared to proceed to allow this one to be enacted also. Thank you.

REP. RITTER (6th):

Thank you, Mr. Speaker. I wish to associate myself with the remarks of the last speaker and wish to again call attention to the fact that this is not mandatory legislation, and further, that it provides that any municipality, any such municipality may with respect to the reassessment list. We believe in home rule. We believe that local communities through

their elected officials should have the opportunity to determine what is in the best interest of the people in their town. We are not in this situation being asked to vote additional dollars. We are not in this situation being asked to do anything other than to say that all towns, all towns in the state may in <sup>these</sup> matters, function with limitations in the way that the people of that town and their elected officials believe is most equitable.

REP. GLASSMAN (14th):

Thank you, Mr. Speaker. I would just like to add that inasmuch as it is permissive, it would be my feeling that a lot of towns who might look at this as a way of easing the burden of revaluation and assessment, would proceed very, very cautiously. It's not something that they would do without a great deal of thought because internally there is an impact and I would suggest to this Chamber that because this law might be on the books, that it does not necessarily mean that everyone would rush wholesale, pell mell, to make sure that good to apply what is permissive in nature and I therefore would urge that we support this amendment.

REP. DEMERELL (35th):

Thank you, Mr. Speaker. I'd like to pose some questions through you either to Rep. Cummings or to Rep. Coatsworth. In an effort, quite frankly, if you understand how this amendment is teed off, am I correct in assuming that should a legislative body of an involved town decide to move for a deferment that by the 4th year following the effective date of revaluation,

they would have to start at that point in time no later than the 4th year, they would have to start putting into effect the revaluation?

(record  
19)

REP. CUMMINGS (12th):

Through you, Mr. Speaker. In answer to the representative's question, the answer is yes. The 4th year immediately the 4th year following the year of revaluation.

REP. DEMERELL (35th):

Through you, Mr. Speaker. Rep. Cummings, I then would like to go backwards a little bit on this bill. It refers in lines through lines 33 to 36 to the fact that the values of such real property in the year immediately preceding revaluation shall be increased in such equal amounts in each of such years that the assessed value of such property in the last year of the deferment. I take this to mean that once they decide to put the revaluation into effect which must be done sometime within that 4-year period, that they can pro-rate it on an equal basis. My problem is at what point do they reach 100%? There doesn't seem to be any limitation in terms of the number of years over which they could pro-rate out this increase in revaluation.

REP. CUMMINGS (12th):

Through you, Mr. Speaker, that's the equalization clause, the phasing in must be done in equal increments. For example, if your Grand List as a result of revaluation increased, from \$300 million to \$500 million, that's \$200 million and you chose the local city council chose to phase that in over a 4-yr. period of time, it would have to be done in increments of 25%

each year. Therefore, in practicality, your mill rate drops as your Grand List increases. Your mill rate does not drop equally every year because of the inverts proportion of relationship that takes place that as the mill or as the Grand List increases the value of a mill increases but after the 4th or 5th year, depending upon the selectmen or the city council's choice, you would be assessing at 100% in an equal increments.

REP. EMMONS (101st):

Mr. Speaker, I would like to speak in favor of Gardner Wright's rejection of the Senate amendment. I happen to think that this is not a very good amendment. I do not happen to agree with the previous speaker who said that if we start to go away from the uniform valuation process of the state, we should continue to do so. That means we could just continue one year after another until we will not have any uniformity at all and we are trying to use values to base our grants on. And more importantly, I think what happens when we have revaluation in many of the smaller towns and suburban communities which is unlike the Hartford incident, is that you are having a shift within the residential area and many houses go up exceedingly high and they might double and they might triple in a revaluation period and other houses do not go up very much at all. Therefore, the inequities that are already there, the year that you're going to go revalue will continue to stay there during the four years of the phase-in. Now, we use as an example. Suppose that you have two houses that are \$50,000 a piece. One person takes very poor care of it, does not have a buyer and other things. Anyway that house goes down to \$25,000 in value but his neighbor's goes

