

Legislative History for Connecticut Act

SB 867 P.A. 307 1995

Senate 2108, 3739-3740, 3791-3793,
5972-5973, 5991-5993 (10)

House: 7138-7145 (8)

P+D: 812-814, 849-850 (5)

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

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S-376

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1995

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PART 6
1819-2174

Calendar 141, Substitute for SB1086 is pass retained.

Calendar 149, Substitute for SB44 is marked Go.

Calendar 166, SB1062 is marked Go.

Calendar 181, HB6890 is pass retained.

On Page 4, the top of the page, Calendar 184, Substitute for HB5441 is pass retained.

Calendar 187, HB6613 is marked Go.

Calendar 191, Substitute for HB6638 is pass retained.

Calendar 210, Substitute for SB867, File No. 358,
Madam President, I would move that that be referred to
the Committee on Government Administration and
Elections.

THE CHAIR:

The motion is to refer this item to the Committee
on Government Administration and Elections. Without
objection, so ordered.

SEN. FLEMING:

Calendar 217, Substitute for SB874 is marked Go.

On Page 5, Calendar 224, Substitute for SB81 is pass retained.

Calendar 226, Substitute for SB404 is pass retained.

Calendar 232, SB545, File No. 424, Madam

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1995

VOL. 38
PART 11
3697-4100

Page 20, Calendar 210, Substitute for SB867, An Act Concerning the Duties of the Secretary of the Office of Policy and Management, Providing a Depreciation Schedule for the Assessment of Personal Property and Modifying Certain Municipal Grant Programs. Favorable report of Committee on Planning and Development, Judiciary, Government Administration Elections, File 358.

THE CHAIR:

Senator Munns.

SEN. MUNNS:

Thank you, Madam President.

Madam President, I move acceptance of the Committee's favorable report and passage of the bill.

THE CHAIR:

Questions on passage. Will you remark?

SEN. MUNNS:

Yes. Madam President, this is a very techni -- makes a lot of technical changes in the streamlining of how the Office of Policy and Management deal with the grant programs and the property tax exemption programs and I urge adoption.

THE CHAIR:

Questions on passage of the bill. Will you remark? Will you remark?

SEN. MUNNS:

If there's no objections, Madam President, move to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Page 21, Calendar 250, Substitute for SB600, An Act Concerning Deposit of Public Funds of the State, Municipalities and Regional School Districts. Favorable report of Committee on Planning and Development, Finance and Banks. File 441, 784.

THE CHAIR:

Senator Munns.

SEN. MUNNS:

Thank you, Madam President.

Madam President, I move acceptance of the Committee's favorable report and adoption of the bill.

THE CHAIR:

Questions on passage. Will you remark?

SEN. MUNNS:

Yes, Madam President.

At this time I'd like to yield the floor to Senator Smith.

THE CHAIR:

Senator Smith, will you accept the yield?

And I'm delighted to say that the money is in the budget to pay for this agreement, so I would move its adoption.

THE CHAIR:

Question is on adoption. Will you remark further?
Will you remark further? Senator Genuario?

SEN. GENUARIO:

Madam President, if there's no objection, I believe this one we can put on the Consent Calendar.

THE CHAIR:

Without objection, this item is placed on the Consent Calendar.

At this time -- Senator Upson?

SEN. UPSON:

Yes, Madam President.

I move you call the Consent Calendar for vote.

THE CHAIR:

Would the Clerk please announce a roll call vote and call the Consent Calendar?

THE CLERK:

An immediate roll call on the Consent Calendar is being taken in the Senate. Will all Senators return to the Chamber?

An immediate roll call on the Consent Calendar is being taken in the Senate. Will all Senators please

return to the Chamber?

Page 1, Calendar 525, HJR43.

Page 3, Calendar 148, Substitute for SB1072.

Page 3, Calendar 244, SB998.

Page 4, Calendar 279, Substitute for HB6877.

Page 6, Calendar 396, Substitute for SB552.

Page 7, Calendar 417, Substitute for HB6917.

Page 11, Calendar 472, HB6614.

Page 12, Calendar 495, HB5312.

