

Legislative History for Connecticut Act

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HB 5936

PA82-452

1982

House - 6428-6448

Senate - 4209-4232

Finance - 365-367, 378-381

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CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
1982

VOL. 25  
PART 20  
6377-6642

kdj

House of Representatives

Friday, April 30, 1982

Have all the members voted? Will the members please check the roll call machine? The machine will be locked. The Clerk will take the tally. Will the Clerk please announce the tally?

CLERK:

Senate Bill 499, as amended by Senate "B" and "C".

Total number voting	143
Necessary for passage	72
Those voting yea	132
Those voting nay	11
Those absent and not voting	8

SPEAKER ABATE:

The bill passes.

CLERK:

Calendar 579, Substitute for House Bill 5936,  
AN ACT CONCERNING ASSESSMENT OF WATER SUPPLY LAND OWNED  
BY A METROPOLITAN DISTRICT AND LOCATED IN A TOWN NOT USING  
THE WATER SUPPLY. Favorable report of the Committee on  
Finance, Revenue and Bonding.

REP. NEUMANN: (62nd)

Mr. Speaker, Mr. Speaker.

SPEAKER ABATE:

Rep. Neumann, your light does not light on my board,

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sir. I am sorry. That is why I was not aware of the fact that you were trying to get my attention. Rep. Neumann, you have the floor.

REP. NEUMANN: (62nd)

Thank you, Mr. Speaker. I move approval of the Joint Committee's Favorable Report and passage of the bill.

SPEAKER ABATE:

The question is on acceptance of the Joint Committee's Favorable Report and passage of the bill. Will you remark, sir?

REP. NEUMANN: (62nd)

Thank you, Mr. Speaker. This, Mr. Speaker, I view as a small technical change to something the legislature did in 1963. Basically, I would outline the problem as follows. Municipal water districts in the state for many years have been subject to assessment of their watershed lands in other towns on the basis of improved farm land.

In 1963, when 490, the farmland preservation tax bill went through and farm land was allowed a special reduction for active farms, they qualified, explicit language was put in the statutes that municipal water districts could not use 490 in their calculations.

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From 1963 until present, this has not presented any problems. Two years ago, however, for the two towns in my district, the problem arose when the Metropolitan District Commission said we are not a municipal water district under the general statutes, but instead, operate by special charter and therefore, we are entitled to the use of 490 and resulting in lower payments to the towns.

This difference is now in court. The issue is did the legislature, obviously, intend to include MDC although it was a special charter or was it deliberately excluded? Obviously, our position is that it was an oversight and therefore this bill is merely a technical correction of the statute.

The money involved, Mr. Speaker, may not be significant in terms of overall. It is a question of maybe \$125,000 a year spread among the half a million users of the Metropolitan Water District, that is 20¢ or 30¢ a person per year.

Spread among the 7,000 people that live in those two towns is \$20 or \$25 per year. It is a significant difference, Mr. Speaker. And I would urge passage of the bill which would, in essence, say that the use of 490 was not permitted by special charter water districts as well

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as those operating under the general statutes.

SPEAKER ABATE:

Will you remark further on this bill?

REP. FARRICIELLI: (102nd)

Mr. Speaker.

SPEAKER ABATE:

Rep. Farricielli.

REP. FARRICIELLI: (102nd)

Mr. Speaker, the Clerk has an amendment, LCO No. 3490. I would ask the Clerk to call and I ask for permission to summarize.

SPEAKER ABATE:

The Clerk has in his possession an amendment. The LCO number is 3490. I will designate it House Amendment Schedule "A". Will the Clerk please call the amendment.

CLERK:

LCO No. 3490, offered by Rep. Farricielli of the 102nd district. Scheduled House "A".

SPEAKER ABATE:

The gentleman requested leave of the Chamber to summarize this amendment. Is there objection? Hearing none, you may proceed to do so, Rep. Farricielli.

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REP. FARRICIELLI: (102nd)

Thank you. Mr. Speaker, this amendment would strike everything after the enacting clause and insert in lieu thereof a study of this problem. This is a problem the MDC has developed and it is payments in lieu of taxes is a problem that should be examined and the relationship between MDC and the surrounding towns should be.

This amendment would create a study commission including members from both the Environment and the Planning and Development Committee as well as members from the MDC community and from the towns surrounding. And I move adoption of the amendment.

SPEAKER ABATE:

The question is on adoption of House "A". Will you remark further on its adoption?

REP. TORPEY: (11th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Richard Torpey.

REP. TORPEY: (11th)

I rise to support the amendment. I think the bill as present is just a mite bit more than technical changes. There are seven communities in the Metropolitan District;

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East Hartford, Hartford, Windsor, Bloomfield, Newington, Rocky Hill and Wethersfield.

Now for some strange reason, you may think that the Metropolitan is some large corporation with billions of dollars of profit and so forth. But really, it is an extension of the communities. And they exist the same as the individual communities, on taxes. The bill that is presented is to become effective on passage.

One of the problems is the MDC has already established a budget. There is quite a difference of opinion as to the amount of money involved. It was suggested 25¢ per person and yet the Metropolitan District comes up with figures that would increase the cost of water to the communities by 10%. Now I think that figure is wrong, but I also think that 25¢ is wrong.

I want to remind the representatives that you are not only talking about the Metropolitan District towns, there are other towns that would be involved with a 10% if that figure is correct, the 10% increase; such as New Britain, Glastonbury, West Hartford, Farmington, New Hartford, South Windsor, Avon, Unionville, Collinsville and Berlin.

Now I think another thing that perhaps Rep Neumann overlooked in that part of the bill that he is suggesting, but it is written into that particular bill, that if there

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is watershed property in the community that is using, purchasing water from the district, as I read it, the watershed property in that town would be tax exempt.

Now if that is the case, this bill, were it to become effective, would eliminate the taxes entirely that would be paid to Glastonbury, Farmington, New Hartford and Avon. I don't quarrel with the theory that he has suggested. But I think it does require some study to find out exactly what the effect of the bill on passage would be. And I think that the vehicle has been suggested in this amendment.

I would urge you to support that amendment. Thank you, Mr. Chairman.

