Act Number:	09-060	
Bill Number:	997	
Senate Pages:	2017-2039	**23**
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Yes, thank you, Mr. President. Mr. President, would move that the bill as amended be referred to the Committee on Finance, Revenue and Bonding.

THE CHAIR:

Motion on the floor to refer the bill to Finance, Revenue and Bonding. Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Yes, thank you, Mr. President. Mr. President for a change of marking.

THE CHAIR:

Please proceed.

SENATOR LOONEY:

And for an item to be taken up after that. On Calendar page 38, Calendar 415, Senate Bill 997, previously marked passed temporarily. If that item might be marked go and called as the next item.

THE CHAIR:

Motion is to mark an item go and being called, seeing no objection, so ordered.

Mr. Clerk.

THE CLERK:

Calendar page 38, File Number -- Calendar No. 415, File Number 603, Substitute for Senate Bill 997,

AN ACT CONCERNING A MUNICIPAL OPTION TO DELAY REVALUATIONS, favorable report of the Committees on Finance, Revenue and Bonding and Planning and Development. Clerk is in possession of amendments.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much, Mr. President. I move the joint committee's favorable report and seek passage of the bill.

THE CHAIR:

Acting on approval and passage of the bill, will you remark further, ma'am?

SENATOR DAILY:

Thank you. I would ask the Clerk to call LCO Number 6745, please.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO 6745, which will be designated Senate Amendment Schedule A. It is offered by Senator Daily of the 33rd District, et al.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much. I move the amendment and seek leave to summarize.

THE CHAIR:

Please proceed, ma'am.

SENATOR DAILY:

Thank you. The amendment becomes the bill and the bill is a revaluation bill that does a number of things. It extends revaluations for up to two years for municipalities that want to. It establishes a, sort of, pilot regional revaluation program. It directs how suspended phase-ins are restored and it repeals an objectionable revaluation item on our books.

THE CHAIR:

Thank you, ma'am.

Will you remark further on Senate A? Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Mr. President, through you, how is the amendment, since it's replacing the bill, different from the underlying bill? Through you Mr. President.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much. I'm glad for the opportunity to answer that question. The underlying bill did not contain the regional revaluation or the direction of how a suspended phase-in is restored.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President, and I thank Senator Daily for clarifying that. A question through you on the idea of delaying the revaluation. One is that there's a concern that one might have that that is going to set it up so that a massive number of towns are going to be doing revaluation in the same year and I believe we've created a staggered system to try to prevent that.

Through you, Mr. President, is there any risk that we're going to bunch up 50 percent of the towns doing revaluation on the same schedule? Through you Mr. President.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Yes, there is always that risk when you tamper with that schedule in any way at all, but I think the problems, the current problems outweigh that risk. In many municipalities, where they're forced to do a statistical revaluation, they haven't had enough activity to make a good judgment and the market has been so volatile. That's not helpful to our municipalities either.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. I thank Senator Daily for that response. Mr. President, my concern about this bill is also the question of if we delay revaluation there are a lot of folks out there whose home prices has dropped relatively precipitously in the last year or two and might actually be paying too much taxes on their house because the value has dropped in the last year. And if we delay this, and I realize even one of my own communities has had a real issue with a company that has been incorrectly doing assessments, but my worry is for the vast majority of people who their assessments were done, or would be done correctly, are we forcing them to pay more taxes because the value of their home actually has dropped so much? Through you Mr. President.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you, Mr. President, and through you sir. We know that there's always that risk. Every municipality requires a certain amount of revenue to run their municipality. But given the volatility of today's market, some of those reductions haven't caught up yet because there haven't been enough sales to effect a revaluation.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. I thank the Senator for her thoughtful answers to my questions. Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark further on Senate A?

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. I rise in favor of this bill. I represent a town, and one of my ten towns in my district in Woodbury that had a very bad experience recently with the company they were using for revaluation. It was a full statistical revaluation and 95 percent of the properties were supposed to be submitted and looked at, but it turns out they only did about 42 percent, which was a -- just a poor job that was done in this community and I know of a number of communities that had this very same issue. So I think this is a very important bill to help those communities that had such a hard time with their existing revaluations and this delay will give them the opportunity to correct the problem. So I do rise in support of the bill. Thank you Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark further? Senator Stillman.

SENATOR STILLMAN:

Thank you, Mr. President. I too rise in support of this bill. I thank Senator Daily and the leadership for moving this bill forward. I also represent some communities that have great concerns because the revaluation was done before this terrible drop in the housing market. So if communities would like the opportunity to delay, I think that's something that we should offer to them and I appreciate this being before us and urge its support.

Thank you, sir.

THE CHAIR:

Thank you, ma'am.

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Mr. President. Through you to the proponent of the amendment, I wonder if I might pose a question?

THE CHAIR:

Senator Daily.

Please proceed, sir.

SENATOR MCLACHLAN:

Thank you, Senator Daily. I do rise in favor of the amendment. I wondered if you could clarify for me the change in the suspension of the phase-in. You mentioned that that's one of the changes that was made from the underlying bill and how that would affect that opportunity to communities. Through you, Mr. President.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much. It's line 34, I think, when they have suspended a phase-in, this orders the way that they must restore that phase-in. So those communities that did have a phase-in, they don't loose the opportunity for a delay that the other communities that are avoiding the reval would have.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Mr. President. So for clarification they're able to suspend the phase-in for a period of time, but there is a deadline to what -- how far they can push it out.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much. Through you, Mr. President. That would be accurate. If you were Community A and you were on a phase-in schedule and I'm Community B and about to do a statistical reval, if that language were not included you would not have any advantage --

only statistical reval towns or revaluation towns.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN: .

