

Legislative History for Connecticut Act

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**Act Number:** PA 06-148  
**Bill Number:** 668  
**Senate Pages:** Senate: 3644-3646, 3664-3666 6  
**House Pages:** House: 6335-6339 5  
**Committee:** Finance: 425-426, 428-429, 456-461, 510-511, 521-522, 539-540, 546, (568-570), 662-666, 673, 676, (680) 28

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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-536

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS

2006

VETO SESSION

VOL. 49

PART 12

3473-3745

jmk  
Senate

317  
May 3, 2006

Please proceed, Senator.

SEN. LOONEY:

First, Mr. President, Calendar Page 14, Calendar 399, Senate Bill 668. The next item, also Calendar Page 14, Calendar 402, House Bill 5298. And the third item, Mr. President, Calendar Page 17, Calendar 519.

THE CHAIR:

Thank you, Senator. Mr. Clerk.

THE CLERK:

Calendar Page 14, Calendar 399, File 527,  
Substitute for Senate Bill 668, An Act Concerning  
Property Revaluations, Favorable Report of the  
Committee on Finance, Revenue and Bonding and Planning  
and Development. Clerk is in possession of  
amendments.

THE CHAIR:

Senator Daily.

SEN. DAILY:

Thank you very much, Mr. President. I move the  
Joint Committee's Favorable Report and passage of the  
bill.

THE CHAIR:

On acceptance and passage, Senator Daily.

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SEN. DAILY:

Thank you very much, Mr. President. I wanted to let you know that in honor of your last night, this is a bill that is exactly the way it came out of Committee.

THE CHAIR:

We ought to have it framed.

SEN. DAILY:

We might be able to do that.

THE CHAIR:

Will you remark further?

SEN. DAILY:

Thank you very much, Mr. President. These are fairly technical amendments that OPM has made to revaluation standards.

THE CHAIR:

Will you remark further on the bill? Will you remark further? If not, Senator Daily.

SEN. DAILY:

I would move this to the Consent Calendar, Mr. President, if there's no objection.

THE CHAIR:

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Without objection, the item is placed on the  
Consent Calendar. Mr. Clerk.

THE CLERK:

Calendar 402, File 66, House Bill 5298, An Act  
Making Technical Revisions to the Various Statutes  
Relative to the Banking and Securities Laws of  
Connecticut, Favorable Report of the Committee on  
Banks.

THE CHAIR:

Senator Duff.

SEN. DUFF:

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

THE CHAIR:

Will you remark further on acceptance and  
passage? Senator Duff.

SEN. DUFF:

Thank you, Mr. President. Mr. President, I call  
up LCO 4972, please.

THE CHAIR:

Mr. Clerk. Senate will stand at ease.

[SENATE AT EASE]

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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.

Calling those items placed on Consent Calendar No. 3, beginning with Senate Agenda No. 4, Substitute for Senate Bill 317.

From the Calendar, Calendar Page 5, Calendar 492, House Bill 5747.

Calendar Page 6, Calendar 503, House Bill 5617.

Calendar Page 13, Calendar 282, Substitute for Senate Bill 188.

Calendar 292, Senate Bill 58.

Calendar Page 14, Calendar 399, Substitute for Senate Bill 668.

Calendar 402, House Bill 5298.

Calendar Page 15, Calendar 479, Substitute for House Bill 5251.

Calendar Page 17, Calendar 342, Substitute for Senate Bill 549.

Calendar 519, Senate Resolution 40.

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Mr. President, I believe that completes those items previously placed on the third Consent Calendar.

THE CHAIR:

Thank you, Mr. Clerk. Would you announce that a roll call vote is in process on the third Consent Calendar, and the machine is open.

THE CLERK:

The Senate is now voting by roll call on the third 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:

If all Members have voted, the machine is closed. The Clerk will announce the result of the roll call vote.

THE CLERK:

Motion is on adoption of Consent Calendar No. 3.  
Total number voting, 36; necessary for adoption, 19. Those voting "yea", 36; those voting "nay", 0. Those absent and not voting, 0.

THE CHAIR:

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All items on the Consent Calendar are passed.

Mr. Majority Leader.

SEN. LOONEY:

Yes, Mr. President, thank you. I would move for suspension for transmittal to the House of Representatives of any items/on that recently enacted Consent Calendar requiring action in that Chamber.

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Yes, thank you, Mr. President. If we might move to another item to mark Go, which was previously marked Passed Temporarily. And that is on Calendar Page 10, Calendar 85, Senate Bill 417. Would ask that the Clerk call that item.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Returning to the Calendar, Calendar Page 10, Calendar 85, File 53, Senate Bill 417, An Act Concerning the Control and Security of Radioactive Material, Favorable Report of the Committee on

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CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
2006

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6089-6379

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House of Representatives

May 3, 2006

The question is acceptance of the Joint  
Committee's Favorable Report and passage of the Bill.

REP. O'CONNOR: (35<sup>th</sup>)

The Clerk is in possession of--

SPEAKER AMANN:

One second, Sir. The Chamber stand at ease.

(CHAMBER AT EASE)

SPEAKER AMANN:

Representative Donovan.

REP. DONOVAN: (84<sup>th</sup>)

Mr. Speaker, I move that this Bill be passed  
temporarily.