SPEAKER ABATE:

Thank you, sir. Will you remark further on the adoption of House "A"?

REP. NEUMANN: (62nd)

Mr. Speaker.

SPEAKER ABATE:

Rep. Otto Neumann.

REP. NEUMANN: (62nd)

Mr. Speaker, there was ample opportunity for discussions along the way. The fact that we have reached the point of semi-stalemate between the towns in my district which in

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essence are the resevoirs versus the users. Leads me to the fact that talking, study, is perhaps past the point of usefulness and we ought to be acting.

I know it is a common statement here that if we talk things long enough, eventually we reach an amicable solution. Interestingly enough, on an earlier bill today, we did. Also involving the MDC in our towns on the water diversion bill. But I feel somewhat differently on this one and I think I have to speak for my constituents when I say I don't think we want to talk any longer. We want to take someaction. And I would point out that some of the statements that Rep. Torpey made I do not think are covered by the bill.

The bill covers only those towns not receiving water, ones that are receiving water in the district still are not affected by this legislation.

Therefore, Mr. Speaker, I myself cannot support this amendment.

SPEAKER ABATE:

Will you remark further on the adoption of House "A"?

REP. STOLBERG: (93rd)

Mr. Speaker.

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SPEAKER ABATE:

Rep. Stolberg.

REP. STOLBERG: (93rd)

Mr. Speaker, I rise to support the amendment. I think Rep. Neumann made a very convincing case for the bill in committee and indeed I supported the bill. The amendment opens up an avenue of dialogue, however, that can be productive and indeed can more rapidly arrive at a solution than even the bill can. Therefore, I support the amendment.

SPEAKER ABATE:

Will you remark further on the adoption of House "A"?

REP. GROPPA: (63rd)

Mr. Speaker.

SPEAKER ABATE:

Rep. Groppo.

REP. GROPPA: (63rd)

Thank you. Mr. Speaker, I didn't intend to stand and speak on this particular bill, but it does affect one of my towns. And it happens that that town, after November, will go to my good friend, Otto Neumann. So I feel that I have an obligation to the town of Colebrook as of today

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and until November. So I, too, rise in opposition to this amendment. It seems to me that when the MDC was created back in the late 20's, that this legislature certainly did a great disservice to the communities of Hartland, Colebrook, Barkhamsted and part of New Hartford. And as the years went by and the MDC developed and got larger and larger, it reduced the tax base for those towns.

Now, I just feel that with the size of these towns, it is very important that they don't lose any revenue because of the great monstrosity that the MDC has grown into.

Now it is nice if we are going to study this. But I can assure you that when you pit the lawyers from the MDC to the kinds of lawyers that these small towns can afford, why it is a lost cause. But I just feel that study is not going to solve the problem. This legislature can solve the problem by supporting the original bill and defeating this amendment. Thank you.

REP. MOYNIHAN: (10th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Moynihan.

REP. MOYNIHAN: (10th)

I might observe for this body this is the first time

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this year I have had to use my own mike. This has been an issue that has been raging at some length within our Democratic leadership caucus. Because we are very divided on this issue, Mr. Speaker.

One issue that hasn't been observed here this evening is this issue is currently in the hands of the high priced lawyers. And it has been litigated and has been in the courts for some period of time. So the file copy would interfere with that process that is currently in place in the courts. I would certainly trust the judgement of the study committee that would be formed by the amendment as proposed by Rep. Farricielli. Particularly since it would be my expectation that our good friends on both sides, Otto Neumann, John Groppo on one side and Dick Torpey and the Hartford area people on the other serving on influencing that study committee I believe will come up with a solution that is acceptable to all of us without the benefit of the so-called high priced lawyers that Rep. Groppo suggested.

So I would urge support of this amendment.

SPEAKER ABATE:

Will you remark further on the adoption of House "A"?  
Will you remark further on the adoption of this amendment?

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REP. TORPEY: (11th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Torpey.

REP. TORPEY: (11th)

I think the bill has a lot of merit, the idea. But don't outmaneuver yourselves and have a situation continue in the Metropolitan and other towns. As I read the bill and I am not a lawyer, but as I read that bill, you may be outsmarting yourselves because I think it says in there that if a town has watershed land and they use that water, then that land is tax exempt. And if either one of you noble, distinguished gentlemen represent Glastonbury, Farmington, New Hartford or Avon, it is very possible you are denying them any taxes at all.

So let's talk. Let's study. And let's not make a serious mistake. Thank you, Mr. Speaker.

REP. PARKER: (31st)

Mr. Speaker.

SPEAKER ABATE:

Rep. Nina Parker.

REP. PARKER: (31st)

Through you, a question to Rep. Torpey.

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SPEAKER ABATE:

State your question, please madame.

REP. PARKER: (31st)

Rep. Torpey, you have stressed twice that towns that have reservoirs that we would lose taxes if we voted against the amendment. How much taxes are we receiving now from reservoir land? If any.

REP. TORPEY: (11th)

Well, Barkhamsted for example, is \$210,000 some odd thousand billed. That is in court, so I am not sure what that will be. Glastonbury, for example, is \$14,890. New Hartford is another town and their taxes are also in court. But it is \$82,000. Farmington has a tax bill of \$1,750. But we are just talking there on the tax side.

But also, I would remind you that anyone who is purchasing the water, the MDC has estimated a total cost or an increase to the families of 10%. And that is to many communities outside of the 7 member towns.

And Glastonbury, New Britain, Farmington, New Hartford, many of these are using the water. The cost is something that can be arrived at when they really sit down and come up with it. But I just think that, I want to warn you that I think there is a possibility that these four communities could lose all of their taxes. So I

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think we ought to study this and try to come up with a fair solution, once and for all. And I think that is enough said. Thank you, Mr. Speaker.

REP. MORGAN: (56th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Morgan.

REP. MORGAN: (56th)

Mr. Speaker, to paraphrase Rep. Helfgott of yesterday's readings, I would just say that one of my leaders is for this amendment and one of my leaders is opposed to this amendment. So would the record please show that I am supporting my leader.

SPEAKER ABATE:

Will you remark further on the adoption of House "A"?

REP. BARNES: (21st)

Mr. Speaker.