up to \$75,000. If all things were equal, after revaluation one gentleman's taxes would have been halved and the other gentleman's taxes would have gone up by 50%. Under this amendment, we would not have that happen. The person who has the house that was valued at the highest amount would only have a slight increase in his taxes. The person who had lost half the value of his house would only have a slight decrease in his taxes. Therefore, the people that don't have valuable property, whose property has not gone up in equal amounts to the overall Grand List will be paying a share of the taxes that belongs to the person whose house has gone up greater than the average Grand List. And in a way, you're now talking about passing an amendment that is inequitable toward the individuals who do not have property that is increasing in value. Therefore, I think it is<sup>a</sup> very unfair amendment for that sense. The other thing is that the revaluation is supposed to occur to bring us up to date, to put people on a fair tax base and generally, when you go into a revaluation period, there are inequities in the values of homes and in the assessments and in their taxes. This will just postpone correction of those inequities.

REP. ALLYN (43rd):

Mr. Speaker, I rise to oppose this and support the Chairman of the Finance Committee. I think one of the things I was deeply involved in the discussions in the Finance Committee involved in the Hartford bill and others. I think one of the things we must consider in this particular amendment. In the Hartford bill, we talked about an inequality between residential

and commercial. What we're talking about in this bill is creating inequality within the residential. Basically, one of the biggest things we ran against in the Hartford bill originally was a conflict between north and south Hartford. As the bill was originally drafted, we were giving the shaft to north Hartford in order to give a break to south Hartford. This bill would be doing the same thing. What you're doing is, you're penalizing those persons who own houses which are either static in value or increasing at lower rates than those that have increased. For example, in my own community, we've gone through revaluation just recently. In some areas of town especially where I live, the property values increased 300%. In other areas of town, they increased only 100% in value. There was a shift in the tax burden from one section of town to another section of town. It went from those areas where there was either a decrease in value or slower growth in value. This amendment will prevent that shift and it will instill in our tax structure a great inequality within a class. I think this is just wrong.

REP. CUMMINGS (12th):

Mr. Speaker, speaking for the second time on the amendment, I believe, and we'll get right to the point. I copied down a few of the quotes.

THE DEPUTY SPEAKER:

Will the gentleman please use the microphone next to him?

REP. CUMMINGS (12th):

Excuse me, Mr. Speaker. A few of the quotes that took place in the earlier discussion on revaluation. The state "must address the problem." "Not put a heavier burden on home owners." "What happens to the poor homeowner?" The previous speakers have just alluded to a reference to the increase in assessment. My reference is the increase in the tax bill and that's what we ask permission for the local councils to pay them and to conclude, a street of assessments in Manchester. The houses were built in 1940, 41, 42, thereabouts. Examples, the 1976 assessed value, \$10,480. The '77 assessed value, \$23,600. The 1976 assessed value, \$11,450. The 1977 assessed value, \$24,700. The 1976 assessed value, \$9,510. The 1977 assessed value, \$22,550 and some go up to 140 and 145% and these are 24 '32 cape cod houses that are owned by people who work in the shops in Hartford, primarily Pratt and Whitney Aircraft. And it's that tax bill that we address ourselves to, not any avoidance of the effects of revaluation and I thoroughly urge you to vote against the rejection of this amendment.

REP. STEVENS (119th):

Mr. Speaker, the problem with the bill such as this is that one gets involved in discussing the merits and the impact on a particular community, such as the one that Rep. Cummings represents. The reason I would support the Chairman of the Finance Committee is that I think we have to give effect to what this bill could do to what we all know is down the road and I'm talking about compliance with Horton vs.