Thank you for your answers, Senator, and I stand in support of this bill. I think it provides the communities of Connecticut opportunities in this challenging economy. The taxpayers of Connecticut are looking for every opportunity to find some relief in their property tax and if a local municipality is able to do that by way of this bill I think that's a good idea. So I stand in favor of it and thank everyone for their hard work on this bill.

THE CHAIR:

Thank you, sir.

Will you remark further on Senate A? Senator Fasano.

SENATOR FASANO:

Thank you, Mr. President. Mr. President, it's my understanding that as a result of this amendment there would be approximately 124 towns that, if all opted to take advantage of this amendment, they all would, at least theoretically, have to do it in 2011. It's my understanding, Mr. President that that log jam could result in a higher cost for reevaluation depending upon the number of reevaluation companies available to the municipalities.

Representing at least one, if not two of the municipalities that would be caught up in this log jam because there's not -- they don't have to do their reassessment till 2011. Mr. President, it's my understanding that in the event next year we were to get some outcries from our municipalities that this log jam is causing a problem for them and they need further relief, that is those who are caught in 2011 want to go to 2012 or 2013, those that are caught at the end of the spectrum that it is my understanding in conversations with Senator Daily that she'd be so inclined to look at that at that time and determine whether or not this Legislature should act accordingly. And I like, through you, Mr. President, to ask Senator Daily, is that her understanding of how we would proceed? Through you Mr. President.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much, Mr. President, and through you Mr. President. Yes I think it's imperative that we always review legislation like this. But I do feel sometimes as a former first selectman that the Legislature thinks they have to do everything for and to the municipalities. And they are, for the most part, very, very responsible and they want to do the right thing and they want to operate in the most cost-effective manner possible.

And interestingly enough this bill also contains a pilot regionalization program for revaluation. So it's not thought in each and every instance that a -- a significant number will increase the cost. But to get back to the original question that Senator Fasano was asking, yes we certainly should look at this next year and see what the results have been.

THE CHAIR:

Thank you, ma'am.

Senator Fasano.

SENATOR FASANO:

Thank you, Mr. President. Mr. President, based upon that representation I endorse the amendment before us. Thank you, Mr. President.

THE CHAIR:

Thank you.

Will you remark? Senator McKinney.

SENATOR MCKINNEY:

Thank you, Mr. President. Mr. President I want to first, as a former member of the Finance Committee, it seemed that every year on that committee we were dealing with one reval issue or another. And I know Senator Daily has worked hard as a co-chair of that committee to help out towns and cities. I am concerned, however, about delaying reval and the impact it would have on towns that are currently on the 2011 schedule. There are 36 towns, so one of which I represent, scheduled to do reval in 2011. If we allow towns who are to do their reval in '09 and 2010, to delay until 2011, I think, as Senator Fasano said, we could have a majority of towns in the state of Connecticut who will all be up in the same year.

It's also my understanding that there's at least one appraisal company that does about like 100 of the towns in the State of Connecticut. So there is a very limited number of appraisal companies out there with experience doing business in Connecticut. Now there are other appraisal companies out there, but if you use the company that you've used before, you get a better deal because there's less of a learning curve.

So I think if you pile up too many towns all at once with a limited supply of appraisal companies, one thing is going to happen the price is going to go up. You have extremely high demand, low supply, prices are going to go up. That's a legitimate fear. I'm not saying it's going to happen. I do like the pilot regionalization piece. It's a very good piece and I would support that but I'm concerned about the delay in reval.

I also think we, you know, and it is permissive but, you know, a lot of people, maybe everybody in the State of Connecticut who owns a home, is sitting there and saying, you know, my home is appraised at a value that I can't get right now. And we all understand that appraisal and the mill rate and how they match to meet the spending level of the town, but I think a lot of people would be better served if towns went through revals so that the price and appraisal of their homes are reflected, what's happening in the real market right now.

So I am concerned about delaying reval and having an overwhelming majority of the state, possibly, all go at the exact same time in 2011. And because of that I'm going to vote against the amendment. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator McKinney.

Will you remark further on Senate A? Senator Williams.

SENATOR WILLIAMS:

Thank you, Mr. President. I rise to support the amendment and the bill and to thank Senator Daily for her hard work on this, also Senator Looney for his input. We want to help the municipalities and I'm very sensitive to what my colleague, Senator McKinney has just said, and I think in the next twelve months we can come back and take a look and see how things are progressing. But to his concern, and I think it's legitimate, as to whether costs might actually increase because towns were delaying in significant numbers and that might put pressure on the limited number of revaluation companies. I think it may also spur some innovative solutions. And he alluded to Section 2 of this bill which provides additional incentives for towns to cooperate regionally and I can tell you in northeastern Connecticut there are 10 or 12 towns that are ready to go, right now, that will take this process in house and take some of the pressure off those revaluation companies and in the process, save hundreds of thousands of dollars.

