

Legislative History for Connecticut Act

HB 7220	PA 448 (FAY)	1985
House	8236-8239	4
Senate	4122, 4222-4223	3
Finance	62-70, 76, 78-79, 91, 122-124	16
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CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
1985

VOL. 28  
PART 22  
7906-8312

kbm

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House of Representatives

Thursday, May 23, 1985

be an Appropriations Committee at 9:30 tomorrow before the 10:00 session. On Tuesday there is a 9:00 public hearing on the WATT grants and a meeting on the bills referred today including the one that was referred from this House on the domestic violence training. There will be a Wednesday public hearing with GAE at 10:00 on labor contracts and expect a Thursday morning meeting at 9:00, too, for bills referred from the floor.

DEPUTY SPEAKER BELDEN:

Are there other announcements or points of personal privilege? If not, Clerk, please return to the Call of the Calendar.

CLERK:

Calendar No. 759, House Bill 7220, File No. 964, AN ACT PROVIDING FOR PAYMENT OF PROPERTY TAXES BY A LESSEE OF STATE-OWNED REAL PROPERTY USED FOR PURPOSES UNRELATED TO ANY GOVERNMENTAL FUNCTION. Favorable Report of the Committee on Finance, Revenue and Bonding.

REP. EMMONS: (101st)

Mr. Speaker?

DEPUTY SPEAKER BELDEN:

Rep. Linda Emmons.

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REP. EMMONS: (101st)

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

DEPUTY SPEAKER BELDEN:

The motion is for acceptance of the Joint Committee's Favorable Report and passage of the bill. Will you remark, ma'am?

REP. EMMONS: (101st)

Yes, Mr. Speaker. This is a bill that was before us previously and passed both Chambers and went to the Governor, who vetoed it because of the last section relative to leased property at Bradley Airport, and also the fact that they were going into new rent agreements at Bradley Airport. Those have all been consummated and the section that he was concerned about has been amended to include, or to exclude, Bradley Airport and other DOT facilities.

Basically what the bill will call for is where the state owns buildings and rents out space in buildings for purposes that are not governmentally related, such as a dress shop in a commercial building, that particular part of the building would be, could be assessed, by the

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local community in which the property is located. There is no fiscal impact so to speak on it. There are really very few buildings or leases of the type that are in here. To some degree, where they are are, do have an impact as basically over its stores. And so I would move adoption of the bill, or move passage of the bill.

DEPUTY SPEAKER BELDEN:

Will you remark further on the bill? If not, staff and guests please come to the well of the House. An immediate roll call is ordered. Clerk, please announce the roll call.

CLERK:

The House of Representatives is now voting by roll call. Please return to the Chamber immediately. The House of Representatives is now voting by roll call. Please return to the Chamber immediately.

DEPUTY SPEAKER BELDEN:

Have all the members voted? Please check the board to determine if your vote is properly recorded. If so, the machine will be locked. The Clerk will take a tally.

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REP. ELLIOTT: (44th)

Mr. Speaker, in the affirmative, please

DEPUTY SPEAKER BELDEN:

Rep. Elliott of the 44th in the affirmative.

REP. ELLIOTT: (44th)

Thank you.

DEPUTY SPEAKER BELDEN:

The Clerk will announce the tally.

CLERK:

House Bill 7220.

Total Number Voting 150

Necessary for Passage 76

Those voting Yea 150

Those voting Nay 0

Those absent and not Voting 1

DEPUTY SPEAKER BELDEN:

The bill is passed. For the members' information,

the coffee wagon is still outside and will be leaving

very shortly, so if anybody cares for any libation.

Will the Clerk please return to the Call of the

Calendar?

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GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1985

VOL 28  
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1985 GENERAL ASSEMBLY

SENATE

WEDNESDAY  
MAY 29, 1985

4122 <sup>8</sup> LFU

be taken up as called.