Page 12, Calendar 496, Substitute for HB6050.

Page 12, Calendar 497, Substitute for HB6963.

Page 13, Calendar 498, Substitute for HB6932.

Page 13, Calendar 499, Substitute for HB6602.

Page 13, Calendar 502, Substitute for HB6290.

Page 14, Calendar 503, HB6921.

Page 20, Calendar 210, Substitute for SB867.

Page 21, Calendar 250, Substitute for SB600.

Page 21, Calendar 324, SB959.

Page 23, Calendar 369, Substitute for SB1063.

Page 23, Calendar 371, Substitute for SB1143.

Page 25, Calendar 71, Substitute for SB850.

Page 25, Calendar 113, SB360.

Page 25, Calendar 150, SB1088.

Page 26, Calendar 223, Substitute for SB154.

Page 27, Calendar 337, Substitute for SB539.

Page 28, Calendar 486, Senate Resolution 46.

Page 28, Calendar 488, Senate Resolution 51.

THE CHAIR:

The machine will be open. If all members have voted, the machine will be locked. Clerk, please take a tally.

THE CLERK:

Total number voting, 35; necessary for passage, 18. Those voting yea, 35; those voting nay, 0.

THE CHAIR:

The Consent Calendar is adopted.

At this time the Chair will entertain points of personal privilege or announcements. Senator McDermott?

SEN. McDERMOTT:

Thank you, Madam President.

I rise for point of personal privilege.

THE CHAIR:

Please proceed.

SEN. McDERMOTT:

I'm honored today to have two very good friends of mine in the Chamber today, people who worked hard on my campaign and are very close friends. Up in the gallery up here is Bob Martino and Alan Jackson, my brother-in-law.

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1995

VOL. 38
PART 16
VETO SESSION
5707-6083

SENATOR FLEMING:

Madam President.

THE CHAIR:

Senator Fleming.

SENATOR FLEMING:

Yes. Thank you Madam President. Madam President, on Senate Agenda #3, I would like to ask the Clerk to call Senate Bill No. 867.

THE CLERK:

Senate Agenda #3, Substitute Senate Bill No. 867,
AN ACT CONCERNING THE DUTIES OF THE SECRETARY OF THE
OFFICE OF POLICY AND MANAGEMENT, PROVIDING A
DEPRECIATION SCHEDULE FOR THE ASSESSMENT OF PERSONAL
PROPERTY AND MODIFYING CERTAIN MUNICIPAL GRANT
PROGRAMS. On May 30th the Senate passed, on June 7th
the House passed with House "A".

THE CHAIR:

Senator Nickerson.

SENATOR NICKERSON:

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

THE CHAIR:

Question is on passage in concurrence. Will you remark?

SENATOR NICKERSON:

I would Madam President. We have this bill before us for the second time. As the Clerk indicated, we passed it, sent it to the House. The House added Amendment "A" which simply provides that when we make a, grant an aid under the bonding act, in order to recoup, should that be necessary, our funds, that we have the we, OPM, have the authority to lien the personal property that's involved in addition to liening the real property. It enhances the bill, and I commend it to the Senate.

THE CHAIR:

Question is on passage in concurrence. Will you remark?

SENATOR NICKERSON:

If there are.

THE CHAIR:

Senator Nickerson.

SENATOR NICKERSON:

If there are no questions, I would move this to Consent.

THE CHAIR:

The motion is to refer this item to the Consent Calendar. Without objection, so ordered.

SENATOR FLEMING:

read the Amendment, I believe this is House "C", it indicates that the Consumer, Consumer Protection may approve protocols allowing the dispensing, and this I think is the problem, of take home doses, take home doses of methadone.

THE CHAIR:

Senator Fleming.

SENATOR FLEMING:

Yes, Madam President. At this time I'd like to ask that this item be passed temporarily. See if we can get some of these questions answered. And Madam President, at this time I would like to ask that we call the Consent Calendar.

THE CHAIR:

First, let's dispense with this item. If there is no objection, we will pass temporarily the item before us. Senator Fleming.

SENATOR FLEMING:

Thank you Madam President. At this time, I'd like to ask the Clerk please call the Consent Calendar.

