

Legislative History for Connecticut Act

SB 525	(PA 217)	1998
HOUSE	4868-4872	(5)
SENATE	1301, 2493-2495, 2521, 2593-2595, 2603-2605	(11)
Finance, Revenue and Bonding-	609, 610, 786, 851	(4)
		(20)

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

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1998

VOL. 41
PART 14
4582-4927

004868

432

gmh

House of Representatives

Tuesday, May 5, 1998

Substitute for Senate Bill 599, as amended by
Senate "A"

Total Number Voting	145
Necessary for Passage	73
Those voting Yea	145
Those voting Nay	0
Those absent and not voting	6

DEPUTY SPEAKER HARTLEY:

The bill, as amended is passed.

Representative Godfrey. You have the floor, sir.

REP. GODFREY: (110TH)

Thank you, Madam Speaker. I would move for the
suspension of our rules for the immediate consideration
of Calendar Number 553, Substitute for Senate Bill
Number 525, which is no starred.

DEPUTY SPEAKER HARTLEY:

The motion is immediate suspension of our rules
for consideration of Calendar 553, Senate Bill 525.
Without objection, so ordered.

Will the Clerk please return to the Call, Calendar
553, please.

CLERK:

On page 18, Calendar Number 553, Substitute for
Senate Bill Number 525, AN ACT CONCERNING GRANTS-IN-
LIEU OF TAXES FOR STATE CORRECTION FACILITIES AND

004869

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House of Representatives

Tuesday, May 5, 1998

APPEALS RELATED TO STATE-OWNED REAL PROPERTY AND
PRIVATE COLLEGES AND GENERAL HOSPITALS, as amended by
Senate Amendment Schedule "A". Favorable Report of the
Committee on Appropriations.

DEPUTY SPEAKER HARTLEY:

Representative Newton. You have the floor, sir.

REP. NEWTON: (124TH)

Thank you, Madam Speaker. I move acceptance of the
Joint Committee's Favorable Report and passage of the
bill in concurrence with the Senate.

DEPUTY SPEAKER HARTLEY:

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

Will you please remark, sir?

REP. NEWTON: (124TH)

The Clerk has LCO Number 5476. Would he call and
I be allowed to summarize?

DEPUTY SPEAKER HARTLEY:

The Clerk is in possession of LCO 5476, previously
designated Senate Amendment "A". Will the Clerk please
call?

CLERK:

LCO Number 5476, designated Senate Schedule
Amendment "A" offered by Senator Looney.

DEPUTY SPEAKER HARTLEY:

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House of Representatives

Tuesday, May 5, 1998

Representative Newton has asked leave to summarize. Without objection, you may proceed, sir.

REP. NEWTON: (124TH)

Thank you, Madam Speaker. The Senate, in line 31 after "children" inserted "families" children and family services that this would be under.

I move acceptance. I move adoption.

DEPUTY SPEAKER HARTLEY:

The motion is acceptance of Senate Amendment "A". Will you remark further, sir?

Will you remark? Will you remark on Senate Amendment "A"? If not, we will try your minds.

All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER HARTLEY:

Those opposed, nay. The ayes have it. The amendment is adopted.

Will you remark further on the bill, as amended?

REP. NEWTON: (124TH)

Thank you, Madam Speaker. Basically the bill does is just defines correctional facilities.

I move its adoption.

DEPUTY SPEAKER HARTLEY:

Will you remark further on the bill, as amended?

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House of Representatives

Tuesday, May 5, 1998

If not, staff and guests to the Well of the House.
Members, please take your seat. The machine will be
opened.

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.

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.

DEPUTY SPEAKER HARTLEY:

Have all the members voted? Is your vote properly
recorded? If so, the machine will be locked. After
Representative Nardello votes, the machine will then be
locked.

The Clerk will then take a tally.

The machine will be locked.

The Clerk will please announce the tally.

CLERK:

Senate Bill Number 525 as amended by Senate
Amendment Schedule "A" in concurrence with the Senate

Total Number Voting	142
Necessary for Passage	72
Those voting Yea	140
Those voting Nay	2

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House of Representatives

Tuesday, May 5, 1998

Those absent and not voting 9

DEPUTY SPEAKER HARTLEY:

The bill, as amended passes.

Clerk, please return to the Call, Calendar 293.