SENATOR SMITH:

We stop at page 10, Calendar 784; was that the last item? Page 11, Calendar HB 7220, HB 7601 787 and 789 and on page 12, HB 7681 Calendar 792. That completes the Consent Calendar as agreed, Mr. President.

THE CHAIR:

Ready for the markings?

SENATOR SMITH:

Yes sir. Page 1 of the Calendar, Calendar 672 passed retained; page 2 of the Calendar, Calendar 682 and 687 will be passed retained; all the other items on the page will be taken up. On page 3, Calendar 737 will be taken up. At this point Calendar HB 6478 739, Mr. President, I would move that it be referred to the Finance, Revenue and Bonding Committee.

THE CHAIR:

Any objection? Without objection so ordered.

SENATOR SMITH:

Calendar 740 will be passed temporarily. Calendar 746 will be taken up today. Mr. President, at this point I would make a motion to move Calendar 748 to the Foot of the Calendar.

1985 GENERAL ASSEMBLY

SENATE

WEDNESDAY  
MAY 29, 1985

4123<sup>9</sup> LFU

THE CHAIR:

Any objection? Hearing none, so ordered.

SENATOR SMITH:

On page 4, Calendars 750, 751, and 752 will be taken up. Calendar 753 will be taken up; Calendar 754 and 755 are on the Consent Calendar. On page 5, Calendar 756 and 757 will be taken up. We'll pass temporarily on Calendar 758, take up Calendar 759 and 760.

THE CLERK:

756 and 757 are on the Consent.

SENATOR SMITH:

I'm sorry. On page 6, Calendar 761 will be taken up; Calendar 762 is on the Consent Calendar. We'll take up 763, Calendar 764 is on the Consent Calendar; we'll take up Calendar 765. On page 7, Calendar 767 will be pass retained; Calendar 768 will be pass retained; Calendar 769 will be pass retained. We'll take up Calendar 770 and 771. On page 8, all items will be taken up. Page 9, Calendar 777 will be taken up; we will pass temporarily on 778; Calendar 779 will be taken up; 780 will be pass retained; Calendar 782 will be taken up.

Page 10, Calendar 783 will be taken up, Calendar 784 is on the Consent Calendar. We will take up Calendar 785 and 786. On page 11, all items on page 11 will be

JOINT  
STANDING  
COMMITTEE  
HEARINGS

FINANCE,  
REVENUE, AND  
BONDING  
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1-365

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REP. EMMONS: One more question. If you could find out, Rep. Emmons, when we first did this bill and I do remember that there was a discussion about plants. How the capacity of the plant changed over the times, you know, in the negotiated quote (inaudible) agreement. I think it was considered that the plant was going to service only that area.

REP. WARD: I believe I understood it to service only that area and that's changed. As to whether they've actually redesigned or changed, I will have to look into that and get back to you. I don't -

REP. EMMONS: Well, I was just saying that the pilot and all the rest of it was very well hammered out by the New Haven area legislators and so my question is, have they increased the size of the plant, the original negotiations, and in doing so, the expectations of the areas that are to be served, because the areas you have mentioned of Cheshire and Wallingford, not only Ansonia-Derby, those were never part of the consideration of getting this going.

REP. WARD: I agree with that in terms of the design of the thing, I will have to get back to you on that. I don't know the answer to that question.

SEN. MC LAUGHLIN: Are there any further questions? Thank you very much.

REP. WARD: Thank you very much.

SEN. MC LAUGHLIN; We'll go to our next speaker. We were joined by a flotilla of legislators. Sen. Kevin Johnson, Bill DiBella, House Chairman Linda Emmons, Rep. Alan Schlesinger, Rep. Pelto I think has left us momentarily, Miles Rapoport, Pat Dillon, Rep. Pauline Kezer, Rep. Paul Karbowski. (inaudible. There's one more, Rep. John Varrone. The next speaker is Deputy Commissioner Bill Lazarek from the Department of Transportation.