Meskill. School equalization is going to require this body to take into consideration the Grand List in each of the 169 towns. Uniform assessment rates are the law in Connecticut but if we now passed enabling legislation, that will say you may phase in revaluation over a period of four or five years. We are complicating what we must deal with in complying with school equalization and you can't approach it on the basis of what's going to happen in Manchester, or what's going to happen in Hartford. You've got to live up to the fact that we have one big problem facing us in 1979 and thereafter in equalizing educational funding throughout Connecticut and the more special legislation like this that you put on the books that steps away from uniform assessment and real values being shown in the Grand List, the more difficult it's going to be to comply with Horton vs. Meskill. I think that we've got to realize that we started a few years ago on real property revaluation toward establishing uniformity throughout the State of Connecticut. To step away from it in any slight degree is a mistake that we will regret in subsequent years. I think we should reject the amendment.

REP. RITTER (6th):

Very seldom, too seldom, does the plea of an individual legislator result in our reaching out and through his eloquence and facts respond in a positive way to his or her effort to protect a community. I find it almost impossible not to respond positively to not only the eloquence but the concern and the reality that is sketched so well by Rep. Cummings of Manchester.

It's going to take somebody more intellectual, much less red blood in his veins than most of us have to turn him down. On an intellectual basis, we all can recognize that Horton vs. Meskill will cause problems but it's also true that we've got a long way to go before we get there and it isn't really given to us who could solve that problem and have not solved that problem. To use the lack of that solution, to prevent a community that is crying out to be helped, to reject them. The reality is that our unwillingness to solve Horton vs. Meskill is the reason why this bill is here, is the reason why it's necessary for it to be here so that we as members of this Legislature, the least we can do is recognize that to a large measure, we are responsible for this and to do what is in our power to make it possible for the people of that community, without any additional dollar help from us, to try to solve their problem in the best way they can in the very limited circumstances that we now realize is in good measure our responsibility in the state.

REP. GLASSMAN (14th):

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20)

Mr. Speaker, I think the Honorable Minority Leader has really missed the whole point of what this amendment does. And I don't know why he brought Horton vs. Meskill into this in the first place, but this doesn't impact at all on the Grand List. Manchester is not attempting to avoid revaluation and reassessment. They've acknowledged that revaluation and the assessments have taken place. What they're trying to do in Manchester is to ease that burden on that revaluation on the

homeowner. In terms of impact on the state of Connecticut, in relation to the Grand List, there is no impact. Whatever the revaluation shows will be the Grand List in the town of Manchester. It does not diminish it. It has no impact on GTB formulas and the aid that the state is going to give to an individual town based on its Grand List. So I just wanted to clear up that one point.

REP. VARIS (90th):

Mr. Speaker, I'd like to call the attention of this House that I spent 7 years of my life in the assessing business, and this state in its wisdom has corrected a deficiency in the past where communities could spread their assessment over 19 years but this Legislature corrected that and in this day and age, it's not untypical to find a community that would assess this year or last year to have their Grand List raised in excess of 100%. However, if the town didn't increase its budget, the mill rate should have, so the bill exactly identical but what happens every 10 years, as additions get put on homes that don't get listed with the assessor; sometimes outbuildings are demolished and don't get listed with the assessor. So in that 10-yr. period, inequalities creep in so if the average community say did go up 100% as you read published lists in the papers, you'll find that some only went up 50%. That means really that man was carrying more than his load for a number of years. And other persons made trouble when assessments went up 100%. Really, what does that mean? That means that that man had a

free load for many, many years so the principle of assessing frequently and there are many proponents who would have it done every 5 years, the principle is to get fairness and equality. And it's traumatic in any town in the state when they go through revaluation. If we start making special cases, community by community or put this type of a bill on, it would allow the readers of 169 towns to avoid a political decision to just defer it so I'm concerned that in many communities, we're liable to start getting shifts of percentage all over the place and they would be purely political decisions. It could happen in my town and in the next town, whether it's Manchester or Cheshire or what town, I think we should all stay with the state law and have uniformity and fairness and the correctness of those inequities that happen over the periods of years between revaluations and I would say that Gardner Wright, the Chairman of the Finance Committee is 100% on target.