THE CLERK:

About to vote the Consent Calendar in the Senate.
Will all Senators return to the Chamber. We're about to vote the Consent Calendar in the Senate. Will all Senators return to the Chamber.

THE CHAIR:

Would the Clerk please call the Consent.

THE CLERK:

The first items are off the Agenda. Calendar 626,
House Bill No. 6087, from Agenda #5. Calendar 218,
Senate Bill No. 303, from Agenda #4. Calendar 86,
Senate Bill No. 110, from Agenda #4. Calendar 210,
Senate Bill No. 867, from Agenda #3. Calendar 623,
House Bill No. 6958, from Agenda #2. Calendar 621,
House Bill No. 6544, from Agenda #1.

Page 3, Calendar 535, House Bill No. 6768. Page
3, Calendar 537, House Bill No. 5077. Page 7, Calendar
620, House Bill No. 6554. Page 10, Calendar 446, House
Bill No. 5837. Page 11, Calendar 493, House Bill No.
6939.

THE CHAIR:

The machine will be open. Have all members voted?
Have all members voted? Have all members voted? If
all members have voted, the machine will be locked.
Clerk please take a tally.

THE CLERK:

Total Number Voting	34
Necessary for Passage	18
Those voting Yea	34
Those voting Nay	0

THE CHAIR:

The Consent Calendar is adopted.

SENATOR FLEMING:

Madam President.

THE CHAIR:

Senator Fleming.

SENATOR FLEMING:

There's too many Jim's in the Chamber. Madam President, on Senate Agenda #6, I would ask for suspension for consideration of House Bill No. 6683.

THE CHAIR:

Without objection, would the Clerk please call.

THE CLERK:

Senate Agenda #6, Substitute for House Bill No. 6683, AN ACT CONCERNING THE GARNISHMENT AND ASSIGNMENT OF LOTTERY WINNINGS. House passed with House "A".

THE CHAIR:

Senator Upson.

SENATOR UPSON:

Yes, Madam President, I move the Joint Committee's favorable report, passage of the bill in accordance with the House.

THE CHAIR:

Question is on passage in concurrence with the House. Will you remark?

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1995

VOL. 38
PART 20
7097-7432

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House of Representatives

Wednesday, June 7, 1995

Motion is on acceptance and passage. Please proceed, Sir.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. The file copy seeks to clarify who is authorized to seek claims and who is authorized to file lawsuits and when they could do both.

Mr. Speaker, the Clerk has LCO5336. I'd ask that the Clerk call and I be permitted to summarize.

SPEAKER RITTER:

The Clerk has amendment LCO5336. Representative Lawlor, he is trying to locate. We've just got to hunt down the amendment. Representative Godfrey. While we try to locate this amendment, why don't we act on this amendment. Why don't we have a motion from the Majority Leader's office?

REP. GODFREY: (110th)

Thank you, Mr. Speaker. Mr. Speaker, I move that this item be passed temporarily while we find the amendment.

SPEAKER RITTER:

Thank you, Sir. Would you please call Calendar 559.

CLERK:

On Page 11, Calendar 559, Substitute for Senate

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House of Representatives

Wednesday, June 7, 1995

Bill 867, AN ACT CONCERNING THE DUTIES OF THE SECRETARY OF THE OFFICE OF POLICY AND MANAGEMENT, PROVIDING A DEPRECIATION SCHEDULE FOR THE ASSESSMENT OF PERSONAL PROPERTY AND MODIFYING CERTAIN MUNICIPAL GRANT PROGRAMS. Favorable Report of the Committee on Government Administration and Elections.

SPEAKER RITTER:

The Honorable Representative from the 50th, Representative Davis you have the floor, Sir.

REP. DAVIS: (50th)

Good afternoon, Mr. Speaker. I move acceptance of the Joint Committee's Favorable Report in concurrence with the Senate.

SPEAKER RITTER:

The motion is on acceptance and passage in concurrence with the Senate. Please proceed.

REP. DAVIS: (50th)

Thank you, Mr. Speaker. This bill makes a variety of procedural and technical changes in programs providing grants and tax relief. It also changes some responsibilities of the Secretary of the Office of Policy and Management.