DEP. COMM. WILLIAM LAZAREK: Good morning, Chairman McLaughlin, Chairman Emmons, members of the committee. I'm here this morning to speak for the DOT in strong opposition to House Bill 7220. This is an act requiring the payment of property tax by lessees of state owned properties used for commercial purposes. I think our main concern over at DOT with this bill is the impact on Bradley. We've

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DEP. COMM. LAZAREK: (continued)

entered into a number of leases. I have about 50 pages here of leases that we've entered into at Bradley and I think that if this bill were to pass, it could have a devastating effect on the whole revenue bonding situation that we set up at Bradley. I wonder if it couldn't even possibly be considered as a default on a bond indenture that we entered into when we sold \$100 million worth of bonds to make the improvements up at Bradley.

We have, over the past few years, renegotiated just about every lease that we have up at Bradley Field and these negotiations were carried on in good faith with all of the dollars up on the table. We were entered into by these businesses that have leases up at Bradley as a good faith, as a good business deal, and now if this bill were to pass, it would completely change those business deals that these businesses have entered into at Bradley.

I don't know at this point, whether this would put possibly, cause these businesses to want to have to go into renegotiate the leases, since it would change the situation under which they originally signed the leases. If this would have any effect, and we believe it would, on the revenues that flow into the Bradley revenue fund to pay off the bond debt that we have up there, we believe that it could have really a devastating effect on our ability to pay off the bond debt on the \$100 million worth of revenue bonds that we sold up there.

These facilities, most of the lessees up at Bradley, or a great deal of the lessees up at Bradley are needed up there to support the airport. The coffee shops are up there, you would have restaurants. I believe the Legislature last year indicated that these types of businesses at Bradley themselves, as well as those around the field, were essential to the airline services that are provided in that bill. There was a bill passed last year and I believe very properly so, very appropriately, that non-aviation users up there at Bradley Field would pay local property taxes, and we believe that was appropriate. The bill is in place right now. They are paying taxes. But this takes it to an extreme, to require that everyone up at Bradley from the shoeshine stand to the coffee shop, to the fellow that's selling lobsters up there on a space about 10 square feet wide, would all be required

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DEP. COMM. LAZAREK: (continued)

to pay state taxes on what is state property. It would not only have its affect on Bradley, we just entered not too long ago into an agreement with McDonald's to provide better services down at the restaurants and the gas stations down on the Connecticut Turnpike. Again, we entered into a business deal with full knowledge on both sides as to what the payments would be by these businesses and we feel that it would have its effect here as well.

If you carry this to an extreme, I suppose that the blind girl that runs the stand down at DOT is on state property, and again, could be required to pay local property taxes. And we just feel that it really would be a devastating bill for the business deals that we've struck, from which those revenues we're using to support the construction that we have at Bradley and again down on the turnpike, those revenues that we're getting from McDonald's, again flow into the Transportation fund, and that would again create a shortfall if these same revenues are not continuing to flow.

So, in summary, I just want to speak in very, very strong opposition to this bill, mainly because of the effects at Bradley primarily and secondarily, down on the turnpike. Thank you.

SEN. MC LAUGHLIN: Any questions?

REP. EMMONS: Rep. Emmons. In reading the bill, it talks about local property taxes on the assessed side of that portion of the property being used, so one, we consider it to be really addressing what I would consider more the aspects of real estate taxes versus personal property taxes. The question I have to you is, down on the turnpike area where you have neogitated the leases for the use of the space, and I understand that in doing so, you have a different lease structure because there is no collection of taxes versus if there were. But, my understanding is McDonald's is going to bring in all their own equipment. Then gut the existing buioldings and then bring in their equipment to run their operations in the fashion that they presently run them. Now the question then becomes, is that equipment subject to the personal property tax?

DEP. COMM. LAZAREK: I really can't answer your question, Rep. Emmons, I don't know whether it is or not. Are you asking

DEP. COMM. LAZAREK: (continued)  
me whether it should be?