And I think as we watch what they do other towns will become interested and we'll actually be helping towns save money, significant money at a very critical budgetary time. So I say let's move this forward, let's help our towns cooperate regionally in a very important process of revaluation and then circle back in twelve months and see where we stand. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Williams.

Senator Looney.

SENATOR LOONEY:

Yes, thank you, Mr. President. Speaking in support of the amendment, I want to commend Senator Daily for bringing it forward. Certainly the City of New Haven is one of the municipalities that is anxious to see this amendment enacted. It will take advantage of the provisions in the -- in the first part of the bill. And would also like to commend our president and pro tem Senator Williams, for the initiative on the regional revaluation.

We have been looking for ways to try to encourage regional initiatives and I think this is one of the more practical and creative ways advanced in this session to try to do that, to have towns cooperate in regional activities for their benefit. We know that revaluation is one of the regular mandates on communities that they find burdensome. This will be a way to help relief that impact and find another forum in which municipalities can cooperate. So would urge adoption of the amendment, Mr. President.

THE CHAIR:

Thank you, Senator Looney.

Will you remark further? Senator Coleman.

SENATOR COLEMAN:

Thank you, Mr. President. I want to just to quickly add my support for this amendment. I think many municipalities across the state are seeking ways to provide some relief to their residents and this is one way I think that they can accomplish that objective. I also am particularly intrigued by the regional program, the aspect of the bill that addresses the regional program which was a concept that was also considered by the Planning and Development Committee. I certainly thank the Chair of the Finance Committee, Senator Daily, for developing that concept and for bringing this bill forward.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark further on Senate A? Will you remark? If not let me try your minds. All those --

Senator Looney.

SENATOR LOONEY:

I might ask for a roll call on the amendment.

THE CHAIR:

A roll call will be asked.

Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber. Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, please check your vote. The machine will be locked. The Clerk will call the tally.

THE CLERK:

Motion is on adoption of Senate Amendment Schedule A.

Total Number Voting 34

Those voting Yea 31

Those voting Nay 3

Those absent and not voting 2

THE CHAIR:

The amendment passes.

Will you remark further on Senate Bill 997 as amended by A? Senator Daily.

SENATOR DAILY:

Thank you very much, Mr. President. The amendment becomes the bill, so I would ask for a roll call on the bill.

THE CHAIR:

Any further discussion on Senate Bill 997? Senator Fasano.

SENATOR FASANO:

Thank you, Mr. President. Mr. President, as I said earlier the concern I have and for those COs and others who are watching this show is to understand that in 2011 there could be a significant back up in the appraisals -- could be significant back up in the appraisal process, therefore leading to a high cost.

So towns should know that if they have the ability to do this earlier, they should do their assessment earlier and they should take into account that there could be a significant back up and don't hope that the Legislature is going to come forward next year and extend the deadline because we may, we may not. But it's sort of like a warning out there that there could be this problem and there could be a lack of appraisal companies or reval companies out there, which could lead to a difficulty. So if you would your honor -- Mr. President that's the warning I would give. Thank you.

THE CHAIR:

Thank you for the warning.

Senator Debicella.

SENATOR DEBICELLA:

Mr. President, very briefly on the underlying bill. There is one additional reason for a no vote today and that's the -- delaying revaluation will hurt homeowners relative to commercial property. It is as, I think everybody knows, housing pricing have gone down significantly more than commercial property. So when you revaluate, you are going to be able to help homeowners relative to commercial properties in terms of the tax burden. By delaying this we are going to be having an artificial shift of a tax burden on homeowners versus commercial properties and then towns like Shelton that I represent, that's pretty significant.

So I'm going to be voting against this bill today, Mr. President, for the concerns raised additionally, but also because I believe there's potentially harmful effects on residential property taxpayers. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Debicella.

Senator Daily.

SENATOR DAILY:

Thank you very much, Mr. President, and through you, Mr. President. I think we've acknowledged that there is always some sort of risk in doing any kind of change in revaluation but the overall benefit far outweighs that risk and I urge support of the bill.

THE CHAIR:

Thank you, ma'am.

Will you remark? Remark further on Senate Bill 997 as amended by Senate A? Will you remark further?

If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber. Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, please check your vote. The machine will be locked. The Clerk will call the tally.

THE CLERK:

Motion on passage, Senate Bill 997 as amended by Senate Amendment Schedule A.

Total Number Voting	34
Those voting Yea	31
Those voting Nay	3
Those absent and not voting	2

THE CHAIR:

The bill as amended passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. Move for a suspension for immediate transmittal of Senate Bill 997 to the House of Representatives.

THE CHAIR:

Motion is on suspension. Seeing no objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President just a couple of changes in markings. Calendar page 13, Calendar 528, House Bill 6565, previously noted as PR, instead would move to place that item on the foot of the calendar.

THE CHAIR:

Motion is to move the item to the foot. Seeing no objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. And also on Senate Agenda Number 3, previously adopted, on the second page of that agenda under Human Services Committee Bill, Substitute Senate Bill Number 1048, would move for suspension so that we might take up that bill for purposes of referring it to the Committee on Government Administration and Elections.

THE CHAIR:

Motion on the floor to take the bill up on

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On Page 26, Calendar Number 603, Substitute for Senate Bill Number 997 AN ACT CONCERNING A MUNICIPAL OPTION TO DELAY REVALUATION. Favorable Report of the Committee on Planning and Development.