One thing that it does not do, which is the title of the bill is provide a depreciation schedule for assessment of personal property.

pat

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House of Representatives

Wednesday, June 7, 1995

SPEAKER RITTER:

Will you remark further? Representative Winkler.

REP. WINKLER: (41st)

Thank you, Mr. Speaker. The Clerk has an amendment, LCO8125. Would the Clerk please call and I be allowed to summarize?

SPEAKER RITTER:

The Clerk has an amendment, LCO8125. If he may call and Representative Winkler would like to summarize.

CLERK:

LCO8125, House "A" offered by Representative Winkler and Hyslop.

SPEAKER RITTER:

Representative Winkler.

REP. WINKLER: (41st)

Thank you, Mr. Speaker. Normally, grants are made for improvements to property owned and operated by nonprofit agencies, are accompanied by a ten year diminishing lien on the property.

This amendment allows the agency to provide other forms of collateral to protect the state's interest. This would be primarily used when the owner or operator of such property is a municipal agency which we cannot lien and I move adoption.

pat

House of Representatives

Wednesday, June 7, 1995

SPEAKER RITTER:

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

REP. WINKLER: (41st)

Yes, thank you, Mr. Speaker. This amendment allows flexibility in where the lien is placed. The current law has caused a problem for Groton and possibly many other communities in the State of Connecticut.

Where state grant, in Groton, the state had granted funds for a community health center to serve low income individuals. Prospective landlords are refusing to rent because of their reluctance to accept a property lien for equipment.

This represents a small change in existing language. This language was drafted by OPM and the attorney general's office. For clarification, I would like to say that this legislation does refer to a special act of 93 but also includes the year into 94 and at this point, Sir, I would like to yield to Representative DeMarinis.

SPEAKER RITTER:

Representative DeMarinis, do you accept the yield, Madam?

REP. DEMARINIS: (40th)

pat

House of Representatives

Wednesday, June 7, 1995

Yes, thank you, Mr. Speaker. In Groton's case, the community health care clinic that's based in New London will be able to complete their plans to have a satellite site in Groton and with our anticipated further layoffs from EB, we're going to be sorely in need of such a facility.

This will be something that other communities can use also and I urge adoption.

SPEAKER RITTER:

Will you remark further on this bill, on House "A"? Representative Gelsi of the 58th.

REP. GELSI: (58th)

Mr. Speaker, I'm going to rise to support this amendment. It's one that we'd looked at for a couple of years and it's one that I am still a little bit leery with, only because it's been my full extent was to protect the tax dollars of the State of Connecticut versus worrying about nonprofits being able to get grants or low cost loans without the State of Connecticut benefitting to receive their money back.

I do understand what's happened out there in the last four or five years, especially when people bought properties and the market was really up and now it's going down and the equity isn't there.

I think this amendment should go. We're going to

pat

House of Representatives

Wednesday, June 7, 1995

watch it very closely in the coming year to make sure that the state continues to be protected for the dollars that we give out, and Mr. Speaker, I agree that this amendment should go.

SPEAKER RITTER:

Will you remark further on House "A". If not, I think we'll try your minds. All in favor signify by saying "aye".

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

Opposed, "no". House "A" is adopted. Will you remark further on the bill as amended?

REP. WINKLER: (41st)

Mr. Speaker.

SPEAKER RITTER:

I apologize, Representative Winkler.

REP. WINKLER: (41st)

Yes, thank you. I would just like to personally thank both sides of the aisle for getting together and help working out this problem that does solve a situation in my area and the potential for others. And it's a good bill and it ought to pass. Thank you.

SPEAKER RITTER:

That's nice of you to say and there's been a lot

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House of Representatives

Wednesday, June 7, 1995

of that this session, which I think we're all very grateful for the kind of conversations that have been able to put things like this together. Representative Lockton.

REP. LOCKTON: (149th)

Thank you, Mr. Speaker. I urge passage of this bill. It's simply technical amendments to the statutes that govern OPM and streamlines and improves grant proposals. I urge passage. Thank you.