REP. EMMONS: Well, my Selectman asked me whether it should be, and so I can understand and we discussed the of the situation and when you have been there, you know before there was the Harmony H.ouse, you had a whole bunch of groups that had been there, some of them good and some of them bad. And, I can appreciate the fact that whoever owns is renting the mobile section or is the for the gas and the food part regarding the use of the property and how it fits into a lease. But the question of how does their personal property that is owned by a private entity, whether it is to say the tow truck owned whoever as the concession to the gas station or the (inaudible) personal property owned by if that it in fact taxable.

DEP. COMM. LAZAREK: I can't tell you right now whether it is or it isn't. I really don't know the answer to that question.

REP. EMMONS: Who could tell me?

DEP. COMM. LAZAREK: I would imagine the tax department. I don't know.

REP. EMMONS: -- is when the contracts or the lease arrangements were made and it was considered that the real property would not be subject to tax, the issue of personal property never entered into.

DEP. COMM. LAZAREK: Not as far as I know, Rep. Emmons, I don't.

SEN. MCLAUGHLIN: Thank you Mr. Chairman, Sen. DiBella.

SEN. DiBELLA: Bill, what would be the impact going forward. Obviously, you have negotiated certain lease requirements that have an impact on the retirement of the \$100,000,000 in debt. What if this was made prospective going forward not affecting leases. What would the impact on the that retirement.

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DEP. COMM. LAZAREK: Well, a number of the leases are relatively short term. We have got leases all the way out I believe the longest one is probably 35 years up there at Bradley, but there are a number of shorter term leases. Now, if we have to go, and a number of leases by the way that are under negotiation right now, re-negotiation to come up with a new lease, if we run into a situation now, that all of a sudden a company that had not been paying any of these taxes runs into a situation where they have to pay them. As they are in the process of negotiating these leases, either now or in the next year or the year after, and some of them do run out that quickly, I can see them saying well the deal that we have with you up at Bradley, we have to pay the ex amount of dollars, but now including these local taxes, I can see them trying them to negotiate downward on the amount of revenue that would actually come to us and to go into the Bradley revenue fund.

DEP. I don't know, again the bill has just been introduced fairly quickly, we haven't had a chance to go down and see what impact of what the mill rates for example what taxes they would have to be paying, but I can imagine for some of the tenants and some of the leases we have up there, it could be substantial, enough to change the situation enough so that it would cut down on the revenues coming to the Bradley revenue funds to pay off the bond indebtedness.

SEN. DiBELLA: // Could it also create a, if in fact you did this going forward at some point in time, would it also create an imbalance in an equity between existing businesses, one would be paying a different rate based on taxes, another would be paying no taxes because of a pre-negotiated lease. // Would that have a major impact, I assume, on--

DEP. COMM. LAZAREK: If it were a situation where it would not apply retroactively, yeh, that would be the situation. // But again, the bill really is on that so I don't know what the intent was. // That would be true if it went through that way.

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- SEN. DiBELLA: Someone should consult Rep. Lyons to determine what she's at. I don't think she is talking about Bradley Field, probably the highway.
- SEN. McLAUGHLIN: Rep. Savage.
- REP. SAVAGE: As I understand it, at Bradley Field most all services are not provided by the Town but are provided by the State such as police. Are there any services you can think of that are provided by the municipality?
- DEP. COMM. LAZAREK: There was, I believe there was a garbage pickup that was being provided, I think, it was by the Town of Granby at one point where they were providing, of course we were paying for it.
- REP. SAVAGE: Is there any payment made in lieu of taxes?
- DEP. COMM. LAZAREK: Yes, there are. There is payment in lieu of taxes and again, with the passage of the bill that we had last year, anyone that goes on Bradley, on the state land for a non-aviation use, is paying full taxes.
- REP. SAVAGE: Now, is that true also of your turnpike restaurants. Is there any payment made in lieu of taxes on those buildings?
- DEP. COMM. LAZAREK: I don't know if we pay, Rep. Savage, if we pay, I would assume that we must make some payment in lieu of taxes down there, but I don't know that for a fact.
- REP. SAVAGE: I think that we will have to research that information. The wastewater treatment they are paying a user charge, so they are paying --
- REP. EMMONS: Just one further one, you commented that non-aviation users pay local property taxes, so if you were, I don't know if there is any, but if some gift shops, now would a gift shop then be paying local property taxes?