SPEAKER DONOVAN:

Representative Cam Staples.

REP. STAPLES: (96th)

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 DONOVAN:

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

REP. STAPLES: (90th)

Yes, thank you, Mr. Speaker. Mr. Speaker, we're all aware of the difficulties that our municipalities are facing in this current economic climate.

The Bill before us is a proposal that will permit municipalities, at their option, to defer or delay revaluation for up to three years, including the present year, 2010 and 2011 years, in order to give them an opportunity to save money on the cost of performing revaluation, or of continuing to implement a revaluation.

Mr. Speaker, there's an Amendment I would like to call. It was a Senate "A", and it's LCO Number 6745. Would the Clerk please call the Amendment, and I would like to ask to be permitted to summarize.

SPEAKER DONOVAN:

Will the Clerk please call LCO Number 6745, which was designated Senate "A".

CLERK:

LCO Number 6745, Senate "A", offered by Representative Staples, Senator Williams, et al.

SPEAKER DONOVAN:

The Representative seeks leave of the Chamber to summarize. Is there objection to summarization? Is there objection? Hearing none, Representative Staples, you may proceed with summarization.

REP. STAPLES: (90th)

Thank you, Mr. Speaker. The Amendment before us is a strike-all Amendment, which added some provisions to the underlying Bill.

Essentially, the Amendment, which becomes the Bill, permits municipalities at their option, to delay revaluation for up to three revaluation cycles.

It also permits municipalities that are in the middle of a revaluation phase-in, to delay their phase-in for that same period of time.

And finally, Mr. Speaker, it contains a provision that would enable municipalities to enter into regional revaluation efforts, again, all of this at the option of the municipality so that they may join with other towns and embark on a revaluation process that might save all of them money.

That is the content of Senate "A", Mr. Speaker, and I urge my colleagues to support it.

SPEAKER DONOVAN:

The question before the Chamber is adoption of Senate Amendment "A". Will you remark on the Amendment? Will you remark on the Amendment? Representative Cafero. Representative Aman.

REP. AMAN: (14th)

Yes, Mr. Speaker, just to the proponent, the Amendment from the Senate. We've had several bills regarding delaying revaluation, and I just wanted to be sure from what was said, there's basically three areas that a town gets involved in revaluation, when they go out to contract with someone and begin the process, when they're actually doing the revaluation and appeals, and then the phase-in, if they decide to have a phase-in afterwards.

Is my understanding correct that this Bill gives a town a three-year extension, no matter which one of those phases of revaluation the town happens to be in at this time? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Mr. Speaker, yes, that's correct. This provides an option for municipalities in each of those stages of revaluation to seek the revaluation efforts for the next three years.

SPEAKER DONOVAN:

Representative Aman.

REP. AMAN: (14th)

Yes, also on that, is the three years a total of three years, or would a municipality be able to delay their assessment process for three years, then their implementation process for three years, et cetera, so that they have, actually be able to delay considerably longer than three years if a town really wanted to do that.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Mr. Speaker. No. It's a total of three years until 2011. So they cannot add provisions of the Bill together. It's just for those particular three assessment years that they have the option of delaying revaluation.

SPEAKER DONOVAN:

Representative Aman.

REP. AMAN: (14th)

Yes. Just one more question on the regionalism part. Is there any limit as to the number of towns that might join together, locations of the town, or any other limitations that they have as far as hiring a firm or working together in a cooperative manner, no matter where they're located within the state?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Thank you. Through you, Mr. Speaker, no. It's two or more towns, and there is no limit on the number of towns. There's also no specification of where those towns need to be from. Any grouping of towns can come together to prepare a plan for regional revaluation.

SPEAKER DONOVAN:

Representative Aman.

REP. AMAN: (14th)

Just one final question, because it seems that this Bill is covering almost everything that I can remember in our Planning and Development hearings regarding it, and I was just wondering if the proponent could explain how the Senate Amendment that we're currently discussing differs from the bills that were going through the various Committees, if there were any particular points, or if this was just a combination of several bills into one particular strike-all type of Amendment.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLS: (90th)

Thank you, Mr. Speaker. What Senate Amendment "A" does is, it adds the regional revaluation provision.

As I'm looking through the summary of the file copy I think that is the only significant change, and otherwise it is the same as the file copy.

SPEAKER DONOVAN:

Representative Aman.

REP. AMAN: (14th)

Yes, thank you, Mr. Speaker, and I thank very much the proponent of the Bill for his answers.

SPEAKER DONOVAN:

Representative Hetherington.

REP. HETHERINGTON: (125th)

Thank you, Mr. Speaker, through you to the proponent. In the case of a town that has already completed revaluation, but has not implemented it, can the revaluation work, can the revaluation work be used in the subsequent years when the option to delay expires?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLS: (90th)

Through you, Mr. Speaker, if a town is in the process of, well, if they've completed the revaluation and they do not want to implement the revaluation for the present year, let's say, because that's what we're really referring to, they have that option to do so, and they can rely on the revaluation, or rather the assessment levels for the prior year, for the year that precedes this year.

To your question about whether they can use that valuation in a subsequent year, I do not believe so. I don't think that issue is explicitly addressed by this Bill, but what it does say is that when a town does revalue, if it decides to defer revaluation, it needs to conduct a revaluation again, based on the statutory schedule of revaluation.