SPEAKER AMANN:

The question is to pass temporarily. Is there  
objection? Hearing none, so ordered. Will the Clerk  
please call--

REP. DONOVAN: (84<sup>th</sup>)

Mr. Speaker.

SPEAKER AMANN:

I'm sorry, Sir. Representative Donovan.

REP. DONOVAN: (84<sup>th</sup>)

Mr. Speaker, I move for suspension of the rules  
for immediate consideration of Calendar Number 516.

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SPEAKER AMANN:

The question is on suspension. Is there objection? If not, will the Clerk please call Calendar Number 516.

CLERK:

Calendar Number 516, Substitute for Senate Bill Number 668, AN ACT CONCERNING PROPERTY REVALUATIONS, Favorable Report of the Committee on Planning and Development.

SPEAKER AMANN:

Representative Leone.

REP. LEONE: (148<sup>th</sup>)

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

SPEAKER AMANN:

The question is on acceptance of the Joint Committee's Favorable Report and passage of the Bill in concurrence with the Senate.

REP. LEONE: (148<sup>th</sup>)

Thank you, Mr. Speaker. This Bill implements the recommendations of the Office of Policy and

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Management's December 2004 report on revaluation policies and procedures.

It clarifies and revises provisions related to revaluation and increases operating efficiencies with minimal impact. Mr. Speaker, I urge passage of the Bill and ask my colleagues for their support. Thank you.

SPEAKER AMANN:

Will you remark? Will you remark further?

Representative Belden.

REP. BELDEN: (113<sup>th</sup>)

Thank you, Mr. Speaker. Mr. Speaker, the Bill does the job and ought to pass. Thank you.

SPEAKER AMANN:

Thank you, Sir. Care to remark further?

Representative Winkler.

REP. WINKLER: (41<sup>st</sup>)

Thank you, Mr. Speaker. I rise in support of the Bill. Anything we can do to provide some relief for property tax will benefit the people. Thank you.

SPEAKER AMANN:

Thank you, Madam. Do you care to remark further?  
If not, staff and guests please come to the Well of

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the House. Members take your seats. 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 is voting by Roll Call. Members to the Chamber.

SPEAKER AMANN:

Have all the Members voted? Have all the Members voted? If all the Members have voted, please make sure that your vote has been properly cast.

If all Members have voted, the machine will be locked, and the Clerk will take a tally. The Clerk please announce the tally.

CLERK:

Senate Bill Number 668, in concurrence with the Senate.

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

SPEAKER AMANN:

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The Bill passes. Will the Clerk please call  
Calendar Number 455.

CLERK:

On Page 10, Calendar Number 455, Senate Bill  
Number 599, AN ACT CONCERNING THE OPERATION OF  
SNOWMOBILES, ALL-TERRAIN VEHICLES AND OTHER MOTOR  
VEHICLES WHILE UNDER THE INFLUENCE OF INTOXICATING  
LIQUOR OR ANY DRUG, Favorable Report of the Committee  
on Transportation.

SPEAKER AMANN:

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

REP. LAWLOR: (99<sup>th</sup>)

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

SPEAKER AMANN:

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

REP. LAWLOR: (99<sup>th</sup>)

JOINT  
STANDING  
COMMITTEE  
HEARINGS

FINANCE  
REVENUE  
AND  
BONDING

PART 2  
251-520

2006

First hour set aside for agency heads and other people. Why don't, Secretary Genuario, you're the first on our list. Would you mind coming forward? And we'll see if your microphone works better than mine.

SEC. ROBERT GENUARIO: Good morning, Chairman Staples. Did that work?

REP. STAPLES: That works fine.

SEC. ROBERT GENUARIO: Good morning, Chairman Staples, Chairman Daily, Representatives Belden, Nickerson, and distinguished Members of the Finance, Revenue and Bonding Committee.

My name is Robert Genuario. I am a Secretary of the Office of Policy and Management. And I am here to offer testimony on the bills that are before you today. For the record, my Office has submitted written testimony on several bills.

REP. STAPLES: Well, the concern was when I was using this microphone, there was a lot of feedback. I don't hear it now, so maybe it's all right. Sorry, Bob, for the interruption. Good, please proceed.

SEC. ROBERT GENUARIO: No problem. For the record, my Office has submitted written testimony on v n ill . I will c n in y n, though, to four bills, though would be happy to answer questions on he o r b lls if the Committee so desires.

SB 52  
SB 668  
AB 5814  
SB 49  
SB 701

I'll present oral testimony on Senate Bill 52, AN ACT AUTHORIZING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES, Senate Bill 668, AN ACT CONCERNING PROPERTY REVALUATIONS, House Bill 5814, AN ACT CONCERNING THE BONDING PROCESS, and Senate Bill 49, AN ACT PHASING OUT THE UNIFIED GIFT AND ESTATE TAX which, while not on your agenda, I understand I will be permitted to testify on today.

I will try not to read all of my testimony. I'll try to summarize it to make the, my time before the Committee hopefully a little more palatable.

With regard to Senate Bill 52, which is AN ACT AUTHORIZING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES, as you'll recall, of course, last year as a part of a two-year budget cycle, this Committee passed and the Legislature eventually adopted a two-year bond authorization bill.