CLERK:

On page 4, Calendar 293, Substitute for House Bill Number 5681, AN ACT CONCERNING TECHNICAL CHANGES AND ADDITIONS TO VARIOUS TAX STATUTES. Favorable Report of the Committee on Finance.

DEPUTY SPEAKER HARTLEY:

Representative Schiessl.

REP. SCHIESSL: (60TH)

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

DEPUTY SPEAKER HARTLEY:

The motion is on acceptance and passage. Will you remark, sir?

REP. SCHIESSL: (60TH)

Yes. Thank you, Madam Speaker. This is the first of two of many bills enacted by the Finance Committee during this recent session of the Legislature which are technical in nature.

This particular bill, House Bill 5681 represents a collection of recommended technical changes in various

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1998

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1256-1569

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Senate

Wednesday, April 22, 1998

001301

326, 327, 328 are all PR.

329, Substitute for SB525 I move to the Committee on Appropriations.

THE CHAIR:

Without objection, so ordered.

SEN. JEPSEN:

330 is PR.

Page 10, Calendar 331 is PR.

Calendar 332, Substitute for SB532 I move to the Committee on Appropriations.

THE CHAIR:

Without objection, so ordered.

SEN. JEPSEN:

The balance of this page is PR.

Page 11, Calendars 337, 338, 339 and 340 are PR.

Calendar 341, Substitute for SB396 I move to the Committee on Appropriations.

THE CHAIR:

Without objection, so ordered.

SEN. JEPSEN:

Calendar 342, Substitute for SB416 is PR.

Calendar 343, Substitute for SB521 I move to the Committee on Appropriations.

THE CHAIR:

Without objection, so ordered.

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1998

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2236-2606

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Senate

Monday, May 4, 1998

and Elections. Clerk is in possession of three Amendments.

THE CHAIR:

Senator Williams.

SEN. WILLIAMS:

Thank you, Madam President. May that be passed temporarily?

THE CLERK:

Calendar Page 18. Calendar No. 329, File No. 494.
Substitute for SB525, AN ACT CONCERNING GRANTS IN-LIEU OF TAXES FOR STATE CORRECTION FACILITIES AND APPEALS RELATED TO STATE-OWNED REAL PROPERTY AND PRIVATE COLLEGES AND GENERAL HOSPITALS. Favorable report of Committee on Finance Revenue and Bonding, and Appropriations.

THE CHAIR:

Senator Looney.

SEN. LOONEY:

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

THE CHAIR:

Question is on passage. Will you remark?

SEN. LOONEY:

Yes, thank you, Madam President. This bill will

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Senate

Monday, May 4, 1998

modify the definition of a correctional facility related to payments in lieu of taxes for state-owned correctional facilities. And requires either the Secretary of State or the Commissioner of the Department of Correction to furnish an annual list of correctional facilities to OPM.

It also defines that the portion of the UConn Health Center used to service the medical needs of prisoners in the custody of Corrections, is eligible for the same pilot as the state correctional facility. Sections 2 and 3 of the bill formalize the current administrative hearing process for municipalities aggrieved by a decision concerning the assessment of property, for state-owned property, and property for private colleges and hospitals.

It also moves up the date of notification by OPM of changes to pilot requests from September to August. The bill has no fiscal impact, Madam President, since Farmington is already receiving 100% pilot for that portion of the UConn Health Center that's being utilized as a medical ward for prisoners, and conforms to statute to OPM's current hearing and notification procedures. Thank you, Madam President.

THE CHAIR:

Thank you, sir. Will you remark further? Will

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you remark further? Senator Looney.

SEN. LOONEY:

Thank you, Madam President. If there's no objection, I would move this item to the Consent Calendar.

THE CHAIR:

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

THE CLERK:

Calendar Page 19, Calendar No. 374, File No. 45 and 586, HB5225, AN ACT CONCERNING RETAIL SALE OF BEER IN KEGS. As amended by House Amendment Schedule A, LCO-3257. Senate Amendment Schedule A, LCO-3969. Favorable report of the Committees on General Law, Judiciary, Finance Revenue and Bonding, and Appropriations. Committee recommends passage with House Amendment Schedules A, and Senate Amendment Schedule A.

THE CHAIR:

Senator Colapietro.

SEN. COLAPIETRO:

Thank you, Madam President. I move the Joint Committee's favorable report and passage of the bill as amended by the House.

THE CHAIR:

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Senate

Monday, May 4, 1998

Motion is to recommit this item. Without
objection, so ordered.