REP. YACAVONE (9th):

Mr. Speaker, I would just ask support of this amendment. As several speakers have pointed out, it is permissive legislation. I think Manchester through its Board of Directors and its citizens, should be able to use an option if it would benefit their community, particularly the small home owners. I suggest that you give this opportunity to Manchester and other towns who have given many opportunities to others in the state to help them and with their local problems. Thank you.

THE DEPUTY SPEAKER:

Prepare to vote. Will the members please take your seats. Staff and guests please come to the well of the House.



S-135

CONNECTICUT  
GEN. ASSEMBLY  
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PROCEEDINGS  
1978

VOL. 21  
PART 6  
2082-2474

Tuesday, April 25, 1978

80

additional sums which may be advanced and the events or conditions under which such advancements may be made. If there's no objection, Mr. President, I'd ask that it be placed on consent.

THE CHAIR:

Hearing none, so ordered.

THE CLERK:

Bottom of page 7, calendar 573, File 471, Favorable Report of the Joint Standing Committee on Judiciary. Substitute for Senate Bill 310. An Act Concerning Mandatory And Optional Transfer Of Jurisdiction From The Juvenile Docket For Matters To The Regular Criminal Docket Of The Superior Court.

SENATOR SANTANIELLO:

Mr. President.

THE CHAIR:

Senator Santaniello.

SENATOR SANTANIELLO:

Senator DePiano asked that this be passed temporarily until he returns to the chamber.

THE CHAIR:

It may be passed temporarily.

THE CLERK:

Turning to page 8 of the calendar, second item from the bottom, calendar 650, File 544, Favorable Report of the Joint Standing Committee on Appropriations, Substitute for Senate Bill 625, An Act Concerning Payments in Lieu of Taxes.

Tuesday, April 25, 1978

81

SENATOR LIEBERMAN:

Mr. President.

THE CHAIR:

Senator Lieberman.

SENATOR LIEBERMAN:

Mr. President, I would move acceptance and passage and I believe that there is an amendment.

THE CLERK:

Clerk has Senate Amendment Schedule "A", Substitute Senate Bill 625 offered by Senator Barry, LCO 3367. 3367.

THE CHAIR:

Senator Barry.

SENATOR BARRY:

Mr. President, waive the reading of the amendment. What this amendment does ...

THE CHAIR:

Do you move for adoption of the amendment?

SENATOR BARRY:

I move for adoption of the amendment, Mr. President.

THE CHAIR:

Proceed.

SENATOR BARRY:

This amendment is of extreme importance to all of our communities and this year is of particular importance to any community that has gone through revaluation of its property under 12-62 of the general statutes, and what this does is allow for a phasing in of

Tuesday, April 25, 1978

82

revaluation assessments and to give you an example of how it helps the average homeowner, in Manchester which has just completed a revaluation, most homes have gone up in assessment in the area of 100 to 125%, and this coming after a previous revaluation of ten years ago, and it's totally out of balance with the increase in revaluations of commercial and business property. Therefore, the burden on the present tax list is going to fall on private property owner and what this bill does is rather than hitting people all at once, it makes a radical change in the revaluation process by allowing any town at its own option, by a vote of its legislative body, to phase that in in equal payments over a five year period, so that by the fifth year, 100% of the increase in assessments would attach to each property. This is vital to each of our communities and to the residential homeowners in each of our towns who are being hit so hard by real estate taxes. It does not apply to commercial inventory, to personal property, it strictly applies to real estate. The provision becomes effective immediately upon passage by this House and the House of Representatives and it applies to any grand list commencing with the grand list of 1977. Thank you, Mr. President.

SENATOR REIMERS:

Mr. President.

THE CHAIR:

Senator Reimers.