SPEAKER ABATE:

Rep. Dorothy Barnes.

REP. BARNES: (21st)

Mr. Speaker, when we vote on this, may the vote be taken by roll call, please.

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SPEAKER ABATE:

The question is on a roll call vote. The Chair questions the motivation of such a request. All those in favor, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

Clearly, the 20% has not been satisfied. So when the vote is taken on this amendment, it will not be taken by roll. Will you remark further on the adoption of House "A"? If not, all those in favor, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

All those opposed nay.

REPRESENTATIVES:

No.

SPEAKER ABATE:

Rep. Barnes, you see the position you put me in, Madame. Once again, the Chair will put the question to you. Prepare yourself for a division of the House vote. All those in favor please indicate by saying aye.

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WOULD THE HOUSE PLEASE RECONVENE?  
REPRESENTATIVES:

WOULD THE HOUSE PLEASE RECONVENE?  
Aye.

OF THE DIVISION OF THE HOUSE?  
SPEAKER ABATE:

WOULD THE HOUSE PLEASE RECONVENE?  
All those opposed nay.

WOULD THE HOUSE PLEASE RECONVENE?  
REPRESENTATIVES:

WOULD THE HOUSE PLEASE RECONVENE?  
No.

THE CHAIR IS IN DOUBT.  
SPEAKER ABATE:

THE CHAIR IS IN DOUBT.  
The Chair is in doubt. The Chair will order a

THE CHAIR IS IN DOUBT.  
Division of the House. I will designate the sections

THE CHAIR IS IN DOUBT.  
1, 2, 3 and 4 starting with section 1. I will designate

THE CHAIR IS IN DOUBT.  
Rep. Kiner as the teller in that specific section. Would

THE CHAIR IS IN DOUBT.  
all the members please be seated? Would all the members

THE CHAIR IS IN DOUBT.  
please be seated.

THE CHAIR IS IN DOUBT.  
The House of Representatives is voting by division

THE CHAIR IS IN DOUBT.  
of the House. Would the members please return to the

THE CHAIR IS IN DOUBT.  
Chamber immediately. The House of Representatives is now

THE CHAIR IS IN DOUBT.  
voting by a division. Would the members please return to

THE CHAIR IS IN DOUBT.  
the Chamber immediately.

THE CHAIR IS IN DOUBT.  
Would the Sergeant at Arms please close the doors?

THE CHAIR IS IN DOUBT.  
Would all the members please be seated? Would all the

THE CHAIR IS IN DOUBT.  
members please be seated? All staff and guests please

THE CHAIR IS IN DOUBT.  
come to the Well of the House. Would all the members

THE CHAIR IS IN DOUBT.  
please be seated. Would all the members please be seated.

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Would the House of Representatives please come to order.  
Would the House please come to order. During the pendency  
of the Division of the House, would the members please  
be seated.

Would the House please come to order. Would members  
please remain silent during the counts to be taken during  
the division. On the question before us at this time which  
is the adoption of House Amendment Schedule "A" bearing  
LCO No. 3490. All those in favor in section 1 please stand.  
Would Rep. Kiner please take the count. Rep. Kiner.

REP. KINER: (59th)

Mr. Speaker, 16 yeas.

SPEAKER ABATE:

16 in the affirmative. Would all those opposed please  
stand. Rep. Kiner.

REP. KINER: (59th)

13 no, sir.

SPEAKER ABATE:

13 in the negative. All those in section 2.  
Rep. Sorensen, you are designated teller. All those in  
favor, please stand.

REP. SORENSEN: (82nd)

Mr. Speaker.

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SPEAKER ABATE:

Rep. Sorensen.

REP. SORENSEN: (82nd)

30 in the affirmative.

SPEAKER ABATE:

30 in the affirmative. All those in section 2 who are opposed to this amendment, please stand.

REP. SORENSEN: (82nd)

Mr. Speaker, 10 in the negative.

SPEAKER ABATE:

10 in the negative. Rep. Pier, designated teller in section 3. All those in favor in section 3, please stand.

REP. PIER: (15th)

Mr. Speaker, 6 in the affirmative.

SPEAKER ABATE:

6 in the affirmative. All those opposed in section 3, please stand.

REP. PIER: (15th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Pier.

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REP. PIER: (15th)

Mr. Speaker, 32 in the negative.

SPEAKER ABATE:

32 in the negative. Section 4, Rep. Mannix, designated teller. All those in favor of this amendment, please stand.

REP. MANNIX: (142nd)

Mr. Speaker.

SPEAKER ABATE:

Rep. Mannix.

REP. MANNIX: (142nd)

Mr. Speaker, 5 are in favor.

SPEAKER ABATE:

5 in the affirmative. In the negative, section 4, please stand.

REP. MANNIX: (142nd)

Mr. Speaker.

SPEAKER ABATE:

Rep. Mannix.

REP. MANNIX: (142nd)

26 in the negative.

SPEAKER ABATE:

It should be apparent to the membership now what the advantages are in holding this particular position.

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The Chair does not have to involve itself in this intra-party squabble. The vote is 81 to 57, no.

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House Amendment Schedule "A".

Strike everything after the enacting clause and substitute the following in lieu thereof:

"There is created a task force to study the method of assessment of water supply land owned by a metropolitan district and located in a town not using the water supply. The task force shall be comprised of fourteen members as follows: Two members of the house of representatives appointed by the speaker of the house of representatives, one member of the house of representatives appointed by the minority leader of the house of representatives, two members of the senate appointed by the president pro tempore of the senate and one member of the senate appointed by the minority leader of the senate, four persons who are residents of municipalities which are members of the metropolitan district within the county of Hartford created pursuant to number 511 of the special acts of 1929, as amended, and four persons who are residents of municipalities in which water supply land owned by said metropolitan district is located but which are not members of the said district. Members other than those who are members of the legislature shall be appointed as follows: Three members by the speaker of the house of representatives, one member by the minority leader of the house of representatives, three members by the president pro tempore of the senate and one member by the minority leader of the senate. The task force shall report its findings and recommendations to the governor and the general assembly not later than January 5, 1983."