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DEP. COMM. LAZAREK: No. --

REP. EMMONS: Who are the non-aviation users that pay local property taxes?

DEP. COMM. LAZAREK: As an example, over on the east side of Bradley Field, we designated a certain area over there that is not really essential for the airport use right along Route 75 and I know this became quite an issue with Windsor Locks last year, because we were talking back a couple of years ago about having a hotel go over there. Of course the hotel now is going to be right in as part of the terminal itself. But if any development were to take place over on Route 75, it not an air cargo building or not a aviation service center, or that type of thing, let's say somebody wanted to put a pizza place up, over on Route 75, on state property that we own, that we bought originally as part of the airport, they would be paying full property taxes on a cleaner or any kind of commercial establishment like that, they would be paying full local property taxes.

REP. EMMONS: There are airplanes that are hangared there, do they, are they subject to a personal property tax.

DEP. COMM. LAZAREK: No, they are not because that's is considered an aviation use and directly related to the function of the airport.

SEN. McLAUGHLIN: Sen. DiBella.

SEN. DiBELLA: Yes, Bill, just for my own interest, on the leases up there say, an example, where you buy newspapers, gum, what do they call that, like a little shop up there they sell things at, is that do we have a percentage in that lease. In other words, does the state enter into a lease agreement where we have a percentage of the bottom line, and a percentage of the gross profit.

DEP. COMM. LAZAREK: Well, a number of the leases for facilities types of things like that, we are in for a percent of the gross.

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SEN. DiBELLA: The reason why I ask you that is I think that sometimes when you go up and buy a pack of gum you pay \$.50 for it or something like that. I often wonder.

DEP. COMM. LAZAREK: We don't set the prices.

SEN. DiBELLA: It is a monopoly type of situation and if in fact the state I often wonder why we have such exorbitant prices in that type of a situation. Because we are dealing with the people, the public, which are people of the state of Connecticut, I would hope that we aren't in a situation where the revenue that the state receives is predicated then returned

DEP. COMM. LAZAREK: And, it is a percent of the gross in most cases, so that regardless of what they have to do to operate the facility or what not, we get right off the top on the pro sales. And, of course, they are paying state sales tax on it as well.

SEN. MCLAUGHLIN: Rep. Benson.

REP. BENSON: The car rental people who store their cars on airport property, do they pay a (inaudible)

DEP. COMM. LAZAREK: I don't believe they pay it. They pay a local tax. Again, because we feel that that is necessary for the airport. That's particularly true, I think, in the valet services, because again there just aren't enough parking spaces on the airport to accommodate all of the parkers up there, so that valet service is very, very essential to having people come in and out.

REP. BENSON: How about on your when you are going to write a lease, when a lease is up and it's a restaurant, a coffee shop or what have you, do you find that there is competition for those leases, or do you have seek out somebody?

DEP. COMM. LAZAREK: Oh there, you know over the past last couple of years, ever since we have completed the

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DEP. COMM. LAZAREK: (continued)

bond sale, \$100,000,000, people finally knew that we were not just talking about improving the airport, there is a great deal of competition for the leases up there. They want to get up there.

REP. BENSON: So as leases expire and taxes weren't to go on, they would take that into consideration?

DEP. COMM. LAZAREK: They could conceivably. --

SEN. MCLAUGHLIN: Are there any further questions? Before we call our next speaker, we have been joined by Rep. Torpey in the back row. Our next speaker is Frederick Chmura from the Office from the office of Police and Management. For the committee's sake, we are at 10:15 right now, we are going to rap this portion of the hearing up at 10:30 so keep that in mind with your questions, because I would like to get through. We have one more speaker in our public portion.