SENATOR REIMERS:

Through you, Sir, a question to Senator Barry, or really a double question. 1. Does this not simply wipe out the requirement that you reevaluate every ten years, and 2. How will it effect the

Tuesday, April 25, 1978

83

school guaranteed tax base formula?

THE CHAIR:

Senator Barry.

SENATOR BARRY:

Mr. President, through you, in response to Senator Reimer's question, No. 1. this does nothing to 12-62 which mandates a re-valuation every ten years. That still applies. All this does is says that if your house, as houses in Manchester have gone after a recent revaluation, from an assessment of \$10,000.00 to \$22,000.00, this would allow the \$12,000.00 excess to be spread over anywhere up to five years. It has no effect on the compulsion of the town to do it again in ten years from the completion of this revaluation. With respect to the second question, the G.T.B. and other formulas that are influenced by the grand list would still be influenced by the grand list in effect annually, so that it would not be, the grand list that would be used in any given year, would be the grand list as added to it by the fractional interest of the increase. It would not take into account the entire increase.

THE CHAIR:

Senator Reimers.

SENATOR REIMERS:

Mr. President, through you again Sir, then what you're saying is that a town could re-evaluate and decide not to assess anybody that increase and therefore be eligible for more state aid under the school funding.

THE CHAIR:

Senator Barry.

Tuesday, April 25, 1978

84

SENATOR BARRY:

Through you, Mr. President, no they could not say that there would be no increase. In the year of re-evaluation and for the four successive years after the year of revaluation, the town that is a maximum of four years, it could be three, it could be two, the town must apportion a share of that increase, an equal share of that increase over the one, two, three or four successive grand list periods.

THE CHAIR:

Will you remark further? Senator Johnson.

SENATOR JOHNSON:

Thank you. I rise in support of this amendment and congratulate Senator Barry on what is really a terribly piece of legislation and one that I personally feel great pain at not having had introduced about four years ago in New Britain. Some of our property owners suffered a tax increase of 300%. It is unconscionable that that kind of radical alteration cannot be adjusted in some way, and this seems to be a reasonable way. As to the impact on the educational funding, I see that as a positive thing also, because it allows a town in the face of a radical change in the grand list to accommodate in a gradual fashion to what will then also be a significant change in educational aid, so I think at this point in our economic lives we do need this kind of legislation that will allow individuals and municipalities to adjust to what are realities in a planned, controlled manner. It's an extremely responsible amendment and it's a pleasure to support it.

SENATOR BECK:

Mr. President.

Tuesday, April 25, 1978

85

THE CHAIR:

Senator Beck.

SENATOR BECK:

Mr. President, I will be opposing the legislation. It is very major legislation. It means that the phase-in over a four year period will hit in a very haphazard way particularly industrial and commercial property because it means that we could conceivably wait for a decade to revalue and then particularly if residential property is involved, it means that the burden on industrial and commercial property can be continued over an additional four year period that the impact of this therefore will be unequal as between newer and older people in town and that the phase-in concept and essentially variant of a freeze town by town for four years is really - moves in the opposite direction of what we are trying to do particularly in the larger areas of the state in the way of property tax relief for commercial and industrial properties. It could work the other way incidentally, where there is a rapid increase in commercial and industrial values, this may mean that it will fall more heavily on residential property and certainly with a major piece of legislation such as this, the Finance Committee should have had the opportunity to explore very fully all the ramifications of such a proposed change. It can mean that if one community does it, the others are going to be forced into the same kind of thing and it may, in fact, encourage waiting out the ten year period before revaluing in the interest of having a longer time span to make those adjustments. The essence of the property tax, in fact, is more frequent rather than less frequent revaluations.

Tuesday, April 25, 1978 86

Therefore, I will oppose the amendment and ask for a roll call on the vote.

SENATOR MADDEN:

Mr. President.

THE CHAIR:

Senator Madden.