SPEAKER RITTER:

Why thank you, Madam. Anybody else? If not, staff and guests please come to the well of the House. The machine will be open.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber.

The House is voting by roll call. Members to the Chamber please.

SPEAKER RITTER:

Have all members voted? Please check the roll call machine as soon as the former high school track star from Bridgeport Central votes. Notre Dame? I could have figure you couldn't do it at Bridgeport Central. The machine will be locked. The Clerk please take the tally.

pat

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House of Representatives

Wednesday, June 7, 1995

The Clerk please announce the tally.

CLERK:

Senate Bill 867 as amended by House "A".

Total Number Voting 145

Necessary for Passage 73

Those voting Yea 145

Those voting Nay 0

Absent and Not Voting 6

SPEAKER RITTER:

The bill as amended passes. The Clerk please recall Calendar 74.

CLERK:

On Page 2, Calendar Number 74, House Bill Number 6630, AN ACT CONCERNING CLAIMS AGAINST THE STATE.

Favorable Report of the Committee on Judiciary.

SPEAKER RITTER:

The Honorable Chair of the Judiciary Committee, Representative Lawlor.

REP. LAWLOR: (99th)

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

SPEAKER RITTER:

I can't say it. Where's Representative Dargan. He's getting jealous. The motion is on acceptance and

JOINT
STANDING
COMMITTEE
HEARINGS

PLANNING AND
DEVELOPMENT
PART 3
681-1079

1995

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PLANNING & DEVELOPMENT February 27, 1995

Member, members of the committee.

My name is Don Downes. I'm Under Secretary of the Office of Policy and Management, I would like to present some testimony to you this morning on two bills. SB850, AACV LOCAL EMERGENCY RELIEF ACCOUNT and SB867 AAC, THE DUTIES OF THE SECRETARY OF OPM.

With respect to SB850, this bill expands the criteria that may be considered by LERAC, L-E-R-A-C, during the process of approving local emergency grants. The new criteria include first an applicants's ability to pay for the cost associated with emergency, and secondly, whether or not any outside assistance was used to lesson the impact to the emergency.

The bill also includes a provision to allow LERAC to recommend partial reimbursement of the cost of the emergency. The current law essentially blocks them into 100%. I'd urge the committee to support the favorable report on the bill.

We believe the proposed grant application criteria will allow state resources to be targeted to those municipalities having the greatest need and will allow us to apply the dollars in as many places as possible.

The fact that accompanies provides a little bit more detail on the specifics of the proposal.

At this point, I will turn to SB867 AAC THE DUTIES OF THE SECRETARY OF OPM.

This is essentially a conglomeration of technical amendments to various Statutes governing OPM's operations.

The fact sheet that is attached to my testimony details the specifics of the bill. These are essentially good government initiatives which will stream line or improve grant and other procedural operations without requiring an increase in OPM's staff.

There are two provisions in this bill, however,

that I think do have some substantial impact and I want to specifically address those. Sections 4 and 5 of the bill, propose a substantive change to the method of assessing personal property rather.

Right now in Connecticut, there is no mandated depreciation scheduled for the assessment of personal property. There are recommended depreciation schedules developed by the Connecticut Associate of Assessing Officers, but not all assessors are using these recommended schedules.

By enacting this legislation personal property in each town would be valued on the same basis, commencing with the assessment year starting October 1, 1995.

One of the basic reason for this legislation is the example afforded by PA944, which provided a state tax credit for personal property taxes paid with respect to electronic data processing equipment.

Following the enactment of this tax credit, some towns reduced the percentage of depreciation applicable to this type of equipment. In other words, depreciating it slower than the recommended schedule. Doing so resulted in increased tax revenues, because, obviously, the value of the equipment was higher than it otherwise would have been. And at the same time produced a higher corporation tax credit for tax payers in those towns. So, the State of Connecticut is going to loose an undetermined amount of corporation tax revenue as a result of this change.

We recognize that a standard depreciation schedule will result in some municipalities sustaining a tax revenue loss. The amount of the loss frankly will depend on the depreciation schedules they now use.