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SPEAKER ABATE:

Will you remark further on this bill? Will you remark further on this bill. The amendment, of course, failed since the vote of adoption was in that number in

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the negative. Will you remark further? Would all the members please be seated. Would all the members please be seated. Would staff and guests please come to the Well of the House. The machine will be open.

The House of Representatives is voting by roll at this time. Would the members please return to the Chamber immediately. The House of Representatives is voting by roll. Will the members please return to the Chamber immediately.

Have all the members voted? Will the members please check the roll call machine? The machine will be locked. The Clerk will take the tally. Will the Clerk please announce the tally?

CLERK:

House Bill 5936.

Total number voting 138

Necessary for passage 70

Those voting yea 104

Those voting nay 34

Those absent and not voting 13

SPEAKER ABATE:

The bill passes.

CLERK:

Page 7, Calendar 560, Substitute for Senate Bill

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GEN. ASSEMBLY  
SENATE

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SENATE

4209

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passed with Senate A, C and D on April 27th. The House rejected Senate C and passed with Senate A and D on May 3rd and the Clerk has an Amendment.

THE CHAIR:

Senator Owens.

SENATOR OWENS:

I tried to have the Clerk--I would like to have it PT'd. I had my hand up. I'm sorry to put you to that inconvenience.

THE CHAIR:

Any objection to passing temporarily--until Thursday?

THE CLERK:

At this point, the Clerk would like to call your attention to page 3 of the Calendar, on an item that was previously passed temporarily, Calendar 664, File 790, Substitute for House Bill 5936, AN ACT CONCERNING ASSESSMENT OF WATER SUPPLY LAND OWNED BY A METROPOLITAN DISTRICT AND LOCATED IN A TOWN NOT USING THE WATER SUPPLY, with a Favorable Report of the Committee on Finance, Revenue and Bonding and the Clerk has some Amendments.

THE CHAIR:

Senator DiBella.

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SENATE

6210

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MAY 4, 1982

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SENATOR BECK:

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

THE CHAIR:

I believe the Clerk has some Amendments.

THE CLERK:

The Clerk has Senate Amendment, Schedule A, LCO 4030, offered by Senator DiBella. That's LCO 4030, Senate Amendment, Schedule A.

THE CHAIR:

Senator DiBella.

SENATOR DI BELLA:

Yes Mr. President. I would move adoption of the Amendment and waive reading.

THE CHAIR:

Any objection to waiving the reading? Hearing none, proceed.

SENATOR DI BELLA:

Yes Mr. President. This would be an Amendment to a Bill to add a task force to study the issue at hand and that issue is a change in the existing statutes in 12-76 which

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would in effect, change the charter of the Metropolitan District being a special act of the General Assembly. The question or the issue at hand is the issue of averaging the assessment processes used to establish fair market value on improved farmland. Presently under the charter of Metropolitan District Commission, the Commission is allowed to use an averaging of the improved farmland to establish value within that jurisdiction and which value is established. Those towns in which MDC has water supply land owned within those communities.

The issue really comes down to a major change in the charter of the Metropolitan District, a change that I believe has not been thought out, that is not received ample public discussion, which will have a very adverse affect on the people that live in the Metropolitan District area, that being some--

THE CLERK:

Just to correct the records, we are going to withdraw this Senate Amendment A, LCO 4030 that Senator DiBella has been talking on and we are introducing Senate Amendment, Schedule B, LCO 4412 which will be the only Amendment on this Bill. LCO 4412, Senate Amendment, Schedule B, Senate

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Amendment, Schedule A has been withdrawn.

THE CHAIR:

A has been withdrawn, Senator DiBella. As to 4412  
what is your preference?

SENATOR DI BELLA:

Thank you Mr. President. I move adoption.

THE CHAIR:

Any objection to waiving the reading? Hearing none,  
proceed on Senate Amendment, Schedule B.

SENATOR DI BELLA:

Thank you Mr. President. The difference between A  
and B was the fact that included in the Amendment was the  
Co-chairman of both the Finance Committee and the Planning  
and Development Committee, the Committees of cognizance  
with respect to these two issues. The issue of averaging,  
the issue that I was discussing before the change and the  
withdrawal of the Amendment is one which again allows the  
Metropolitan District to average fair market value. I  
believe that the study commission is necessary for the fact  
that this is not received widespread discussion. It's a  
backhanded move by going through 12-76, the statute, to amend  
the Metropolitan District Commission charter. The charter

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is very explicit in that giving the authority of averaging to the MDC. It is not something that has been given without the MDC giving up benefits to the communities within the specific area that we're dealing with. That would be those towns that have water supply lands within them. I will address the history of the averaging issue. It first appeared in water company charters in 1911. The Metropolitan District Commission was not brought into being until 1929 with a special act of the General Assembly which developed and created the Metropolitan District Commission which is the main water provider to some 450,000 people in the Greater Hartford area.

In 1929, this provision was not within the charter of the Metropolitan District. It does not appear until 1935 on the first negotiations for the acquisition of property on the East Branch of the Farmington River which was a major decision to expand the water capability, providing capability of the MDC. At that time, included in the agreement on the East Branch, was the provision allowing the Metropolitan District Commission to average, to average in establishing fair market value on improved farmland. A very significant factor. It became a condition of the negotiations. Consequently, in 1949, the

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West Branch acquisition of properties in the same area of the Farmington River, it was also included in the West Bank, the West Branch acquisition, which meant that it established the fact that the MDC has given up benefits to acquire this right under our charter.

What kind of benefits were given up? Well, the Metropolitan District embarked on a major improvement of the East and West Branch, some \$28 million in today's dollars were allocated by the people of the Metropolitan District to improve the areas in the East and West Branch to provide an ability to control flooding in that area by building dams which improved the general conditions. In the process of acquiring land, the Metropolitan District entered into several negotiations with landowners and landholders and towns within that area. They provided such benefits as paying almost three times what the assessed values of these properties were in the time of acquisition.

They are required under their charter to provide recreational improvement, major roads were reconstructed for the benefit of the towns in that area as part of the negotiations and purchasing this property on the East and

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West Branch. The Metropolitan District is required to provide hunting, fishing, boating and hiking within the operating budget of the MDC as part of agreements under the charter and under the agreements that the Metropolitan District entered into in acquiring the land.