This bill seeks to make modifications to that authorization bill and in my written testimony is a list of each and every project that we are requesting, that that bill requests modifications on.

I think it's sufficient to say that it breaks down into several categories. One category of changes deals with a new or modified request to improvements to state buildings.

For example, in 18 to 20 Trinity Street, we need to expand and rehab some of the office

And, finally, we have asked for authorization of \$15 million to assist the Hartford area with regard to a fairly significant flood control improvement that they are planning.

The total estimated cost of those flood control improvements is \$30 million. And we are requesting \$15 million to assist them to the extent of 50% of the estimated cost.

The second bill that I want to testify on was Senate Bill 668, AN ACT CONCERNING PROPERTY REVALUATIONS. In general, Senate Bill 668 implements recommendations in the December 20th, 27th, 2004 report regarding revaluation policies and procedures.

This Committee required OPM to do this report and do this study. We submitted a bill quite similar to this last year. The bill was, last year's bill was House Bill 6836.

It was reported favorably on by this Committee as well as the Judiciary, the Planning and Development and the Appropriations Committee. I think it's fair to say that the bill last year received the support of the various municipal organizations, CCM and COST.

Essentially, what the bill does is provides some technical and what we think are user-friendly changes, the users being the municipalities, to the revaluation process, including allowing phase-ins to occur over five years, clarifying some defined terms, allowing property inspections to occur over a term of

years as opposed to all at once, which will allow municipalities to maximize the use of their officials.

And we hope that you will find your way to approve that bill again this year. And hopefully we'll be able to, to work towards final passage this year without running out of time.

The next bill that I'd like to offer some testimony on is House Bill 5814, AN ACT CONCERNING THE BONDING PROCESS. And, quite frankly, this bill is a troublesome bill for a variety of reasons.

This bill, among other things, would require the Bond Commission agendas to be agreed upon by the Governor, the Senate President and the Speaker of the House. We find this troublesome for a variety of reasons.

First and foremost, dating back to the 1970s, we have various opinions from our Bond Council, both our New York Bond Council as well as our State of Connecticut Bond Council indicating that the bonding process is an Executive Branch function.

And the more we involve, the more the Legislative Branch is involved in the process, the more we risk running afoul of certain constitutional prohibitions, thereby raising concerns, raising concerns about the ability to sell the bonds and the sanctity of the bonds, as you will.

I'll be happy to pursue with him precisely where he is and let you know, but it's currently in the Attorney General's Office.

SEN. STILLMAN: This is an additional money on top of?

SEC. ROBERT GENUARIO: That is correct.

SEN. STILLMAN: Okay, because I'd be anxious to know, I think everyone would be, on where that litigation stands and, because I've been seeing litigation potential being evaluated by the Attorney General's Office in documentation for several years.

So I would like to know what's holding that up. And the other, my very last question is, on Senate Bill 668 having to do with reval, I don't quite understand your comments about Section Eight, talking about how towns can perform property inspections over a period of time.

I'm trying to figure out how that's going to work. If a town is given, are you suggesting that they might be given three years or something to do all these inspections to save money? But then how do you factor that in in an appropriate manner?

SEC. ROBERT GENUARIO: They would be given a period of time to do the inspections and then they would have to adjust based upon the data that they had. The inspections basically talk about, the assessment is done on the same day.

But inspections, what kind of condition the house is in, does it have two bathrooms or three bathrooms, they, that could be done over the period of time.

Keep in mind that we're also suggesting the quality control process be implemented so it will be double-checked against building permits and the like.

So we do an inspection, there's a two-bedroom house, before the revaluation is implemented, somebody puts an addition on. You're going to have evidence of that from the building permit so you're going to have cause to go out again.

In the absence of evidence of a building permit, you rely on your inspection at the time that it is conducted.

SEN. STILLMAN: I thought they did that now? I mean, I don't know how they can make an evaluation without doing that. And so I'm confused as to how stretching that out over a couple of years--

SEC. ROBERT GENUARIO: But their physical inspections have to be done over a finite period of time, therefore they have to hire people to go out and do that as opposed to doing those physical inspections over a longer period of time, maybe being able to use their own staff to do more. Let me just look behind and make sure that I've my expert.

SEN. STILLMAN: --It's always good to have an expert sitting behind you, absolutely.

SEC. ROBERT GENUARIO: You don't know, you don't know the half of it.

SEN. STILLMAN: I have the wall, but.

SEC. ROBERT GENUARIO: Tells me that, when we changed the law in 2004 and we went from statistical to physical to statistical, the implication is that when we do the physical, it would all be done within that short period of time during that one year when the physical revaluation takes place.

And that this proposal would correct that to allow the towns to go back to the process that they have historically used, looking at the property over a period of time.

SEN. STILLMAN: You didn't help. I'm still confused. Are you saying that you're recommending more physical reveals rather than statistical?

SEC. ROBERT GENUARIO: I'm sorry?

SEN. STILLMAN: Are you suggesting that we go back to doing physical reveals more frequently or every time as opposed to a statistical reveal in between?