SENATOR MADDEN:

Thank you, Mr. President. I also rise in opposition of this amendment. I think one of the things that's been overlooked so far in the debate is that all we've heard is the good news. I'd like to speak to the bad news. I think that the bill intends to provide a cushion for those people that have had an appreciation of property values of their particular homes. It's also true that in other neighborhoods in any given city, you could have what is a devaluation in property values for people in that neighborhood, so that if this particular amendment is adopted what we're really saying is to those people who have already suffered economic loss by not having their properties appreciate as others in the city have, that they'll have to continue to carry a heavier than fair share burden of the taxes until such time as this phase-in is completed. That, I think, is totally contrary to a lot of things that we're trying to do up here in terms of the low income people that may happen to live in that particular portion of the city. We all know that in New Haven we happen to have a portion of our city where property values have, in fact, deteriorated over the last ten years - fifteen years - since revaluation, and other segments of the city, property values have increased tremendously in value. Putting off a readjustment and a reshifting of the tax burdens

Tuesday, April 25, 1978

87

simply means that those people in the poorer areas or in those areas where the properties haven't been appreciating are going to have to continue for an extension of four years to pay for those folks that are already reaping an advantage from seeing an appreciation in their property values, and it seems that the poor get poorer and the rich get richer and that's all this amendment speaks to. I would hope that the members of the circle would keep that in mind and vote against this amendment.

THE CHAIR:

Senator Putnam.

SENATOR PUTNAM:

Thank you, Mr. President, I'd like to direct a question through you to Senator Barry and ask him, in the file copy it says "revaluation of no less than 40%" and that was crossed out and it was written in 30% and I'm wondering how many more towns that extra 10% took in and which towns.

SENATOR BARRY:

Mr. President.

THE CHAIR:

Senator Barry.

SENATOR BARRY:

There isn't any count of towns involved in the changing of the requirement of 40% increase to 30% increase. Obviously, what this part of the amendment means is that if your revaluation for this year, for example, for 1977, gives you an increased grand list of less than 30%, then you do not qualify to invoke this installment

Tuesday, April 25, 1978

88

increase for the homeowners. It has to be a minimum of 30%. Originally when the amendment was drafted by the LCO it was an error, and it said 40%. The intention was 30 and that's the reason that they told me simply to change it in writing and to speak to it as 30%. It doesn't involve a number of towns. There's no way you can tell the number of towns to what would increase 30% or what would increase 40%. The increases in my community were so high that the 30% figure is a very conservative one. I would like to say too that, if, in any particular community, there are so many properties that do not increase in valuation or that might even decline, then of course that's up to the local council to decide whether or not they want to invoke the provisions of this bill. I think it's important that you bear in mind that all this <sup>is</sup> enabling legislation for each of our communities to take the sting out of revaluation for the individual property owner.

THE CHAIR:

Will you remark further? Senator Johnson.

SENATOR JOHNSON:

I would just like to add again in response to some of the comments that have been made. While I know that revaluations are made by experts and on appropriate formulas and so on and so forth, nonetheless, when revaluation occurs in some of these older towns, first of all the revaluation is in no way commensurate with the increase in the homeowner's income, and therefore, the radical increase in property taxes is extremely difficult to bear and in many of these urban

Tuesday, April 25, 1978

89

communities hits many people on a fixed income. Furthermore, it is difficult for the ordinary person to understand why some of revaluations are made as they are and while there is a system of appeal, none-the-less I would have to say that I feel that many, many properties in New Britain have a very strange evaluation and in many cases the sale of those properties has not borne out that the values do hold up in the market, so there are a lot of problems with these things and there seems to be a radical change in the valuation of property at this point and I think this kind of enabling legislation is really essential.

THE CHAIR:

Will you remark further?

SENATOR BECK:

Mr. President.

THE CHAIR:

Senator Beck.