The MDC provides its own police protection on MDC land which is at a cost of almost \$400,000 a year. It provides \$110,000 in recreational facilities and services to the people who live in that area and again, as a result of negotiation and benefits that would accrue to these towns by virtue of the agreement that the MDC entered into in both 1949, 1935 and 1965. In effect, what we have here is a condition where the Metropolitan District Commission has the benefit of using averaging because of prior agreement and are a condition of those agreements to allow the assessment of property based on averaging. Now, to take an Amendment of this nature and amend 12-76 which would exclude the MDC from this benefit or this charter provision in my assessment, it would be improper and it would not be giving the proper discussion and dialogue necessary to do this. If it's going to be done, let's do it in the manner and in the fashion that is most

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upward and outward and forward and that would be to change the charter of the Metropolitan District Commission.

Well, this has happened before. There have been three attempts to change the charter of the MDC to remove the issue of averaging. Each time, it's resulted in not having it removed from the charter. I think once and for all, a study of this nature should be conducted to establish just exactly why the averaging benefit is extended to the Metropolitan District within its charter and granted to no other water company in the State of Connecticut. I think that is the reason we need to look at the study that is being proposed in this Amendment.

Secondly, another very important factor that the MDC by virtue of its charter again, due to agreements that have been made in the negotiative process since 1929, is restricted from the sale of watershed land except by virtue of a referendum and then going to the Health Department of the State of Connecticut. Every other water company has the benefit and the right to go to the Health Department and sell their property, without going through the referendum process. Obviously the referendum process was put in there for a reason, to insure that watershed land of the

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Metropolitan District would be maintained as under 490 the open land or the preservation act to preserve these types of properties. But again, I think the main issue comes down to that we're talking about a situation that the Metropolitan District Commission--if the charter is to be changed, if averaging is to be withdrawn from the charter of the Metropolitan District, let's do it in the proper way and I think that to study for once and for all, put to rest what the issues are with respect to the agreements that were entered into over the last 50 years with respect to the Metropolitan District charter, will put to bed the issue of the questioning of averaging within the assessment process that's extended to the Metropolitan District Commission.

It means a cost of some \$1.4 million to the water users of the Greater Hartford area. Mr. President, I believe that the Amendment should be passed to insure that we do this in a deliberative process, that we look at all the aspects and the ramifications of the issue of withdrawing the benefits that the Metropolitan District of having averaging within the assessment process of their charter. Thank you.

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THE CHAIR:

Senator Post.

SENATOR POST:

Thank you Mr. President. I don't think that proposed Amendment should pass at all. I think the file copy is what we need. I think the proposed Amendment is an attempt to snucker something through the legislature and stick it to a couple of small towns out in Western Connecticut.

Indeed, what is happening is that water companies around this State have been given certain kinds of tax treatment over the years which now relatively favorable tax treatment, applied on a consistent basis throughout the State, with the exception of what the MDC is now trying to do to two towns, Barkhamsted and New Hartford.

I resent it frankly. I think it's unfair. I think that for the MDC through Senator DiBella at this point to try and undo what has been carefully worked out, what is consistent with the policy of the rest of the State and in an effort through a study amendment, try to preserve or create or write in the MDC for special treatment.

Going back over a long period of time, water companies received certain tax treatment and laws were changed in

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1963 and what probably is viewed by most people as an oversight. In changing the general statute, it was unclear and not expressly stated that the MDC was supposed to be treated the same way. Failure to pass the file copy will cost the two small towns of Barkhamsted and New Hartford tens of thousands of dollars if Senator DiBella and the MDC succeeds in trying to get certain special treatment on the water company land they own in those two particular towns.

And if extended through the rest of the State, would totally undermine Public Act 490 and the attempt to preserve open space and farmland and forest land. Fair is fair. For over ten years the MDC recognized that and continued to pay as they had since time immemorial, the taxes as have water companies on other lands they own in other towns. But now they're trying to renege. I think that to support the study which is merely a rouse to kill the file copy, would be unfair to those towns, unwise, unethical, improper, immoral and wrong and I hope you defeat the proposed Amendment. Thank you, sir.

THE CHAIR:

Will you remark further? Senator Johnson.

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SENATOR JOHNSON:

Thank you Mr. President. I rise in opposition to the Amendment and I would point out the Amendment is not as it was described, an add-on, but a substitute Bill. It substitutes for the original Bill, a study commission. This is a Bill that received the support of the Finance Committee, received the support of the House and also received the support of the Senate. The issue here is not averaging. The issue is whether or not cities and towns in this State that make an agreement with the State, can trust the State to live by that agreement.

Water company lands used to be assessed as improved farmland on an average basis. When the 1963 490 exemption was passed, and in the annotative statutes, this is very clear. Averaging was eliminated and those farmlands were to be assessed--I mean those watershed lands were to be assessed at improved farmland value and that language was substituted for average assessed valuation per acre of improved farming land in such towns.

So it's very clear in the 490 Act, when the assessment break was given for those kinds of land, that there

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was no intention that water companies and municipally held lands and other water company lands in those towns should benefit from that break.

MDC recognized this until two years ago and until two years ago, MDC as the New Britain Municipal Water lands were all taxed as improved farmlands and all paid their taxes on that basis. Two years ago, MDC found a way around by reverting to the averaging approach and thereby has enabled itself to take advantage of the 490 exemption in which law it is very clear that the municipal and other water companies were not supposed to have the benefit of. Now, the important thing here is that the few towns that are affected are going to be faced with a significant property tax increase if we allow this use of the 490 exemption inappropriately. Not only will they face a property tax increase as a result of MDC's action, but New Britain is also in court to take advantage of the same kind of approach and the litigation ahead, the increased burden for the local property taxes fly in the face of the agreement that was made with these towns originally, that if their land was to be taken for reservoir space, covered with water, taken off their tax roles, it was indeed to be

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assessed as improved farmland. That was a high category of assessed value and was--that agreement was made specifically to allow these towns to benefit in an appropriate manner from the sacrifice of their lands for the benefit of other communities.