There is nothing in here that addresses whether you can use revaluation from this year for a year or two years from now, but I don't believe you could do that. I think you would be required to have a current valuation if you're going to be implementing revaluation.

SPEAKER DONOVAN:

Representative Hetherington.

REP. HETHERINGTON: (125th)

Thank you, Mr. Speaker. This is a somewhat troubling aspect because it would mean that the cost the town has already sustained to finance the revaluation work, in effect is wrong, if the option to defer implementation is utilized. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Mr. Speaker. It's a municipality's option. I guess all I can say is, if they've already expended the funds, they've already had a revaluation performed and they choose to implement it, that's their choice, and that would be what would occur under current law.

If they choose to defer revaluation, then that would be a choice they would make, but they would have to undergo again, the cost of a revaluation at a future time.

SPEAKER DONOVAN:

Representative Hetherington.

REP. HETHERINGTON: (125th)

I see. Thank you. I thank the--

SPEAKER DONOVAN:

(GAVEL) Please come back to order. It's getting a little noisy in here. I'm sure we all missed each other from the weekend, but it's difficult hearing the debate.

Please proceed, Representative Hetherington.

REP. HETHERINGTON: (125th)

Thank you. I thank the proponent. I have some concerns about this because it seems to me that a town that has gone to work and tried to prepare for what appeared to be required for revaluation is now going to lose the value of what it has already bought because it cannot use that data a maximum of three years hence when the revaluation must be implemented, and I think that's something to keep in mind on this.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Will you remark further on the Amendment? Will you remark further on Senate Amendment "A"?

If not, let me try your minds. All those in favor please signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

All those opposed, Nay. The Ayes have it. The Amendment is adopted.

Will you remark further on the Bill as amended? Representative Cafero.

REP. CAFERO: (142nd)

Thank you, Mr. Speaker. Mr. Speaker, a few questions, through you, to the proponent of the Bill.

SPEAKER DONOVAN:

Please proceed, Sir.

REP. CAFERO: (142nd)

Thank you, Mr. Speaker. Representative Staples, it seems like we've been down this road before, and it's like everything old is new again.

I remember a period of time in the 90s where many municipalities were delaying revaluation year after year after year, and they were able to do so because this General Assembly would pass legislation similar to this, giving a local option allowing them to delay.

And I remember it reaching a point, especially in the case of the City of Waterbury, where they had gone some, if I'm not mistaken 20 years before they had done a revaluation, having postponed it year upon year upon year.

And I remember distinctly being told that that got them in a lot of fiscal trouble, and as a result of that, we as a Legislature got together and tried to make uniform the process.

And if I'm not mistaken, what we did was say, every five years a town must do at least a statistical revaluation, and every 10 years, or five years thereafter, they have to do a physical revaluation.

Is my recollection on all those things correct? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Yes, Representative Cafero. Thank you, Mr. Speaker. Yes, my recollection is the same as yours.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO: (142nd)

And then through you, Mr. Speaker, I guess the obvious question would be, then why having no (inaudible) of history, why are we doing this?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Mr. Speaker. I think the answer to that is, we're obviously experiencing extraordinarily difficult economic times, and this will not risk another 20=year delay from any community like the City of Waterbury took in that last time.

This will permit a maximum of three additional assessment years for a municipality during this downturn to save money by not doing revaluation.

The Bill requires that they return to the five-year cycle at the time that they do another revaluation at the close of this three-year period. So, it's true that the schedule that we laid out will not be as smoothly distributed across the state, depending on who takes this opportunity to delay and who doesn't, but no community can go for beyond those three years plus whatever they were obligated to do under the revaluation schedule that's already in the statutes.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you. Through you, Mr. Speaker, though I appreciate the gentleman's answer, it's my recollection that when in the past we passed these bills that enabled a municipality to delay revaluation, we never intended it to go beyond what we had state in the Bill, and yet we continually as a Legislature, extended that period of time.

Is that your recollection? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Not exactly. Through you, Mr. Speaker. I know that communities would come forward year after year, individual communities, looking for delays and for the last several years, five, six, seven years, my recollection, we have not done that.

The Legislature has said no. We've set a schedule. We're sticking with the schedule, so all the communities are now on that schedule.

This is a departure from that. You're absolutely right. This does lead a potential of having a number of towns delay up to three assessment years but we would not be proposing this were it not for the extraordinary circumstances that communities are facing right now.

I don't think this runs the risk of putting us back in a time where we allow individual communities a chance to continually postpone their revaluation.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you. And through you, Mr. Speaker, is the purpose of the Bill to relieve municipalities of the expense of going through a revaluation, or is it the purpose of the Bill to relieve the residents of that particular town, the potential negative effect of a revaluation, or both? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Mr. Speaker. I would say both, Representative Cafero, depending on the community. For those that have not undertaken a revaluation, the expense would be averted.

But for those who have expended money, they may choose to postpone revaluation because they don't want the impact of that revaluation to be felt in their community next year.