MR. FREDERICK CHMURA: Frederick Chmura from the Office of Police and Management. I would like to speak for two bills this morning, 7055 an act clarifying that tax exemption from property tax at the local option for property tax of veterans is an exemption of value to \$1,000 and not to reduction in tax of that amount. This bill is a bill that has been presented before, it's a simple technical change. Presently, the wording has been interpreted by some town attorneys and some municipalities to be a \$1,000 reduction in the tax bill. And not a \$1,000 reduction is assessment. Therefore, the town attorneys have recommended that their legislative bodies not adopt this piece of legislation.

We feel that the simple change of a removal of few words would clarify the intent that is simply a \$1,000 assessment exemption similar to the present mandatory veterans exemption program.

Also, I would like to speak for the passage of Public Bill 7475, an act establishing a state level

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MS. JOHNSON: (continued)

Municipalities. I would like to comment on several bills this morning. The first is house bill 5846, it would require owners of leased fleets of motor vehicles to report the name of the vehicles lessee or operator to the department of Motor Vehicle. It would also require that the town in which leased vehicles are principally domiciled to be the town where the vehicle is taxed.

Some individuals lease a vehicle for a long period of time. If a vehicle is leased for six months or more, the town in which the vehicle is domiciled should be the vehicles tax town rather than the town where the leasing company is located. In addition, some owners of leased fleets claim a different town, as the tax town for the fleet.

The state department of motor vehicles does not check whether the tax town and address agree. State laws should specifically require that the tax towns for a leased vehicle be the town where such vehicle is principally domiciled.

The next bill is House Bill 7220 and House Bill 7473. They would require that lessee of state owned property used for commercial purposes be required to pay local property taxes and file lease information with municipality. Last year the General Assembly passed similar legislation dealing specifically with Bradley Airport. It is our desire that this legislation not address Bradley Airport. Currently, other state property is exempt from property taxes no matter what it is used for. Examples of such state property taxes are a small, service station and restaurant in the town of Mansfield and a supermarket and a garden center in the City of New Haven.

Profit-making businesses are operating on these state properties, they are not being used for governmental purposes. We, therefore, believe that they should be taxed. The municipality that receives a payment of taxes for private colleges and general

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MS. JOHNSON: (continued)  
hospitals to distribute of the grant to any fire district located in the municipality. The current statute provides that the state reimburse towns for only 25% of the taxes lost from this state mandated property tax exemption, but this grant is capped at the amount appropriated. Because of this cap, even if the funding level proposed by the governor, the state will reimburse to municipalities less than 20% of lost taxes.

MS. JOHNSON: If the state wishes to make pilot payments to fire districts, it should make grants directly to those districts and only after each town receives its full 25% reimbursement as promised in the original legislation.

SEN. JOHNSON: I would also like to orally address another bill, House Bill 7335, it will provide state grants to municipalities for tax exempt group homes. CCM supports the concepts of this bill, and we also believe that such a grant should be separate from the pilot for colleges and general hospitals.

SEN. MCLAUGHLIN: Thanks. Are there questions?  
MS. JOHNSON: Sen. Eaton.

SEN. EATON: Two questions. First with regard to proposed bill 7220, and the payment of property taxes, is your suggestion that the, well maybe what we ought to do is look at some of the properties in question. You suggested, for example, that a mall in Mansfield is owned by this state

MS. JOHNSON: Property that is located on is owned by the state, yes.

SEN. EATON: The property is owned by the state, so you would have both the land and the improvements on it taxed or just the improvements which are being operated for the benefit of the business.

MS. JOHNSON: Just that portion that is being used for the business.

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SEN. EATON: What about the land underneath the structure, where the business is operated?

MS. JOHNSON: That would be taxed, but not if it is on a huge amount of land, and the billing is only located on part of it.