This kind of benefit, this assessed value as improved farmland, is only available to those towns who do not benefit from the water system themselves. The history is really very clear in this area and the stake that these individual towns have in it is very large. This Bill is entirely appropriate. It is clarifying. It is fair. And it is something that this General Assembly needs to do this session and I urge your opposition to the study and your support of the Bill.

THE CHAIR:

Will you remark further? Senator Leonhardt.

SENATOR LEONHARDT:

Thank you Mr. President. I rise to associate myself with the remarks of Senator Post and Senator Johnson and to oppose the Amendment. All other water companies in the State of Connecticut pay property tax, assessed as if they

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were improved farmland if the town does not use the property as a local water supply and in addition to the points of Senator Post and Senator Johnson which they laid out very well and with a great deal of history and research and scholarship, I think that the expenditures that the MDC made in that area, while they are significant and I think the MDC is to be commended for making those expenditures, on balance do not justify such a large detriment as the depriving of these towns of this property tax would entail. I think that the MDC has tended to hang too great a weight over a period of time, on those initial expenditures that were made in the area of those towns and to try to justify too great a detriment to the towns in that area. And for that reason and based on the testimony that was given at the Finance Committee, I would oppose the Amendment.

THE CHAIR:

Will you remark further? Senator DiBella for the second time.

SENATOR DI BELLA:

Mr. President, through you to Senator Johnson, if in fact it was the intention of the parties with respect to

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averaging to establish fair market value without averaging, then why, in the 1935 and 1949 and 1965 agreements between the allied towns, the towns in that area and the Metropolitan District, was not the wording deleted and a clarification put in there that the benefits that were being accrued with respect--or the fact that there were lands being taken away from those towns, that averaging should not be a factor? Why specifically in three specific different negotiations between those towns, why in fact, was this language not deleted and why in fact, was this not deleted in the last three attempts to change the MDC's charter?

THE CHAIR:

Senator Johnson.

SENATOR JOHNSON:

Thank you. In those years, the State law governing taxation of municipal water land also allowed averaging. It was in 1963 when Public Act 490 was passed granting an exemption that the averaging approach was rejected.

THE CHAIR:

Will you remark further? If not, the Clerk will make the appropriate announcement for a Roll Call.

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## THE CLERK:

An immediate Roll Call has been called for in the Senate. Will all Senators please take their seats. An immediate Roll Call has been called for in the Senate. Will all Senators please be seated.

## THE CHAIR:

The issue before the chamber is Senate Amendment, Schedule B, LCO 4412 to Substitute House Bill 5936. The machine is open. Senator Mustone, Senator Labriola, Senator Schneller, Senator Serrani. The machine will be closed and locked.

TOTAL VOTING	34
NECESSARY FOR PASSAGE	18
VOTING YEA	17
VOTING NAY	17

The Amendment is lost. Senator Johnson.

## SENATOR JOHNSON:

Mr. President, I'd like to move passage of the Bill. I think the Bill has been thoroughly discussed and if there is no objection to it, I would move it to the Consent Calendar.

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THE CHAIR:

Is there any objection to placing the item on Consent?  
Senator Beck.

SENATOR JOHNSON:

I will move it to the Consent Calendar.

THE CHAIR:

Senator Beck has requested a Roll Call.

SENATOR BECK:

If we could please have a Roll Call on it.

THE CHAIR:

Will you remark before the Roll Call?

THE CLERK:

An immediate Roll Call has been called for in the  
Senate.

THE CHAIR:

Hold it. Do you care to remark, Senator Johnson?

SENATOR JOHNSON:

Yes, I do care to remark, just ever so briefly. This is a very important Bill. I think we have to be very certain that the State adheres to consistent policy and thereby does not impose unexpected and inappropriate tax burdens on small towns. If we don't clear this matter up

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now, there are other cities that will sue for the same rights and again, erode the tax base of this town and further burden local taxpayers in contradiction to historic State policy.

THE CHAIR:

Senator Leonhardt.

SENATOR LEONHARDT:

Thank you Mr. President. I join with Senator Johnson. Every other water company in the State of Connecticut is paying taxes on property that is not used for the local water supply as if it was improved farmland. There's really no justification, no rational basis for excepting one metropolitan district from that principle. There really isn't, and for that reason this Bill ought to pass.

THE CHAIR:

Will you remark further? Senator DiBella.

SENATOR DI BELLA:

Yes Mr. President. I believe that obviously the debate was long. I feel that the issue here is an issue and what we're doing is changing again by an act of the legislature, the charter of the Metropolitan District Commission. It's being done without appropriate discussion.

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It's being done without a deliberative process with respect to imposing \$1.4 million in additional costs on the Metropolitan District Commission to people who live in the Metropolitan District Commission area. It's an issue that has been negotiated over 50 years in several different documents, to establish the averaging factor that the Metropolitan District has within its charter. I think to do this by a backhanded method, that being changing the charter of the MDC by a statute when in three successive times they have not been able to change this because of the overwhelming feeling of both the Finance Committee and the legislature, that that special agreement of averaging was a benefit that was negotiated for MDC by giving up and providing benefits to those local towns. I would urge the body to defeat this Bill. This is a Bill that is again being used to affect a large portion of people and it has not been properly articulated and discussed.

THE CHAIR:

Will you remark further? Senator Post.

SENATOR POST:

Thank you Mr. President. I differ with Senator DiBella on that. I think that it has been articulated and discussed

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at considerable length. It involves about \$150,000 worth of taxes that the MDC is trying to get out from paying two small towns in Northwestern Connecticut. Fair is fair. Every other company pays on one system. The MDC for over ten years or tens of years, paid one way and since the general law was changed in 1963, every water and the MDC have continued to pay on the same basis until a couple of years ago when the MDC tried to legislate and get out and that's what's going on here. This Bill clarifies that and makes it clear that the MDC should be treated like other water companies and the land they own should be taxed on the same basis as the land owned by any other water company. Fair is fair and I resent the attempt by the MDC to renege on the understanding that if it's held and been in effect for years with these tiny towns in Northwestern Connecticut. Thank you sir.

THE CHAIR:

Will you remark further? Senator Leonhardt for the second time.