SEC. ROBERT GENUARIO: We are suggesting that when physical reveals are done, the period of time in which the inspections, the physical inspections take place can be expanded and that the 2004 bill at a minimum by implication required that

the physical inspections occur within one year for that physical revaluation.

And that is the burdensome part that we're trying to provide municipalities with more flexibility on. It's not, it's not when there's a physical reval versus a statistical reval.

It's when the actual process of looking at the process has to take place for that physical reval.

SEN. STILLMAN: They're conferring. Thank you, I appreciate that.

SEC. ROBERT GENUARIO: Cathy tells me that all revals are, use statistical means and physical inspections but they're all, it's a combination of both the statistical process and the physical exam.

And this allows for a broader period of time for the physical exam to take place. But I'd be happy to set up a meeting between you and Cathy for a little more detail.

SEN. STILLMAN: Thank you. Yes, I appreciate that. I won't take up everybody's, I know there are other folks with questions. I certainly won't take up your time any further. But I do thank you for your answers.

SEC. ROBERT GENUARIO: Thank you. And, by the way, I want to thank you for your expressed concern about the troublesome nature of the cliff. We

think that's something that needs to be looked at very seriously.

SEN. DAILY: Mr. Secretary, I don't want to prolong this discussion on reval and Representative Belden is patiently waiting to ask his question, but not too long ago, a law school intern in our office did a study.

And what we found to be the problem was municipalities didn't understand what a statistical reval was and that almost every municipality was sending out that work rather than doing it in-house the way it had been anticipated when the legislation was first passed.

And I think that's where we need to focus our efforts, helping municipalities understand what's required of them.

SEC. ROBERT GENUARIO: That may well be something that we need to do. And we do try to work closely with municipalities in this regard. And it may well be that more work needs to be done.

REP. STAPLES: We're going to recognize Representative Belden and then, I'm sorry, we don't have time for further questions from other Members of the Committee.

I apologize for that, but the Comptroller is signed up as our second and our last speaker in this hour. We'd really like to get to her. So, Representative Belden.

REP. BELDEN: Thank you, Mr. Chairman. On a couple of issues, on reval, I hope we get this bill passed because my town has their staff and they do the inspections on a planned, regular basis over a period of time.

And it's worked extremely well. And I hope we can get that straightened out so that the ambiguity of the law that we passed a few years ago is straightened out.

So whether, when it's done in one year, those who will recall, we changed the whole schedule a few years ago because so many towns wanted a reval in a given year, there weren't enough people out there to do inspections.

But our town has squared that away and I hope we can get this through this year. With regard to the estate tax, in your testimony on page two, you list the states with no estate tax. SB 49

I think there's another factor and I'd like to get your comment on that. It comes into play with regard to the tax structures of various states.

I note on here that, of the states with no estate tax, we have Florida, New Hampshire, Texas and Wyoming that also have no income tax.

And I recall a short time ago getting some information, and I can't for the life of me right this morning remember where, about where the growth was occurring in this country.

JAMES VAN HOOF: Oh, absolutely. I mean, and that's why, you know, I said in my testimony the Connecticut Department of Revenue has done and continues to do very comprehensive audits of those.

So we do believe that the expenses that we do put down on those forms are accurate and follow the law.

REP. O'BRIEN: Okay, thank you.

SEN. DAILY: Thank you very much. Are there further questions? Thank you.

JAMES VAN HOOF: Thank you.

SEN. DAILY: Gian-Carl Casa followed by Amy Bantham.

GIAN-CARL CASA: Good morning, Madam Chairman, Representative Staples, Members of the Committee. My name is Gian-Carl Casa. I'm Director of Legislative Services with the Connecticut Conference of municipalities.

I do want to mention before I start that my colleague, Jim Finley, who's CCM's Associate Director, will be speaking in a little while due to the vagaries of the lottery system.

The first sometimes is last and the last sometimes is first. And he'll be talking on the two property tax bills before you today. I want to mention briefly our support for Senate Bill 668, the property revaluation changes that OPM testified in support of earlier.

SB 52  
SB 701

Those bills would improve the process of property tax revaluation for towns and save municipalities money. I do want to take a minute, though, to talk about another bill before you.

That's Senate Bill 52, the bond package, changes to the bond package that are being proposed this year, and urge you to add \$70 million in GO bonding to that package for the State Clean Water Fund.

The Clean Water Fund at the \$20 million in GO bond level, funding is at right now can only fund one in five projects this year and only one in seven next year according to the DEP.

Bonding for the Clean Water Fund averaged about \$48 million between 1987 and 2002 and then dropped precipitously because \$78 million worth of rescissions took place.

Even with grants and loans, local sewer users and municipalities pay the lion's share of the costs to build and operate clean water treatment facilities.

They end up paying about 85% of the total cost if they get a 20% grant and about 61% of the cost if they get a 50% grant after all the loans are repaid.

Municipalities are willing to continue to pay those costs as well as all the operating and maintenance costs, but they do need help from the state.

JOINT  
STANDING  
COMMITTEE  
HEARINGS

FINANCE  
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PART 3

521-769

2006

SEN. DAILY: Steven Kosofsky followed by Mike Norman and Stephanie Russo.

ANTHONY HOMICKI: Good afternoon, Senator Daily, Representative Staples, Members of the Committee. My name is Tony Homicki with my colleague, Steve Kosofsky.