I will say that there are some communities that have come forward because of the drop in home prices from last summer through the spring, some communities are overwhelmed with appeals, and I think this might be an attractive option for those that say, the grand list has continually eroded during this last assessment year, and rather than undergoing all the appeals, and the expense and the time of that, they would rather postpone for up to three more years.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you. Through you, Mr. Speaker to Representative Staples, under current law, again, we have discussed the fact that there is a statistical revaluation and then a physical revaluation.

It's my assumption, of course, that a statistical revaluation is less costly and burdensome to perform on the part of a municipality than a physical revaluation.

Is that a fair assumption? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Through you, Mr. Speaker, that's my assumption as well. I don't know the respective costs of each, but I think that is a fair assumption.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you. Through you, Mr. Speaker, is there anything in this Bill that would allow a municipality or town to sort of take a middle ground. In other words, a town might say, you know, we don't want to delay our revaluation, but we don't want to go through the cost and hassle of a physical revaluation, so what we will just do is do another statistical revaluation in lieu of a physical revaluation.

Is there anything in that Bill that would allow that to happen? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

There's nothing in this Bill that addresses that, Representative Cafero. My understanding is that is actually already allowed under the current statute.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO: (142nd)

Through you, Mr. Speaker, and I don't mean to put the gentleman on the spot, because, do you have any, can you cite where in our statutes that that's allowed, and I only ask that because many representatives of towns and municipalities have come to us as a Legislature, to myself individually, requesting us as a Legislature to pass a bill, which would allow them to do a statistical revaluation in lieu of a physical revaluation as the schedule might call for.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Mr. Speaker, through you to Representative Cafero. Under Section 12-62 of the Statutes, which relates to revaluation, Subsection 4 lays out a process where an assessor may go through a mechanism that would permit a statistical revaluation in lieu of a more complete revaluation.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Cafero.

REP. CAFERO: (142nd)

And through you, Madam Speaker, and forgive me, I'm trying to get that statute before me, but I'd be a little bit confused, because if we as a Legislature passed a law that said you must do a statistical reval every five years and a physical reval every 10 years, that was the schedule that you by your testimony or by your explanation were deviating from, from this Bill.

But I don't recall us ever passing something, and I'm about to look at the Section you referenced, that would allow a state, excuse me, a municipality on their own to just say, ah, this year we're not going to do a physical. Too expensive. Let's just do a statistical.

Am I reading that wrong? Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. I guess I would just reference that Section. I'm reading it myself now, Representative Cafero, and it describes the process through which a town may send out a questionnaire to the owner of parcels, obtain information regarding the property of acquisition, verification of accuracy of the data on the assessor's property record.

There should be a quality assurance program regarding the responses to the questionnaires. The assessor may, after that, only fully inspect those parcels for which there is not sufficient data obtained through this mechanism, and then the provision says there is not a necessity of full inspection for those parcels where they obtain satisfactory verification data.

So it's described in that portion of the Statutes.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Cafero.

REP. CAFERO: (142nd)

So for purposes of legislative intent and clarification, is it fair to say that we as a Legislature, frankly with this Bill or not, can assure every town and municipality in the State of Connecticut that our current law, which would not be affected by this bill, would allow them to do a statistical revaluation in lieu of a physical revaluation, despite an understanding to the contrary?

Through you, Madam Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. Yes, under the circumstances described in this section, obviously there are, there's still requirements for full inspection where there's not sufficient data that has been collected through the questionnaire that is outlined in this Section.

But yes, pursuant to this Section, they do not have to do a full revaluation of every property if they follow this process.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO: (142nd)

Through you, Madam Speaker, under current law when a statistical revaluation is called for in our statutes, if sufficient data is not provided by the homeowner, the property owner, is there still an obligation to do a physical inspection during the period of time when a statistical revaluation is required?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, this is just a provision regarding the full inspection and when a statistical can be done in lieu of a full inspection. This does not relate to the criteria for a statistical revaluation.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Cafero.

REP. CAFERO: (142nd)

And through you, Madam Speaker, just so I understand. Is the requirements for a physical revaluation, excuse me, are the requirements for a statistical revaluation being done in lieu of a physical revaluation identical to those requirements for a statistical revaluation alone?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. Yes, the criteria are the same.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you, Madam Speaker. I guess my last question is, through you, Madam Speaker, Representative Staples, you're fairly confident that the passage of this Bill would not result in the Waterbury situation where a town could delay revaluation for, in their case, up to 20 years.

Is it fair to say, however, that they would not have been allowed to do such a thing had we not from year to year passed legislation that allowed them to do just that?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Yes. Through you, Madam Speaker, yes, I think that's the case. But I think that, I mean, we obviously, every year the Legislature can change its opinion on how it should address the revaluation requests.

But I think our recent history has been very consistent across both sides of the aisle that we are not going to be granting individual municipalities an opportunity to stretch out the revaluation for their own particular financial reasons.

This Bill is based on just these circumstances that we're under now, and I don't see any reason why this would change that history that we have experienced in the last several years.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you, Madam Speaker. I thank the gentleman for his answers.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Candelora, you have the floor, Sir.

REP. CANDELORA: (86th)

Thank you, Madam Speaker, if I may, a couple questions to the proponent of the Bill as amended.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples, I think I would just keep standing, Sir. Representative Candelora, please frame your question.

REP. CANDELORA: (86th)

I'll try to be brief. I know he's had a long day today already.

In Section 1 we were just discussing essentially the three-year delay, that option that we're potentially giving municipalities.