However, we also believe that towns may experience a cost avoidance relative to court appeals on the fair market value of the personal property so assessed.

The Property Tax Reform Commission recommends the

legislation of a depreciation schedule that is essentially the same as the one proposed here with the exceptions, that they are offering a schedule based on an eight year period, sorry, a seven year period, where as we are talking about an eight year period here in this bill.

CAAO has also sought legislation providing such a statutory depreciation schedule, for several years.

We agree with the Property Tax Reform Commission and CAAO that the time for enactment has come. (GAP IN TESTIMONY - CHANGING TAPE FROM SIDE 1A-1B) -- fact sheet that's attached to the back of the testimony provides you with a little better breakdown about the specifics.

At this point, I'd be happy to entertain questions from the committee on either of the bills.

REP. DAVIS: Well, I appreciate the administrations support of at least part of the Property Tax Reform Commission's Report.

DON DOWNES: We aim to please.

REP. DAVIS: I was the one who raised some concerns about Sections 4 and 5. I guess as the Finance Committee decides whether they are going to move ahead on any kind of a comprehensive Property Tax Reform issue, we will make some judgements about this part of the bill. Other than that I would agree that it is largely technical at least the SB867.

Are there questions from any members of the committee? You get off easy Don.

DON DOWNES: Boy, I was going to say, must have done a great job. Thank you ladies and gentlemen.

REP. DAVIS: Thank you. Next up David Russell. Are there any other Legislators, State Agencies or Chief elected officials that want to testify in the first hour?

*Page 4
June 6*

Written Testimony Presented
by
Donald Downes, Under Secretary
Office of Policy and Management
to the
Planning and Development Committee
Monday, February 27, 1995
Regarding Senate Bill No. 867

Senator Munns, Representative Davis and members of the Planning and Development Committee: my name is Donald Downes. As Under Secretary of the Office of Policy and Management's Management and Evaluation Division, I am here to speak in support of SB 867: An Act Concerning The Duties Of The Secretary Of The Office Of Policy And Management, Providing A Depreciation Schedule For The Assessment Of Personal Property And Modifying Certain Municipal Grant Programs.

For the most part, this bill contains technical amendments to various statutes governing the duties of the Office of Policy and Management (OPM). These technical amendments are detailed in the Fact Sheet you have before you. The Office of Policy and Management considers these amendments to be 'good government' initiatives, which will streamline or improve grant and other procedural operations, without necessitating an increase in OPM staff. In proposing these amendments, the agency believes it has successfully balanced the needs of the state and taxpayers.

Sections 4 and 5 of the bill, however, provide a substantive change to the method of assessing personal property. These are the sections I will now specifically address.

There is presently no mandated depreciation schedule for the assessment of personal property in Connecticut, except that applicable to machinery and equipment exempt under §12-81(72). Although depreciation schedules are recommended by the Connecticut Association of Assessing Officers, it is our understanding that not all assessors use the recommended schedules. By enacting this legislation, personal property in each town would be valued on the same basis as of the assessment year commencing October 1, 1995.

A basic reason for the need for this legislation is P.A. 94-4 (May Special Session), which provided a state tax credit for personal property taxes paid with respect to electronic data processing equipment. Following the enactment of this tax credit provision, some towns reduced the percentage of depreciation applicable to this type of equipment. Doing so resulted in increased local tax revenue and corresponding higher corporation tax credits for taxpayers in their towns. The State of Connecticut will lose an undetermined amount of corporation tax revenue as a result of this change.

We recognize that some towns may sustain a tax revenue loss due to the enactment of this provision. The amount of the loss will depend on the depreciation factors now used, as compared to those reflected in the proposed legislation. However, we also believe that towns may experience a cost-avoidance relative to court appeals of the fair market value concept of personal property valuation.

The Property Tax Reform Commission, which submitted its report to the legislature last month, recommends legislating a depreciation schedule that is substantially the same as the one contained in this bill. (The only difference is the schedule proposed in SB 867 provides depreciation for an eight-year period, rather than the seven years cited in the Commission's report.) The Connecticut Association of Assessing Officers (CAAO) has also sought legislation providing a statutory depreciation schedule, for several years. The Office of Policy and Management agrees with the members of the Property Tax Reform Commission and the CAAO, that the time for enactment has come.