SEN. JEPSEN:

Page 15, Calendar 165, is Go.

Page 17, Calendar 293, is Go.

Also on Page 17, Calendar 317, is Go.

Page 18, Calendar 329, previously moved to the SB525
Consent Calendar. I ask this item be removed from the
Consent Calendar and marked Go.

Page 18, Calendar 344, is Go.

Page 19, Calendar 347, is Go.

And at the bottom of the page, Calendar 126,
SB195. I move recommittal.

THE CHAIR:

Motion is to recommit this item. Without
objection, so ordered.

SEN. JEPSEN:

Page 21, Calendar 193. I move to the Consent
Calendar.

THE CHAIR:

Motion is to refer --

SEN. JEPSEN:

That's Substitute for SB435, Calendar 193, on Page
21.

THE CHAIR:

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Senate

Monday, May 4, 1998

THE CLERK:

Page 18, Calendar No. 329, File No. 494,
Substitute for SB525, AN ACT CONCERNING GRANTS-IN-LIEU
OF TAXES FOR STATE CORRECTION FACILITIES AND APPEALS
RELATED TO STATE-OWNED REAL PROPERTY AND PRIVATE
COLLEGES AND GENERAL HOSPITALS. Favorable report of
Committee Finance Revenue and Bonding, and
Appropriations. Clerk is in possession of an
Amendment.

THE CHAIR:

Senator Looney.

SEN. LOONEY:

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

THE CHAIR:

Question is on passage. Will you remark?

SEN. LOONEY:

Yes, Madam President. This bill was discussed
earlier this evening. It was placed on the Consent
Calendar. We removed it from that Calendar just
because the LCO has provided a technical amendment to
Line 31 of the bill that should read after the line
children, it should read, children and families.

And that's the only change to the underlying bill

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Senate

Monday, May 4, 1998

which was discussed previously, Madam President. I would urge the -- excuse me, the adoption of the Amendment. I would ask the Clerk to please call that Amendment, LCO-5476.

THE CLERK:

LCO-5476, which will be designated Senate Amendment Schedule A. It's offered by Senator Looney of the 11th District.

THE CHAIR:

Senator Looney.

SEN. LOONEY:

Thank you, Madam President. I move adoption of the Amendment.

THE CHAIR:

Question is on adoption. Will you remark further?

SEN. LOONEY:

Yes, Madam President. As I said previously, it's a technical Amendment, which LCO brought to our attention this evening after the bill had been placed on the second Consent Calendar.

THE CHAIR:

Question is on adoption of Senate Amendment A.
Will you remark further? Will you remark further? If not, I'll try your minds. All those in favor indicate by saying aye.

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Senate

Monday, May 4, 1998

SENATORS:

Aye.

THE CHAIR:

Opposed, nay? Aye's have it. Senate A is
adopted. Will you remark further on the bill as
amended? Senator Looney.

SEN. LOONEY:

Madam President, I would move the bill to the
Consent Calendar once again, if there's no objection.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Calendar No. 344, File No. 528, Substitute for
SB599, AN ACT CONCERNING ECONOMIC CLUSTERS. Favorable
report of Committee on Commerce and Exports, Finance
Revenue and Bonding, and Appropriations. Clerk is in
possession of Amendments.

THE CHAIR:

Senator McDermott.

SEN. MCDERMOTT:

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

THE CHAIR:

Question is on passage. Will you remark?

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Senate

Monday, May 4, 1998

THE CLERK:

An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

Madam President, second Consent Calendar begins on Calendar Page 3. Calendar No. 323, Substitute for SB230.

Calendar Page 7. Calendar No. 435, Substitute for HB5712.

Calendar Page 9. Calendar No. 443, Substitute for HB5728.

Calendar Page 10. Calendar No. 456, Substitute for HB5335.

Calendar Page 11. Calendar No. 463, Substitute for HB5495.

Calendar No. 456, Substitute for HB5694.

Calendar Page 15. Calendar No. 165, Substitute for SB503.

Calendar Page 16. Calendar No. 256, SB523.

Calendar Page 17. Calendar No. 293, Substitute for SB448.

Calendar No. 317, Substitute for SB449.

Calendar Page 18. Calendar No. 329, Substitute

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Senate

Monday, May 4, 1998

for SB525.

Calendar Page 19. Calendar No. 374, HB5225.