SENATOR BECK:

Speaking for the second time, I would point out that housing which is being sold is going to have an escalating tax rate for the succeeding years of sale. Certainly the proposal to phase-in does not change the nature of valuation. That lies with the valuation firm, nor the basic problems of the property tax, but it does compound those problems of shifting in valuation if it is not done in one step because it does maintain inequities over another four years, practically a half decade and this continues to compound and make serious a problem of changing values and in a period particularly

Tuesday, April 25, 1978

90

with rapidly escalating costs, this means very unequal bearing of the burden of the property tax. It does not eliminate, but simply makes less equitable rather than more. Move for a roll call.

THE CHAIR:

Will you remark further? Senator Putnam.

SENATOR PUTNAM:

Mr. President, speaking for the second time, I think we ought to congratulate the Senator for bringing forth this idea. I think it's an excellent idea. My problem is I think it should have been studied. I feel it should have come through the Finance Committee. I feel that basically the towns have to get their money from the property tax and if we're going to put off the town's ability to collect the tax for another four years, this is not good for the town. Secondly, I see no reason, no authority in here that forces the town to evaluate and this seems to me that since the City of Hartford has been able to go seven years longer than it should that it means now it can go twenty-four years longer. I do not see anything in here that assists those areas of the towns that have gone down in value except to make them carry the burden longer. While I congratulate Senator Barry in bringing out this idea, I don't believe it should be before us at this time, and I would move to defeat it.

THE CHAIR:

Will you remark further? Clerk please announce a roll call.

THE CLERK:

Immediate roll call has been ordered in the Senate. Would all Senators please take their seats. Immediate roll call in the Senate.

Tuesday, April 25, 1978

91

Would all Senators please be seated.

THE CHAIR:

Machine may be open. Please record your vote.

SENATOR CUTILLO:

Mr. President, before I vote ...

THE CHAIR:

Senator Cutillo.

SENATOR CUTILLO:

I was out in the hallway and I didn't hear a roll call. I had mentioned it to the Clerk before.

THE CHAIR:

The Clerk please make another announcement? Apparently it's not being heard.

THE CLERK:

Roll call in the Senate. Would all Senators please be seated.  
Roll call in the Senate. Would all Senators please take their seats.

THE CHAIR:

Thank you, Senator Cutillo. Machine may be closed. The Clerk please tally the vote. Result of the vote. 36 total voting, 19 necessary for passage, 21 yea, 15 nay. The amendment is adopted.

SENATOR BARRY:

Thank you, Mr. President.

Tuesday, April 25, 1978

THE CLERK:

Clerk has Senate Amendment Schedule "B", Substitute Senate Bill 625, LCO 3061 offered by Senator Johnson. 3061. Copies are on the desks.

THE CHAIR:

Senator Johnson.

SENATOR JOHNSON:

The substance of this amendment is familiar to the members of the circle and I want to thank and express my appreciation to Senator Beck and her committee for the hard work they have put in to this bill over the course of the session and to Senator Houley for his concern with this very difficult problem. I do realize that the payment that New Britain missed that was not paid to New Britain and yet that was due to New Britain in 1972 is now being addressed. However, those negotiations are still not complete and in light of the fact that this bill has been brought to the legislature ever since 1972 and this is the first time that it's ever reached the point where people genuinely understood it and recognized the justice of the claim, I do feel that it is an appropriate amendment to present. This is an important debt that New Britain is owed and one we could ill afford to have fall through the cracks. Once again, and I do want that say to the Finance Committee and Senator Houley have been most supportive and understanding of the position of the City in this matter and I would move this to the Consent Calendar. Can you move an amendment? No.

Tuesday, April 25, 1978 93

THE CHAIR:

It was a daring attempt, tho. Senator Houley, would you care to comment?