SEN. EATON: So, in effect, what we would have therefore is the state taxing itself for its own land?

MS. JOHNSON: No, I am just saying the land just where the building is located. If it is located on say five acres and the building is located on a very small portion of that, just that should be taxed.

SEN. EATON: Alright, I don't know what the size or scope of this mall is, but let's assume let's take a figure that the land was worth \$500,000, and that there would be a tax of let's say, \$1,000 a year, just for, it probably makes no sense whatsoever, but \$1,000 a year. If the business operator were involved in a lease situation, which is, I gather, the case with the state, don't you think that would impact the cost of the lease?

MS. JOHNSON: Yes.

SEN. EATON: And, the state might have to make some concessions in why the taxes on that property.

MS. JOHNSON: Well, I would think that the state would reflect that in the cost of the lease, the fact that the property taxes are now going to be levied on that land, and then charge that to the lessee.

SEN. EATON: Alright, thank you. My second question regards House Bill 7475, and just one question, do you know in an appeal are the taxes in affect frozen during the period of the appeal so that no payments are made during that period?

MS. JOHNSON: No you have to put up, I believe, a certain percentage of your taxes.

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MR. ADAMS: (continued)

indicative of some of the problems that the assessor is facing each year in regards to leased equipment as far as motor vehicles are concerned. We fine leasing companies who constantly shop for low mill rate towns, and in addition to registering vehicles in various communities, there is no cross index in the motor vehicle department that has any way of determining the tax town versus the location of the vehicle, as well as the identity of the user of that particular vehicle. But we strongly recommend the passage of this particular bill.

The next one is 5857, an act exempt payments of property taxes on motor vehicles by lease of sales and use tax we recommend. 6973, an act concerning amendment of ordinance relative to municipal property tax relief for the elderly.

Currently, there are several of the communities in the state of Connecticut that have the additional review elderly benefits on a local authorized basis. All this does is allow them to make various improvements, or whatever to that particular program without going the route of doing a fiscal impact study as it required to make the initial allowance for elderly on the local level.

Proposed bill 7055, an act clarifying the tax exemption from property tax. This is merely another clarification, and we highly recommend that so that there is no dispute as to whether it's tax dollars or "assessment".

7220, an act requiring the payment of property taxes by lessee of state owned property used for commercial purposes. We highly recommend this.

7329, an act concerning the use of current personal property leases as a factor in determining fair market value for assessment purposes, the organization recommends this and I will defer any further comment on this to a member of my profession, an assessor, who will speak to you briefly on this particular bill.

MS. MC CLUSKEY: (continued)

value. Towns where no future facilities were planned demanded there should be no tax payments in order to keep down the costs of water to consumers. Finally, the affected 17 New Haven legislators in towns agreed to accept this compromise on the tax issue. Under the compromise the Regional Water Authority makes a pilot payment to each town equal to the any existing tax with provisions for normal fluctuations. This agreement ensured that no town would suffer an erosion of its tax base.

Legislation adopted last year. Thank you.

REP. In addition, each town was given membership and a weighted vote on the policy board of the Regional Water Authority. This was especially important to North Branford where the sale of 2,900 acres of water utility land had been proposed.

MR. The bill you are considering today would destroy the delicately balanced agreement hammered out by the 1977 General Assembly and endorsed by the affected towns. In doing so, it is likely to open a Pandora's box of urban-surburban confrontation in which all participants would become losers. Much as I would like to see North Branford's tax base broadened, much as I respect Rep. Ward's reasons for sponsoring it, I urge you to vote against this bill. The existing pilot is a past commitment that should be honored.

REP. SAVAGE: Thank you. Are there any questions? If not, we will move on.  
REP. Martin Berliner, Town of Mansfield.  
Welcome, Martin.