Calendar Page 21. Calendar No. 193, Substitute

for SB435.

Calendar No. 244, Substitute for SB355.

Calendar Page 23. Calendar No. 272, Substitute

for SB490.

Madam President, I believe that that completes the second Consent Calendar.

THE CHAIR:

Thank you, sir. Would you once again announce a roll call vote on the Consent Calendar. The machine will be open.

THE CLERK:

An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

THE CHAIR:

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

THE CLERK:

Motion is on adoption of Consent Calendar No. 2.

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Senate

Monday, May 4, 1998

Total Number Voting	35
Those voting Yea	35
Those voting Nay	0
Those absent and not voting	1

THE CHAIR:

The Consent Calendar is adopted. Again, the Chair will ask if there are any points of personal privilege or announcements? Senator Williams.

SEN. WILLIAMS:

Thank you, Madam President. There will be a meeting of the Judiciary Committee tomorrow at 11:30 outside the House Chamber.

THE CHAIR:

Other announcements? Senator Fleming.

SEN. FLEMING:

Yes, Madam President. Tomorrow at noon, there will be a Senate Republican caucus. And also for the record, Senator Lovegrove missed votes due to illness.

THE CHAIR:

The Journal will so note, sir. Are there other announcements or points of personal privilege? Senator Jepsen.

SEN. JEPSEN:

Thank you, Madam President. It's our intention to come back in tomorrow at 2:00 o'clock. The Senate

JOINT
STANDING
COMMITTEE
HEARINGS

FINANCE,
REVENUE
AND
BONDING
PART 3
555-852

1998

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kmg FINANCE, REVENUE & BONDING March 12, 1998

REP. SCHIESSL: Mark Ryan.

MARK RYAN: Representative Schiessl, Senator Looney, members of the committee, I appreciate the opportunity before you today. Again, my name is Mark Ryan, I'm Deputy Secretary of the Office of Policy and Management.

SB 51 SB 55 SB 525 HB 5662
I'm here to testify before you on six bills, four Governor's bills, budget bills, and two bills submitted by our intergovernmental policy division. First, I'd like to start with SB64, AN ACT CREATING A TAXPAYER RELIEF FUND, which would implement the Governor's proposal for a rebate, a proportion of this year's surplus revenues.

The General Fund of the state has registered six consecutive year-end surpluses, and is projected to end fiscal '97-'98 with another sizable surplus. This bill echoes the sentiments of the State Comptroller in that it ties tax relief to actual, rather than anticipated state fiscal performance.

In addition, taking a page from the Comptroller's report on Connecticut's economic health, issued January 1998, a surplus "indicates that the revenue collected by the state was higher than the amount required to provide services to our citizens. The excess revenue came in large part from taxpayers and should be returned to taxpayers. Like a successful corporation declaring dividend payments in good financial times, the state would acknowledge the contributions of its shareholders, the taxpayers, with a rebate check."

We certainly echo of Comptroller in that report. Thus, this bill would therefore create a taxpayer relief fund under its provisions up to \$125 million of the fiscal '97-'98 surplus would be deposited into the fund to rebate to Connecticut taxpayers eligible for the current property tax credit.

Turning to SB50, AN ACT CONCERNING THE HEALTH CARE CENTER TAX, the Governor is also proposing to phase the insurance HMO premium tax on so-called government programs. In this case, the new Husky Program, when it comes on line, the Medicaid

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kmg FINANCE, REVENUE & BONDING March 12, 1998

program, as well as any future managed care program that the General Assistance program would enter into.

This is consistent with legislation that the legislature passed last year, which eliminates that tax on state employee health plans. Turning to SB51, AN ACT CONCERNING WATER COMPANIES. In an effort to further reduce the disparity between public and private water rates, the Governor proposes to eliminate the corporation tax on private water companies, which currently raises about \$4 million.

That \$4 million will be mandated as a rate reduction through the Department of Public Utility Control process, so that water rates for private companies go down by between 2.5 to 3%.

That's on top of the 5% reduction that was implemented in July because of the elimination of the gross receipts tax on private water companies, which raised about \$8 million previously.

Finally, SB55, AN ACT CONCERNING THE MOTOR VEHICLE FUELS TAX. As most of you know, the Governor has proposed accelerating the three cent reduction due to go into effect on July 1st 1998, to April 1st, and raising that to four cents.