As I read it, when we talk about the statistical versus the full revaluation, if a municipality chooses to delay a reval today, and they need to recommence in 2011, if they were slated to do a physical revaluation, would they be required then to do, complete a physical revaluation in 2011 when it recommences?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, yes, they would. The Bill before us requires that they are still subject to the revaluation schedule after the delay period is over.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Candelora.

REP. CANDELORA: (86th)

Thank you. And through you, Madam Speaker, I think we heard that, I think one of the concerns is that as they recommence their revaluation, they all do so potentially in 2011, which could, if all the municipalities opted to delay reval, create a bottleneck of all of our town, then therefore revaluating properties in 2011 potentially as this Bill is written. Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, I think there is a risk that if a number of towns all delay to the same year, that there could be a lot of towns revaluing in that same year, and that would potentially put a strain on the revaluation services that are available.

Obviously, if towns group together in regional revaluations, that would potentially diminish that demand, but it really, it is a potential risk, and I think we won't really know until we see how many towns take advantage of the Bill if it passes.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Candelora.

REP. CANDELORA: (86th)

Thank you, Madam Speaker. And just moving to Section 2, I just have some questions on allowing towns to regionally conduct a reval.

As I read the Bill, my first inclination was that towns are allowed generally to enter into inter-local agreements, and would have the authority, if they so choose, to maybe jointly hire a revaluation company in order to conduct revals in each town as a buyer power mechanism.

Would this provision implicate that type of scenario, through you, Madam Speaker?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, yes. I think what this Bill does, and I'm looking the OLR report. It's just providing some background on it.

What this Bill does really is, towns can currently join in those sorts of agreement, but this establishes procedures for them to do it, and also allows them to synchronize their revaluation schedules so that towns that have different revaluation schedules now that wanted to come together, would have a difficulty doing so under current law.

This permits them to become synchronized and to have a plan that is more beneficial to their revaluation needs than current law would allow,.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Candelora.

REP. CANDELORA: (86th)

Thank you, Madam Speaker. And so, through you, it doesn't, the regionalization really doesn't change the mechanism that each town would pass under, but it would allow them to come together and maybe have one company revalue each property, and I guess essentially the towns would still be providing the same type of tax structure and mill rate adjustments to individual homeowners, but that the service would be done jointly between, or among a bunch of towns, and a particular reval company so that the end result for taxpayers really doesn't change.

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. Well, the end result for the property owners probably would not change. I think our hope would be that the taxpayers would have less of a cost for the process because they would be distributed across several towns.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Candelora.

REP. CANDELORA: (86th)

Thank you, Madam Speaker. I appreciate that answer. That's kind of what I was getting at in this Section, that it is an attempt in it to hope that maybe we could have some cost savings mechanisms for municipalities in order to perform the reval, but ultimately it doesn't change the local control of the process that's currently in existence.

Thank you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Thank you. Thank you very much, Sir. Representative Hovey, you have the floor, Ma'am.

REP. HOVEY: (112th)

Thank you, Madam Speaker. Through you, a couple of questions to the proponent of the Bill.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples, still standing. Please proceed.

REP. HOVEY: (112th)

Thank you, Madam Speaker. Through you, Madam Speaker to the good Representative, if a community were involved in their revaluation, which was supposed to have been completed by October 1, 2008, and that

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would mean that their implementation of that revaluation would impact on the tax assessments of July 1, 2009, correct, Sir?

This legislation would impact on those communities. Am I correct, Sir?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, yes. This permits those communities not to implement their revaluation and it describes how they should prepare a revised grand list based on the October, 2007 grand list and send notices out and you know, process they would follow to revert to the prior year's grand list.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Sir. And through you, Madam Speaker, if they were in that process and they had run into difficulties with meeting deadlines and just having what would be considered an inordinate number of appeals, would they be able to continue to progress forward and implement the assessment, the reval that was done by October 1st?

Would they be able to implement that assessment as of July 1, 2010 if they so desire?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

If I understand your question, you're saying if they choose not to implement it this year, but they want to use that same revaluation the following year, that's not permitted under current law and that would not be permitted under this Amendment, either.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Madam Speaker. So just for clarification purposes, Sir, and I beg your indulgence on this because this is not an area of expertise, but all of the work that they had been doing to this point, while it may have been cumbersome and had what one would consider inordinate issues, they would, if they decided to implement this legislation if this legislation passes, they would then start over again with revaluation occurring again, and then move through that process again, but they could put that out until 2011. Am I correct, Sir?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Yes, Madam Speaker. Yes, you are correct.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Sir. Thank you, Madam Speaker. So through you, Madam Speaker, it would be technically going back to the drawing board, so to speak.

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Yes, if they choose to not implement this year's revaluation, they would have to go back and do another revaluation at the end of the extension time.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Madam Speaker. And through you, Madam Speaker, I would like to inquire as to how this impacts on the grand list, and it's my understanding that we, you know, as a state, have had significant changes in our residential property values, but that those significant changes have not necessarily occurred with regard to our commercial property values.

And so, through you, Madam Speaker, with regard to commercial properties coming on line that would have been included in the 2009, the July, 2009 assessment and tax rolls, would those properties be valued at the levels of the 2007 assessment, Sir?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples:

REP. STAPLES: (90th)

Thank you, Madam Speaker. The grand list reverts to the October 1, 2007 grand list if they do not implement this year's grand list.