MR. MARTIN BERLINER: My name is Martin Berliner. I am the Town Manager of Mansfield. I am here to speak in favor of Bills 7473 and 7220, Act Concerning the Payment of Local Property Taxes by Leasees of State Owned Property Used for Commercial Property. We are not talking about any facility that is tied to the educational State owned property which is leased for commercial purposes should be taxed. In Mansfield I am talking about a garage and a commercial block which includes such business as restaurants, a convenience store, photography shop and a florist. These businesses are in direct competition with similar businesses down the street which are in privately owned buildings and do pay taxes. These properties are utilized by the public at large. Mansfield has a taxable grand list of \$210 million. It has a non-taxable grand list in excess of \$250 million. Therefore, it is very important to us that we do receive taxes from those facilities that

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MR. BERLINER: (continued)  
appropriately should be paying taxes.

SEN. These bills would protect municipalities by ensuring that we do not lose property taxes while at the same time removing these properties from the state pilot list. In addition, it would also be equitable for all the business people in town. As far as Bradley Airport is concerned, there is no reason why it couldn't be exempted from the provisions of these proposed acts and continue under the legislation adopted last year. Thank you.

REP. SAVAGE: Are there any questions? You don't have any dedicated bonds in Mansfield on those programs, I take it.

MR. BERLINER: I would doubt it. These buildings were built in the 1950s. At the time there may have been good reason for the university trying to promote economic development in the town. These buildings now are purely there for commercial purposes, serve no educational or any other state function, are in direct competition with other buildings. The people that rent these facilities rent them at anywhere from \$1.00 to \$2.00 less per square foot than their competitors down the street and they should not have that economic advantage.

REP. SAVAGE: Does that, by any chance, include the bookstore or is that at a different location now?

MR. BERLINER: The university coop?

REP. SAVAGE: Yes.

MR. BERLINER: This is not the university cooperative. We are not talking about any facility that is tied to the educational process, to the functions of the state university. We're talking strictly about buildings which are there for non-university related purposes.

REP. SAVAGE: Thank you. Questions. Sen. Giulietti.

SEN. GIULIETTI: Martin, how much is that small mall, I'm very familiar with it, what's the approximate value of that?

MR. BERLINER: The tax, the assessed taxation is \$665,410 which is 70% of the full market value which would therefore be

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MR. BERLINER: (continued)  
somewhere on the order of \$900,000.

SEN. GIULIETTI: Thank you.

REP. SAVAGE: Martin, one more question. Sen. Johnston.

SEN. JOHNSTON: Sen. Johnston. I just want to clarify for the committee. We're not talking about any dormitories, self-liquidating bonds or any of that, strictly commercial properties that are not educationally related.

MR. BERLINER: We're not talking about the student union snack bar or the coop or anything of that nature. We're talking about strictly, we're not talking about the dairy bar at the university, we're talking strictly about commercial buildings which are leased for commercial purposes, functions that are not related to the university.

REP. SAVAGE: Thank you. The next speaker is Tom Wontorek, Town of North Branford. Is Tom not here? The next speaker then would be J. C. Mokriski.

MR. J. C. MOKRISKI: Yes, close enough, Representative. Just don't call me late for dinner.

REP. SAVAGE: We will be if we're not through.

MR. MOKRISKI: I'll try to make this brief. My name is Charles Mokriski. I'm an attorney practicing in Hartford and speaking today on behalf of Jensen's, Inc. which owns and operates mobile home parks in the State of Connecticut.

Speaking on behalf of Proposed Bill 7052 concerning the taxation of mobile manufactured homes. In all candor, I think the bill was misplaced in the public hearing because it deals with the sales tax rather than exclusively the property tax, but there's some property tax implications as well. We've all got an image, I suppose, perhaps based upon observations a couple of decades ago, perhaps based on remembering Lucy Arnaz and Desi Arnaz hauling a long trailer up and down mountains in a comedy movie back in the 50s or 60s of trailers. Mobile manufactured homes these days are something substantially different. They are a very important segment of the housing resources of the country, not as important in the State of Connecticut.