SENATOR HOULEY:

Thank you, Mr. President. I urge defeat of this amendment. However, I do wish to agree quite publicly with the remarks that Senator Johnson, however, I don't feel at this point that the amendment is necessary, that the state need not appropriate just under \$400,000.00 for the purpose of act that we cause. The State is in the process, and I have the personal assurance of the administration, working with the officials of the City of New Britain, that they are in the process of negotiating and will complete within a matter of six to seven days a process whereby several things will take place. First, the State will acknowledge that it does indeed owe the City of New Britain some just under \$400,000.00 as a result of the attention this has gotten going back to 1971. At the same time, I think it's responsible that the City of New Britain recognizes that it owes the State of Connecticut close to one million dollars. Thirdly, both parties are interested in using a school located in the City of New Britain that I think it's fair to assume the State is in the process of negotiating to purchase. All of these factors considered, the Attorney General has been empowered to negotiate with the City of New Britain all of those factors and consider the State purchasing property for \$750,000.00 including the \$350,000.00 consideration payment in lieu of taxes and coming up

Tuesday, April 25, 1978

94

with a negotiated number of 1.2 whereby the State's obligations are fulfilled to the City, the City's are fulfilled to the State, and all is well that ends well and everyone is on good terms. There is one other thing as a point of personal privilege, I want to clarify very emphatically the apparent suggested dialogue between Senator Nancy Johnson and Senator Robert Houley. On the day of budget proceedings, there was a matter that indeed did not reach out committee until approximately 4:15. That, and five other matters, did not receive due consideration. In fact, they received no consideration. They were not placed on the agenda, and they were not considered. This had absolutely nothing to do with any words of disagreement which Senator Johnson has apologized for and I in turn have apologized to Senator Johnson for. So, we want to clear that up and I think this matter then will rest, that the amendment is at this time not necessary, and perhaps Senator Johnson might wish to withdraw it.

SENATOR JOHNSON:

Thank you, Senator Houley. With those very clear words of assurance, I withdraw the amendment and appreciate your help and consideration.

SENATOR HOULEY:

Are there further amendments, Mr. President?

THE CLERK:

Clerk has no further amendments.

SENATOR HOULEY:

The Clerk has no further amendments, therefore, the main bill as amended by Senate "A" is before us. Mr. President, I would

Tuesday, April 25, 1978 95

move acceptance of the joint committee's favorable report as amended by Senate "A" and simply remark as follows: Mr. President the bill would remove the pro-rata clause from the payment in lieu of taxes on the state owned property where the total payment under the formula exceeds the amount appropriated. There's 7.2 million dollars in the budget. It is not necessary for an F.A.C. transfer since the money is in the budget, and if there's no disagreement, since the amendment was voted separately, I would ask that this item be placed on the Consent Calendar.

THE CHAIR:

Without objection, it will be moved to Consent.

SENATOR MARTIN:

Mr. President.

THE CHAIR:

Senator Martin.

SENATOR MARTIN:

I would like to vote in the affirmative. Sorry for the delay.

THE CHAIR:

No problem at all. Senator DePiano, I'd like now to announce the results of the consent calendar. Total voting 36, necessary for passage 19. Those voting yea, 36, those voting nay 0. The consent calendar for today is passed. Senator DePiano.

SENATOR DEPIANO: SB 436, SB 343, SB 504, SB 533, SB 445, SB 437, SB 406, SB 428, SB 561, SB 606, SB 444, HB 5978, SB 403, SB 416, HB 5136, HB 5254, HB 5468, HB 5573, HB 5676, SB 373, HB 5054, HB 5140, HB 5163, HB 5836, HB 5992, HB 3139, HB 5147, HB 5353, HB 5344, HB 5819, HB 5859, HB 5990, HB 5137, SB 591.

Yes, I move for adoption of the amendment.

(See p. 2268 for Calendar #s.)

THE CHAIR:

Question is on adoption of Senate Amendment Schedule "A". Will you remark?

SENATOR DENARDIS:

Mr. President.

THE CHAIR:

Senator DeNardis.

SENATOR DENARDIS:

Just a question through you to Senator DePiano.

THE CHAIR:

Please frame your question.

SENATOR DENARDIS:

I believe that the Senator indicated that there were three