For the reasons I have addressed in this testimony, and those outlined on the corresponding Fact Sheet, I urge the Committee to issue a favorable report concerning this bill.

FACT SHEET
1995 LEGISLATIVE SESSION

BILL NUMBER: SB 867

BILL TITLE: AN ACT CONCERNING THE DUTIES OF THE SECRETARY OF THE OFFICE OF POLICY AND MANAGEMENT, PROVIDING A DEPRECIATION SCHEDULE FOR THE ASSESSMENT OF PERSONAL PROPERTY AND MODIFYING CERTAIN MUNICIPAL GRANT PROGRAMS.

SUMMARY OF PROPOSAL:

This bill provides technical amendments to the statutes governing various OPM administered grant programs. Passage of these amendments will improve operations by streamlining the grant approval process and will allow OPM to complete its statutory duties without increasing staff. In addition, the bill provides a statutory depreciation schedule for the assessment of personal property, allows a direct avenue of appeal for the manufacturing machinery and equipment property tax exemption program and transfers responsibility for prescribing the application form for forest land classification to the appropriate state agency.

REASON FOR PROPOSAL:

Section 1 of this bill provides that OPM certify grant payments under the Local Capital Improvement (LoCIP) Program, within 45 days of approving a municipality's application for funds. This represents a 15 day extension of the current payment certification date. The amendment is necessary since OPM program staff has been reduced by attrition.

Section 2 will take OPM out of the business of providing technical assistance to assessors and boards of tax review. Such assistance was provided by the Board of Assessment Advisors, prior to the elimination of said board via P.A. 91-343.

Section 3 will reinstate the Legislature's intent regarding the method of calculating a town's real property levy. The levy is used to cap payments under the State-owned Real Property PILOT Program. Currently, only reimbursable real property exemptions are used to adjust a town's real property levy. Reimbursable property tax credits, such as those for the Elderly Freeze Program and the Elderly and Totally Disabled Homeowners' Program, are not reflected. This change will provide that all real property reimbursements made by the state are reflected.

Sections 4 and 5 will provide a statutory depreciation schedule for personal property assessment. Currently, there is no mandated depreciation schedule in Connecticut, except that applicable to exempt manufacturing machinery and equipment. Although a depreciation schedule is recommended by the Connecticut Association of Assessing Officers (CAAO), it is not used by all assessors. By legislating this schedule, personal property in each town would be assessed on the same basis.

Section 6 shortens the time frame during which taxpayers may request an extension of the filing period for distressed municipality and manufacturing machinery and equipment exemptions. It will require filing extension requests to be received within one month of the date by which the grand list is finalized. Current law provides that such requests must be received not later than 60 days following the completion of the grand list.

Section 7 allows a direct avenue of appeal for manufacturers who are taxed for machinery and equipment following OPM's denial of reimbursement to the municipality that granted the exemption. Currently, such manufacturers can only obtain relief if the municipality sues the state. Under this proposal, they would be able to file a non-frivolous lawsuit against the state.

Section 8 transfers the responsibility for prescribing the application for forest land classification, from OPM to the Department of Environmental Protection. The State Forester already determines whether land can be classified as forest land. This merely transfers the corresponding application form to the appropriate state agency.

Sections 9 and 11 clarify income requirements with regard to the tax relief programs for Elderly/Totally Disabled Homeowners and Renters.

Section 10 provides a one month extension of the date by which OPM must certify the first batch of payments to Elderly/Totally Disabled Renters. Under current legislation, the first payments in a given year to be certified by July 31, so that checks may be mailed by the end of August. Given current staffing levels, this time-frame does not provide enough time for grant verification.

This amendment would make the same filing period extension that is currently enjoyed by homeowners, available to renters.

SIGNIFICANT IMPACTS: There is no significant impact with respect to the technical amendments contained in this bill. Mandating a personal property depreciation schedule will have an impact on municipalities that do not currently use the CAAO recommended schedule. The impact will vary and may be significant, depending on the amount of depreciation currently allowed.