SB 701

We're both assessors here in Connecticut. And we're here to speak in favor of Senate Bill 668, AN ACT CONCERNING PROPERTY REVALUATIONS.

This is a proposal that's been in the works for several years now, initiated on a study that was a collaborative effort with the Connecticut Assessor's Association and the Office of Policy and Management.

I think it's a well-written proposal. To get specific, it clearly defines the term property inspections as being a means of data collection and verification and not a method of valuing property, thus eliminating references to revaluations as being statistical or physical.

While revaluations require some property inspection and statistical analysis, it clarifies the requirement as to when a property must be inspected in relation to the revaluation cycle and allows assessors to conduct full inspections of any real property at any time.

It further clarifies that a property should not be required to be inspected more than once during this specific time period.

It allows assessors more flexibility in the collection of data to be used in the revaluation by allowing the use of data mailers along with the quality assurance program, which we feel is very significant for all assessors and municipal property tax statewide.

It also clarifies the phase-in option. Earlier testimony with this bill was requested with Senator Stillman and Senator Daily. You gave reference to the inspection process. And this clarifies that question on to view or not to view statewide.

And we think this is a complement and will bring the cost of revaluations down significant, especially those towns who have boards of assessors who are in need of statutory guidance to assist them on this five-year update that we have now.

We'd also like to give some testimony against Senate Bill 701 in the Sections that are related to AN ACT CONCERNING PROPERTY TAX ASSESSMENT FOR RESIDENTIAL PROPERTY.

The Connecticut Association of Assessors has long been a proponent of more frequent revals. A foundation of assessment policy in Connecticut is that all similar properties are treated the same, without discrimination.

The purpose of conducting a municipal revaluation is to eliminate any inequities that have occurred. If adopted, Senate Bill 701 proposes the elimination of a requirement for a

The rich really don't care. I live in a property that's been in my family since my great grandfather bought it around 1899. I had intended to leave it to my children but will have to sell the property if this confiscatory tax law is not changed.

SEN. DAILY: Do you know that there are three minutes together?

DAN VAN WINKLE: Okay. I guess I'll turn it over to Peter.

PETER GILL: I'm Peter Gill. I comment on the commercial aspect of the bill, the bill will not impede commercial development because of differing taxes.

Since decision to develop is based on circuit income, it seems, from present, future, landlord and tenant. In addition, 42 states have limited property taxes or preview these assessments in taxes.

SEN. DAILY: Thank you. I can't find it, but hopefully you both submitted written testimony and we'll review that carefully. Thank you. Bonnie Stewart followed by Some Winchester followed by Thomas Flaherty.

BONNE STEWART: Good afternoon. My name is Bonnie Stewart and I'm here representing the Connecticut Business and Industry Association. I'd like to comment on several bills.

SB668  
SB669  
SB701  
HB5842  
SB535

The first is Senate Bill 668. In that, there are two measures or two Sections that we've got recommendations that be modified.

First, not only jokingly but in seriousness as well, we'd love to see who appoints the various members of the working group modified so that the business community has some better representation than that which would exist if the current people were to appoint the business members of the working group.

That's Section 4. In Section 2, we have a five-year phase-in. And, instead of doing it the way it's recommended in this bill, we'd encourage you to look at Senate Bill 535, which came from the Planning and Development Committee and is currently before the Committee.

CBIA has been working with the Town of West Hartford to try to address the concerns regarding the reval and feel that their bill, which has a more restricted phase-in, five-year phase-in, would be better.

There is still conversation taking place on that measure. And I do believe that you'll see another modification to that bill proposed. But that's something that the business community and the residential community are working on together.

Senate Bill 669, CBIA strongly opposes the first Section, which would significantly restrict the R&D tax credit, and supports the second Section, regarding a taskforce regarding

you mandate that, what's going to happen are state taxes are going to increase.

So we're still paying out the dollars. So the question is what can you do to best meet the needs of everyone in the state? And we feel that is one, addressing the cost of healthcare, so looking at things that, again, will reduce the cost of healthcare and improve quality.

We feel that's very important. And, second, look at a lot of the issues regarding the property taxes, why they are what they are. You've got two measures before you now that would help you in that area.

For example, the Program Review bill on taxes is before you and that looks at the un-funded mandates for municipalities.

And it calls for those to be looked at, reviewed, determine which ones make sense and to do a cost-benefit analysis and determine which ones the municipality should stick with and which ones they shouldn't.

You've got another measure that came out of Program Review regarding binding arbitration. It's another issue to look at. And then you've got the reval bill, Senate Bill 668 that I mentioned, that's got the study in it, the workgroup to look at the whole readout process.

There's a number of things out there right now, and if we all had a quick answer to it, I know that we'd all be grabbing it. But I guess what we feel very strongly is you shouldn't just

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rms FINANCE, REVENUE AND BONDING

March 27, 2006

We do not want to sell our home. We're active members of our community. I had to call the middle school this morning to tell them I couldn't copy the newsletter today. And my daughter

UNIDENTIFIED SPEAKER: [inaudible - microphone not on] I don't believe you.

MIMI HANSON LOGAN: Thank you. I honestly do. She's on the swim team at the Valley Shore Y Marlines, and she is a Girl Scout. And I'm a leader.