SENATOR LEONHARDT:

Thank you Mr. President. I'd just like to point out

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to members of the Circle that the MDC charter was adopted by legislation. The MDC charter came into being by virtue of legislation passed by the Connecticut General Assembly so that there is nothing inappropriate by our changing-- there's nothing inappropriate in our changing the MDC charter by legislation and in fact, legislation is the only way it can be changed so I don't think that we should feel hesitant or reluctant to be changing the MDC charter by legislation. That's the only way it can be done. The charter was--came into being by virtue of legislation. There's nothing wrong with legislation that now changes that or alters that.

THE CHAIR:

Will you remark further? If not, the Clerk will make the appropriate announcement for a Roll Call.

THE CLERK:

An immediate Roll Call has been called for in the Senate. Will all Senators please take their seats. An immediate Roll Call has been called for in the Senate. Will all Senators please be seated.

THE CHAIR:

The issue before the chamber is Calendar 664, File 790, Substitute for House Bill 5936. The machine is open.

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Have all Senators voted? The machine will be closed and locked.

TOTAL VOTING	35
NECESSARY FOR PASSAGE	18
VOTING YEA	25
VOTING NAY	10

The measure is adopted.

Senator Post.

SENATOR POST:

Mr. President, I was on the prevailing side. I'd like to move to reconsider that vote. And I would urge the Circle to reject the motion to reconsider. Thank you.

THE CHAIR:

Motion before the chamber is to reconsider. The vote on Calendar 664, File 790, Substitute for House Bill 5936. Do you request a Roll Call Senator? The Clerk will make the appropriate announcement.

THE CLERK:

An immediate Roll Call has been called for in the Senate. Will all Senators please take their seats. An immediate Roll Call has been called for in the Senate. Will all Senators please be seated.

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## THE CHAIR:

The issue before the chamber is reconsideration of the vote on Calendar 664, File 790, Substitute for House Bill 5936. The machine is open. Have all Senators voted? The machine will be closed and locked.

TOTAL VOTING	35
NECESSARY FOR PASSAGE	18
VOTING YEA	8
VOTING NAY	27

The motion to reconsider is defeated.

## THE CLERK:

The Clerk at this time would like to call your attention to page 6 of the Calendar, page 6, on an item that was previously passed temporarily, Calendar 507, File 734, Substitute for Senate Bill 219, AN ACT CONCERNING HOUSING COURTS, as amended by Senate Amendments, Schedules A, C and D, with a Favorable Report of the Committee on Appropriations. The Senate passed it with Senate A, C, and D on April 27th. The House rejected Senate C and passed with Senate A and D on May 3rd. And the Clerk has an Amendment.

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REP. STOLBERG: (continued)

gave the taxpayers a list of things that are their priorities for the taxes to go to, if they would want to underwrite a very large proportion of this program. I think if they show a smaller contribution of taxpayer's money is matched by some real effort on your part, then perhaps that would be more defensible in the political marketplace.

MR. MC GEE: Well, I think we agree with you on that. Part of this legislation and part of the concept of it is that the program on a local level, would be matched by the locality. The other thing let's remember, putting this property back into good use, puts it back on the tax role. This is an absolutely essential ingredient and I work in Bridgeport and I can tell you this. The impact of the historical --creation of historic districts has been phenomenal and it has tremendous economic benefit to the city. We agree with you. We'll attempt to do that.

REP. STOLBERG: Thank you. Any other questions? The next speaker is Jim Hart, followed by Anita Barta.

MR. JAMES HART: Good evening. My name is Jim Hart and I'm the First Selectman in the Town of Barkhamsted. I'm here to urge you to act favorable on House Bill 5936 which is An Act Concerning Assessment of Water Supply Land Owned by Metropolitan District and Located in a Town Not Using the Water Supply. Having sat here for the past hour and a half listening to some of the comments on the tax problems that you people face, I can see you have difficulty when it comes to raising taxes and therefore I hope ~~ope~~ you'll be sympathetic to my situation. The implication of not passing this Bill to the town of Barkhamsted can be shown in several ways and would result in about a 94 percent drop in the tax receipts from the Metropolitan District Commission which owns about 6600 acres of land in our town. This would result in approximately a 3 mill increase in our tax rate which would mean about \$190 increase to each family in town. I have written a letter to each of you dated March 3rd and I have spare copies which I will give to the Chairman in case some of you don't have any. I urge you to act favorably on this Bill. If you have any questions, I'd be happy to answer them.

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MS. BAXTON: The Town of Barkhamsted is talking about \$109 a year. We're talking about something about \$100.

REP. MORGAN: Thank you.

REP. STOLBERG: Further questions? Thank you. David Ransom followed by William Roper.

MR. DAVID RANSOM: Mr. Chairman, members of the Committee, my name is Dave Ransom. I am pleased to have this opportunity to speak this evening on behalf of the Hartford Architecture Conservancy in support of Senate Bill 609 relating to a revolving fund for the Connecticut Trust for Historic Preservation. I wish to say that the Hartford Architecture Conservancy has had such a revolving fund for five years and while it has had a limited focus of one city, Hartford, and has been on a relatively small scale, it has indeed worked and I submit that this is an indication that revolving funds for historic preservation as well as working in other states, can also demonstrated by HAC, work in Connecticut.

Over the five years the Conservancy has bought and sold ten structures, has moved two houses threatened with demolition, has made a loan to Haley Manor in the north end and now owns eleven structures which will include twenty units to be rehabilitated via Section 8 allotments for low income families. This five year limited experience in Hartford gives an indication that a Connecticut statewide revolving fund also could be successful. And if I may to the point raised by Representative Stolberg with respect to leveraging the State money, I'd like to point out that each project that the Connecticut Trust revolving fund takes on, private funds investment money will be very much leveraged by a relatively small participation of State money. There is also the feature that the plan is for the Connecticut Trust to work with the local preservation organizations and to make provision of State money to a local organization contingent upon the local organization matching the fund. These are two additional ways in which State money would bring forth private support. Thank you very much.