We believe the Special Transportation Fund is in sound position and can support this accelerated cost. The Governor hopes that this is implemented as quickly as possible so the taxpayers continue seeing that additional relief earlier.

And again, the two other bills, which I will not go through, you have submitted testimony on, is SB525, which makes some changes to the pilot state-owned statute. And HB5662, which is a technical bill related to assessments and revaluation.

At this time I'd be happy to take any questions you may have.

REP. SCHIESSL: Senator Looney.

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Written Testimony Presented
by
Ann Moore, Undersecretary
Intergovernmental Policy Division
Office of Policy and Management
to the
Finance, Revenue and Bonding Committee
March 12, 1998

Regarding SB 525: AAC Concerning Grants-In-Lieu Of Taxes For State Correction Facilities
And Appeals Related To State-Owned Real Property And Private Colleges And General
Hospitals.

Good morning Senator Looney, Representative Schiessl and members of the committee: my name is Ann Moore and I represent the Office of Policy and Management. I am submitting this testimony in support of SB 525.

Section 1 of this bill relates to the definition of correctional facilities in connection with the Payment-In-Lieu of Taxes (PILOT) program for state-owned real property. It substitutes an annual list of such facilities prepared by the Commissioner of Correction for an outdated list presently in the statutes.

Section 1 of SB 525 will also provide that a portion of the John Dempsey Hospital is eligible for the same PILOT level as a state correctional facility used for purposes of incarceration. The proposal regarding the PILOT for the John Dempsey Hospital is designed to recognize the unique use of a portion of that property to service the medical needs of prisoners in the custody of the Department of Correction.

Sections 2 and 3 of the bill will move up, by one month, the deadline by which the Office of Policy and Management must notify municipalities of Payment-In-Lieu of Tax (PILOT) adjustments for state-owned real property and that of private colleges and general or free-standing chronic disease hospitals. It will also formalize the Office of Policy and Management's current practice of notifying municipalities by no later than August 1st of changes to the PILOT claims as submitted, and then holding an administrative appeal hearing for any municipality requesting one.

This administrative appeal procedure was enacted via Public Act 96-112. However, that legislation failed to take effect due to the subsequent enactment of Public Act 96-261, which did not reference the changes made by Public Act 96-112.

Recent experience has shown that some areas of contention may be resolved by an administrative appeal hearing. If this continues to be the case, municipalities and the state will avoid the cost of a Superior Court appeal.

For the reasons outlined above, I urge the committee to issue a favorable report concerning SB 525.

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CONNECTICUT CONFERENCE OF MUNICIPALITIES

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TESTIMONY

of the

CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

FINANCE, REVENUE AND BONDING COMMITTEE

Thursday, March 12, 1998

The Connecticut Conference of Municipalities thanks you for the opportunity to provide testimony today on a number of bills that would impact Connecticut's cities and towns.

CCM opposes **R.B. 5682, "AA Establishing a Taxpayer Rebate Program"**, and **R.B. 64, "AA Creating a taxpayer Relief Fund"**. These bills are not in the best long-term interests of the State or its residents. CCM believes that state revenues should be used to address some of the State's most pressing problems, especially education and local infrastructure. Tax relief efforts should be directed at Connecticut's most onerous tax -- the property tax.

CCM supports **R.B. 5662, "AA Concerning Various Changes Relating to the Assessment and Valuation of Property and Property Taxes"**. This bill will streamline the process by which municipal assessors and others may be granted extensions in the assessment process.

CCM supports **R.B. 525, "AA Concerning Grants-In-Lieu of Taxes for State Correction Facilities and Appeals Related to State-Owned Real Property and Private Colleges and General Hospitals"**, with some changes. The provisions related to corrections facilities clarify the statutes and will simplify that portion of the State's PILOT program. The changes that the bill would make to the appeals process for PILOTs, however, are of little or no benefit. The provision that OPM may provide a hearing in valuation disputes with municipalities is not likely to change the outcomes or length of such disputes, since there are informal hearings now in such cases. The provision that municipalities pay all costs in appeals to the superior court if they lose will make it extremely difficult or impossible for smaller communities to risk an appeal of an unfair value change by OPM. This provision should be removed from the bill.

CCM has some concerns about **R.B. 5681, "AAC Technical Changes and Additions to Various Tax Statutes."** Section 12 of R.B. 5681 modifies the eligibility criteria for telecommunications companies electing to have personal property taxed at the statewide mill rate under P.A. 97-137.