We do not want to leave our homes, which we will not be able to afford, if we continue on the way we are. It isn't just the grays. So thank you very much for doing this.

UNIDENTIFIED SPEAKER: [inaudible - microphone not on]

SEN. DAILY: Thank you both.

MIMI HANSON LOGAN: Thank you.

SEN. DAILY: John Silliman [inaudible - microphone not on] longer here [inaudible - microphone not on] other people.

JOHN SILLIMAN: Good afternoon, Senator Daily, and Representative Staples, and Members of the Committee. My name is John E. Silliman. I live in West Hartford, Connecticut, and I have a second home in Salisbury, Connecticut.

(SB668)  
SB 701

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I'm here to support Raised Senate Bill 688, but during the course of this hearing, I heard about this Senate Bill 701, which is quite intriguing.

(SB668)

And for reasons that would follow shortly, I would support or associate myself with the people that support that Senate Bill 701, but I would urge you to make it effective July 1 of 2005.

And the reason for that is in Salisbury, they've just gone through a reassessment. And it's been a very traumatic experience for the residents.

The town-wide assessment during 2005, which became effective October 1, 2005, increased the assessments in Salisbury by 300% to 500% over the assessment done in the year 2000, just six years earlier or five years earlier.

That three- to fivefold increase in five years created a tremendous shock among the residents, including myself. So allowing a phase-in of these assessments would substantially reduce this shock.

And Raised Senate Bill 688 unfortunately doesn't become effective until this year, and I would urge you to make it effective, so that the Town of Salisbury and its citizens can take advantage of it.

(SB668)

I understand that Salisbury's First Selectman is not opposed to a phase-in. The local paper, the *Lakeville Journal*, has editorially

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supported the phase-in. And the Twin Lakes Association has endorsed a phase-in as well.

SEN. DAILY: Thank you very much, Mr. Silliman. I think you've [inaudible - microphone not on] testimony are helpful. [inaudible - microphone not on] Are there any questions? Representative Staples.

REP. STAPLES: Could you please supply the Committee, if you happen to have copies of the, you said it was the local paper, and who else supported the bill, that provision?

JOHN SILLIMAN: Well, the First Selectman in the town and the Twin Lakes Association, which consists of about 300 members interested in the two lakes known as Twin Lakes in Salisbury.

REP. STAPLES: Okay. Thank you very much.

JOHN SILLIMAN: Thank you.

SEN. DAILY: Thank you. [inaudible - microphone not on] Senator Prague. Larry Hample followed by [inaudible - microphone not on].

LARRY HAMPLE: First of all, let me say this is a very impressive place for me to be. Senate Bill 701, unfortunately, I can't talk as fast as most of the people.

But in the '50s, wages were \$1 all the way up to \$4, as near as I can remember. Now, in 1970, well, we bought a house, but I'll just tell you we were buying a house at \$50,000, which was a stretch for our budget.

**Connecticut Association of Assessing Officers, Inc.**

Patricia G. Hedwall, President  
Town of Madison, CT

Carolyn Nadeau, 1<sup>st</sup> Vice President  
Walter Topliff Jr. 2<sup>nd</sup> Vice President  
Lawrence LaBarbara, Treasurer  
Helen Totz, Secretary

To: Senator Eileen Daily, Co-Chair,  
Representative Cameron Staples, Co-Chair  
Members of the Finance Revenue and Bonding Committee

From: Anthony Homicki, CCMA II, Darien Assessor,  
Steve Kosofsky, CCMA II, Windsor Assessor  
David Dietch, CCMA II, Waterbury Assessor  
Legislative Co-Chairs for the Connecticut Association of Assessing Officers

Date: March 20, 2006

Re: SB# 668, An Act Concerning Property Revaluations

Ladies and Gentlemen of the Finance Revenue and Bonding Committee,

With an accumulated professional portfolio of almost 60 years of experience which includes the implementation of over 12 revaluations, my colleagues and I are here today to represent the Legislative Committee and the Executive Board of CAAO in support of SB# 668, An Act Concerning Property Revaluations. This proposal corrects various technical concerns and supports the administration of the local Assessors/appraisal practice for all communities throughout Connecticut.

Specifically this bill:

- Clearly defines the term "property inspection" as being a means of data collection and/or verification and not a method of valuing property thus eliminating references to revaluations as being either statistical or physical. All revaluations require some property inspections and statistical analysis.
- Clarifies the requirement as to when a property must be inspected in relation to the revaluation cycle and allows Assessors to conduct full inspections of any real property at any time. It further clarifies that a property should not be required to be inspected more than once during a specified time period.
- Allows Assessors more flexibility in the collection of data to be used in a revaluation by allowing the use of data mailers along with a quality assurance program to further reduce costs.
- Clarifies the phase-in provisions for all Towns who choose to gradually absorb the impact of revaluation.