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MR. WHELTON: (continued)

start, I would like to clarify the record based on a statement made by Mrs. Baxton pursuant to Committee Bill 5936 which is entitled An Act Concerning Assessment of Water Supply Land Owned by Metropolitan District and Located in a Town not using that Water Supply. Mrs. Baxton alluded to Public Act 490 which is a piece of legislation which allows a property owner to have his land assessed at a significantly lower assessment if in fact that land has been classified either farm land, forest land or open space. Since that Act was passed, our Supreme Court has ruled in a case entitled The Town of Meriden vs. the Plainville Water Company, that a water supply company which has facilities in one town and does not service that town, is not able to take direct benefit of Public Act 490. So in no way has the Metropolitan District attempted to take advantage of Public Act 490 by having its real estate classified as farm land, forest land or open space.

As far as the Bill that is being discussed this evening, what it purports to do is to change the assessment based on District land in approximately eleven towns. The present assessment, based on the MDC charter which is a special act of the legislature, allows for taxation and assessment at an average assessed valuation per acre of improved farming land in such town. The legislation which the Committee has before it this evening deletes the word average and incorporates the concept of fair market value.

The affect of this Bill on the Metropolitan District, pursuant to those towns where this Bill would be applicable, our figures indicate that 1981 taxes, pursuant to this type of property, would amount to a little over \$515,000, If this legislation was enacted, our estimate for 1982 taxes would be approximately \$1.9 million so that the Committee can see there is a substantial increase in taxes to the District if in fact this legislation is passed.

I would indicate that this same Bill had been submitted to the Committee last year under Committee Bill 1094 and that Bill was not raised from Committee. I would also indicate that this proposed legislation also attempts to

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MR. WHELTON: (continued)

modify or change the existing Metropolitan District charter and again last year, Committee Bill 1095 which was a direct attack on our charter pursuant to this issue, was also not raised our of Committee.

In conclusion, I would just like to state that we have approximately 22,000 acres involved that would come under this proposed legislation. 86 percent of those 22,000 acres do constitute watershed property which the District would be prevented, other than under the most extreme circumstances, of ever divesting itself of, if in fact the District ever decided to do that. Thank you Mr. Chairman.

REP. ATKINS: Thank you Mr. Whelton. Questions? Representative Neumann.

Belt 9 REP. NEUMANN: Mr. Whelton, just so that we keep definitions in there, is it not true that up until two or three years ago, the MDC was paying taxes on the basis of how the towns were assessing, without averaging 490 into the market value and that in essence, at this point in time, the subject is under litigation and you're asking that a revised formula be used by the towns?

MR. WHELTON: I'm the attorney that instituted the litigation in question which is still pending and was pending last year and based on my knowledge of what transpired in the past, I don't believe that the towns in question ever really provided us with any data in terms of how they were computing their assessment on our property. The fact remains that they subsequently, or once the re-evaluation issue came to the forefront, did not in fact follow the MDC charter pursuant to taxing MDC land which is in fact, a special act of the legislature.

I don't think anyone knows the basis that they utilized in the past to assess Metropolitan District land.

REP. NEUMANN: And a further question, I believe you made the statement in your testimony that the attempt was to treat the land on fair market value. I believe the statute presently calls for fair market value as improved farmland

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REP. NEUMANN: (continued)

I would point that in some statistics I have here that based on your \$1.9 million estimated taxes, that you would indicate that that would be assessing you--the town of Barkhamsted for example, would be levying taxes double of what they actually did so I think that the 1.9 shows some exaggeration. Their actual Bill, as they interpret the law is \$200,000 and you have it at \$400,000 and I think--doesn't that indicate that you're using the term fair market value as developmental property because the statute in essence says fair market value for improved farmland and that's the basis of assessment in Barkhamsted.

MR. WHELTON: No, sir. The valuation, vis-a-vis Barkhamsted \$210,000, that's the present assessment that was imposed prior to litigation, pursuant to State statutes the District was required to pay 90 percent of the new assessment while the litigation was pending. The \$210,000 figure incorporates the much higher tax that the District is presently paying to that town which we are in fact, contesting. So, quite to the contrary, the \$515,000 if in fact the District is successful in litigation, would probably be reduced to about \$300,000 which would make a significantly greater impact on the overall estimated '82 tax pursuant to the charter which I made you privy to earlier and that indicates \$1.9 million, sir.

REP. STOLBERG: Might I suggest that when the Committee is ready for action on these MDC Bills that you and Senator DiBella and Representative Neumann work out whatever you can and perhaps those things you haven't worked out you will be prepared to battle out before the Committee's final meeting. Representative Morgan has a question.

REP. MORGAN: Yes, sir, I truly apologize for missing your testimony and I just have two questions. Are you presently paying under improved farmland now?

MR. WHELTON: Yes, we are, sir.

REP. MORGAN: So that if this Bill were to pass then the cities that testified, the towns that testified tonight, Barkhamsted and New Hartford, would lose the taxes that they testified to?

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MR. WHELTON: Well, I had difficulty following the rationale behind the other testimony, to be quite honest with you, sir. We in fact do not know and have never been provided although we have requested that specific information from those two towns, vis-a-vis the litigation that's presently pending.

REP. MORGAN: Okay. That's my next question. There is a litigation pending in the courts to do exactly what this Bill is asking?

MR. WHELTON: That's correct, sir. That's the reason why the Bill was not raised last year.

REP. MORGAN: What is the progress of that court case now?

MR. WHELTON: That's a difficult question, sir. I suspect that the Superior Court Trial Court would render a decision by the end of this year and I suspect that whichever party is not successful would appeal that to the State Supreme Court.

REP. MORGAN: If you have entered into this litigation, why now are you pursuing legislation, why not let the litigation run its full course then?

MR. WHELTON: I'm objecting to this litigation, legislation, sir.

REP. MORGAN: Oh, I'm sorry.

REP. STOLBERG: I think it is Representative Neumann that is pursuing this legislation. Is there any further question from members of the Committee? If not, thank you. I would recommend you monitor the action dates under this Bill if your concern continues because it's a complex piece of legislation. We might be guided by your interaction with Representative Neumann further.

MR. WHELTON: Thank you Mr. Chairman.

REP. STOLBERG: Is there anyone else wishing to testify before the Finance Committee at this point? Is there anyone else wishing to testify on any of the matters before the Finance Committee at this public hearing? Hearing no one,