The membership of the Connecticut Association of Assessing Officers spent a significant amount of time reviewing the OPM report dated December 2004 which is an excellent reconciliation of property assessment practice in Connecticut. One of the overriding issues as written within the OPM study is the required time period for revaluations. For over a decade CAAO has testified before this committee that shorter annual periods of time between revaluations compliment the needs of all Connecticut property owners specifically in terms of parity and equity. As an organization, CAAO continues to support this argument. With that said we are also aware of the pragmatic difficulties with the local property tax in Connecticut and the resultant "fall out" be it political or procedural, that generally occurs with the implementation of a town wide revaluation. Additionally, we recognize the financial burden that more frequent revaluations may have on local municipal budgets and therefore, we accept the 5\10 schedule as a manageable cycle.

As an organization we are constantly refining the assessment process with mandated course education hours, maintaining professional standards as defined within the performance base mandates of CGS 12-62i and being progressive enough to initiate legislative proposals and testimony before the State Legislature. We pride ourselves in our exchange of information with the public and our membership through our web site [www.cao.com](http://www.cao.com) making us one of the most progressive municipal organizations in Connecticut.

**To continue this compliment, we support the provisions of SB #668 that will assist Assessors and taxpayers statewide by providing the necessary technical enhancements to the existing revaluation regulations.**

We support SB #668 and respectfully ask for its passage.

Respectfully yours,

Anthony J. Homicki,  
Assessor, Darien  
[ahomicki@ci.darien.ct.us](mailto:ahomicki@ci.darien.ct.us) (203) 656-7313

Steven Kosofsky,  
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David Dietch,  
Assessor, Waterbury  
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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

March 27, 2006

S.B. No. 668, "An Act Concerning Property Revaluations."

This bill would make numerous changes in the way in which property revaluations are conducted.

Make no mistake – *although changes in the revaluation process are important, the real problem is the property tax system itself.* No modification to the process of revaluation will affect the problems created by the overreliance on the property tax to pay for local public services – problems exacerbated by revaluations that shift property tax burdens onto residential taxpayers and make it difficult for some people to stay in their homes.

Over the past few years, towns and cities and their property taxpayers have borne the brunt of tough economic times. Beyond that, skyrocketing housing values are posing problems for residential property taxpayers across Connecticut.

Passage of this bill will make revaluations simpler and more affordable for municipalities – and that is a major improvement. But it will not stop the march to the Capital by property taxpayers and municipal leaders who need significant relief from the impacts – the results – of revaluation.

#### Improvements to the Revaluation Process

The major proposals in SB 668 would improve the revaluation process and save money for the towns and cities that must undertake them. CCM supports these proposals.

HB 668 would move local governments from an antiquated system that requires periodic physical inspection of every property at least once every ten years. It would help hold down costs by allowing assessors to survey their community by questionnaire, verify the results by field review and decide for themselves which properties need physical inspection. This process could be done over time, rather than all at once. And municipalities that wish to revalue more frequently would clearly be able to do so.

*We urge you to support this bill.*

\*\* \*\* \*

For more information, please contact Gian-Carl Casa or Jim Finley of CCM at (203) 498-3000.

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Speaker 1/2

STATE OF CONNECTICUT  
OFFICE OF POLICY AND MANAGEMENT

E M Y R T T T H F A C , V U B D I N  
COMMITTEE  
March 27, 2006

Robert L. Genuario  
Secretary  
Office of Policy and Management

Testimony Supporting SB 668  
AN ACT CONCERNING PROPERTY REVALUATIONS.

Senator Daily, Representative Staples and distinguished members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony supporting Senate Bill 668, An Act Concerning Property Revaluations.

In general, Senate Bill 668 implements recommendations in the December 27, 2004 *Report Regarding Revaluation Policies and Procedures* that this committee required the Office of Policy and Management to provide pursuant to Section 27 of Public Act 04-2 (May 11 Special Session). The bill is very similar to House Bill 6836 from the 2005 session, which this committee reported favorably, as did the Judiciary, Planning and Development, and Appropriations committees.

The amendments to §12-62 that were proposed last year are substantially the same as those in Section 1 of Senate Bill 668. Rather than summarize these, I will highlight a change from last year's version, concerning the penalty to which a town is subject if it fails to revalue property when and as required. Instead of a 10% loss of statutory formula grants-in-aid, Senate Bill 668 provides for a penalty equal to a 50% loss of the town's Mashantucket Pequot and Mohegan Fund Grant (which the Governor's Recommended Midterm Budget Adjustments renames as Supplemental Municipal Assistance) and the forfeit of the amount otherwise allocable to the town under the Local Capital Improvement Program (LoCIP) for the year or years during which the town does not comply with revaluation requirements.

Section 2 of Senate Bill 668 differs from last year's bill in that it provides a new phase-in option. As you know, there are two phase-in methods available currently. Under the first method, the actual difference in the assessed value of each property before and after revaluation increases over the number of years of the phase-in term. Under the second method, the rate of assessment for all property before and after revaluation increases over the number of years of the phase-in term. This method uses the difference between the town's actual rate of assessment in the year prior to revaluation (determined by comparing the assessments of all property that sold with their selling prices) and the required 70% rate. The new phase-in method is similar to the gradual rate increase that the second method allows, but rate increases can vary for three different property classes. These classes are: (1) residential property, (2) vacant land and (3) commercial property (including apartments containing five or more dwelling units), industrial property and public utility property.

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Section 3 of the bill, which clarifies existing language regarding the one-year postponement of a revaluation under §12-117, is also new this year. Current law allows such a postponement when there are too many appeals pending before a town's Board of Assessment Appeals to allow that board to adjudicate them within the time allotted. The amendment to §12-117 clarifies the statute's provisions and also requires a town's chief executive officer to give the Board of Assessment Appeals a two-month extension to complete its duties in a revaluation year.

The amendments in Sections 4 through 7 of Senate Bill 668 are necessary due to the changes that Sections 1 through 3 of the bill make and Section 9 repeals obsolete statutes.

Section 8 of the bill establishes a work group to study and make recommendations designed to facilitate property revaluations, provides for the appointment of the work group's members, outlines the study's requirements and sets forth a completion date of January 1, 2007. Given the scope of the study, the time frame for its completion may be unrealistic. Additionally, some of the study's requirements appear unnecessary. The Connecticut Association of Assessing Officers *Handbook for Connecticut Assessors* already contains a master revaluation contract, so assigning this task to the work group seems redundant. While I have concerns regarding this section of the bill, my staff is willing to work with the committee to make this section's requirements more feasible.

Enactment of this bill will result in savings for towns. As was pointed out in the report that was the impetus for this bill, property inspections are the most costly part of a revaluation program. By allowing such inspections to occur over time (rather than with respect to a particular revaluation date), some towns will be able to use municipal staff to conduct inspections; others can allocate a smaller portion of their budgets to the inspection process over a greater number of years.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee support this bill and I will be happy to answer any questions you may have.

# CBIA

*Connecticut Business & Industry Association*

TESTIMONY OF  
BONNIE STEWART  
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION  
BEFORE THE  
FINANCE COMMITTEE  
MARCH 27, 2006

Good afternoon. My name is Bonnie Stewart. I am vice president of government affairs for the Connecticut Business and Industry Association (CBIA). CBIA represents over 10,000 companies in the state ranging from large industrial corporations to small businesses with one or two employees. The vast majority of our members, about 90 percent, are employers with fewer than 50 employees.

CBIA supports measures that will grow Connecticut's economy and help create good jobs. We believe it's time to get our economy moving again. Our state has great potential for economic growth and job creation. Properly supported, our diverse core of economic-base industries can thrive in the global marketplace.

I am here today to comment on several bills before the committee. They include: SB 668

- SB 669 An Act Clarifying Policies Regarding The Expenditures Eligible For The Research And Development Tax Credit And The Sales Taxation Of Manufacturing Machinery And Equipment;
- SB 701 An Act Concerning Property Tax Assessments For Residential Property And For Solar Photo Voltaic Systems, And Instituting An Incentive Program For The Provision Of Regional Services; and
- HB 5842 An Act Lowering Property Taxes Through State Assumption Of Municipal Liabilities.

Bonnie Stewart, CBIA

SB 701

**SB 701 An Act Concerning Property Tax Assessments For Residential Property And For Solar Photo Voltaic Systems, And Instituting An Incentive Program For The Provision Of Regional Services**

CBIA opposes Section one of SB 701 in its current form, and urges the committee to add it to the review of the working group created in SB 668. This section of the bill only allows for revaluation of real property when it changes ownership, or has improvements made. CBIA has concerns with this measure as it needs to be examined further to ensure it does not shift a greater portion of the property tax burden on employers whose personal property would continue to be revaluated on a yearly basis. In this short session there is not sufficient time to determine the full implications of this section. As it deserves further attention, it should be included in the issues the working group established in SB 668 reviews.

We urge you to oppose Section one as written and require the working group created in SB 668 to include this recommendation in their review of revaluation.

CBIA supports, in general terms, Section three of SB 701. This section of the bill establishes a regional performance incentive program to encourage reduction in mill rates through provision of services on a regional basis. We support encouraging towns to be more efficient and effective. We have not had the opportunity to determine if Section 3(d)(2) is the best means to incent municipalities.

We urge you to support Section three of SB 701.

Testimony of John E. Silliman in favor of Raised Bill No. 688 before the Finance, Revenue & Bonding Committee, Monday March 27, 2006

(SB668)

My name is John E. Silliman from West Hartford. I also own a second home in Salisbury. I am here to support Raised Bill No. 688 and have one suggestion to improve it.

The improvement I suggest is to make the sections dealing with the phasing in of increased assessments effective October 1, 2005 instead of this year.

Why do I suggest this? Because the Town of Salisbury went through a Town wide reassessment during 2005 which became effective October 1, 2005. Many homeowners saw an increase in their assessments of 300 to 500 percent over the assessment done in the year 2000. That's a three to five fold increase in just 5 years. I'm sure I don't have to tell you what a shock these enormous increases caused.

Allowing a phase in of these assessments will substantially reduce this shock.

I understand that Salisbury's First Selectman is not opposed to a phase in. The local paper, The Lakeville Journal, has editorially supported a phase in. The Twin Lakes Association has endorsed a phase-in as well. The Twin Lakes Association is an organization of volunteers interested in the Lakes. It has some 300 members.

Senator Roraback and Representative Willis are very aware of what has happened in Salisbury. I'm sure they can fill you in with the many problems these substantial increases have caused.

So please make the phase in provisions effective October 1, 2005.

Thank you.