But that is subject to changes that relate to transfers of ownership, additions for new construction, for reductions for demolitions. So except for those three types of changes it would be the October 1, 2007 grand list.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Madam Speaker. Through you, Madam Speaker, I need to just kind of figure out a little bit about what the assessor's role is in this situation.

If, through you, Madam Speaker, the assessor for the 2007 assessment is working off of a revaluation that occurred four years previous to that, would that be correct, Madam Speaker?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

I believe so, yes.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Madam Speaker. So the property values would be, the property values would be based on the value that would have been levied based in 2005? Through you, Madam Speaker, is that correct, Sir?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples, go ahead.

REP. STAPLES: (90th)

Through you, Madam Speaker. Thank you. I'm going to clarify what I said.

I think in 2007, depending on when their last revaluation was, they have five-year cycles and towns are different. It could have been a 2006 revaluation, a 2005 revaluation, so it depends on the town as to when their revaluation was done for the 2007 valuation.

I mean, it's some time within that prior five-year period that they either did a full or a statistical revaluation.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Madam Speaker. And through you, Madam Speaker, is the assessor allowed or given the authority to change property values from the previous revaluation that would have occurred the five years prior?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker, only through the existing statutory appeals process. The only other changes as I mentioned is for basically new owners, new construction or demolition. So no, they can't make changes under this Bill to the grand list that are outside of the normal annual appeals process.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Sir, and thank you, Madam Speaker. And one last question, Sir. Through you, Madam Speaker, if a community had had significant commercial growth in its last year, then delaying this implementation of their revaluation would then cost the community what would be presumed to be a significant amount of tax dollars.

Am I correct, Sir? Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

I'm not sure what your question is directed at. If they had a change in their grand list and that was not reflected in the 2007 grand list that they would be reverting to, then their revaluation, rather their assessments would stand in 2007, so the changes would not be reflected, and in essence the tax bills would be based on the revaluation that was prior to those changes in value.

So it does freeze in time those values, but it's not clear what that shift would be. It would depend on the community whether their residential property went up, whether their commercial property went up. Whatever it was back in October of 2007 would be the snapshot that would still be in place for this year.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Hovey.

REP. HOVEY: (112th)

Thank you, Sir, and thank you, Madam Speaker, and I thank the good gentleman for his answers and his tolerance.

DEPUTY SPEAKER KIRKLEY-BEY:

You're welcome. Representative Cook, you have the floor.

REP. COOK: (65th)

Thank you, Madam Speaker. I rise in support of this Bill. I would like to thank the Finance Committee for bringing this forward.

My Town of Torrington had just had their revals completed and have had hundreds and hundreds of complaints. The revaluation company had added features to the property such as porches, decks, basements and sheds, which increased their numbers into the thousands and somewhat hundreds of thousands of dollars.

I'm concerned, not because of property values that have increased, but rather of the arbitrary nature of some of the increases.

So by passing this Bill, this gives my town the ability to go back to their '07 reval numbers and go forward with the tax process this year.

So I would like to thank the proponents of the Bill.

DEPUTY SPEAKER KIRKLEY-BEY:

Thank you. Thank you, Representative. Representative Noujaim, you have the floor, Sir.

REP. NOUJAIM: (74th)

Thank you, Madam Speaker, good afternoon to you.

DEPUTY SPEAKER KIRKLEY-BEY:

Good afternoon, Sir.

REP. NOUJAIM: (74th)

Madam Speaker, I listened to the dialogue that went on between Representative Cafero and Representative Staples, and they spoke about my City of Waterbury, and basically they spoke about what happened here, what happened in this Chamber.

But what I know about the time and the problems that we faced in Waterbury was something that I face as a taxpayer, Madam Speaker.

I was not in the Legislature then. I was not in local politics, either. I was simply a taxpayer in the City of Waterbury paying my taxes.

And what happened is, every mayor or a combination of mayors both the Republicans and Democrats during election year said, I'm not going to be doing revaluations this year because I want to be re-elected because I do not want to raise taxes.

And therefore, the City of Waterbury faced bankruptcy. They were unable to meet the payroll and therefore in 2001 we ended up having an oversight board.

So with that in mind, I would like to pose just one simple question, through you, Madam Speaker, to the proponent of the Bill, Representative Staples.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples, prepare yourself for questioning. Representative Noujaim, please frame your question.

REP. NOUJAIM: (74th)

Thank you. And through you, Madam Speaker to Representative Staples, I mentioned the fact that Waterbury received a great deal of problems, and we went into bankruptcy because of revaluation being postponed year after year after year and not being implemented.

My concern with this Bill, and please assure me if my concern is inaccurate or invalid, is the fact that a town or a city that decides to postpone revaluation because of this (inaudible) may come again two years from now or three years from now and five years from now and say, we still are unable to do the revaluation process and we want to receiver another ability to postpone it, want to receive a postponement of this revaluation and then we Legislators grant them this, and they end up in the same trouble financially that the City of Waterbury is in.

So through you, Madam Speaker, is that possible for a municipality to come back and to ask for a postponement?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. Certainly. With or without this Bill, it's always possible for a municipality to come here and request a delay in revaluation, and it would be up to this Chamber to say no.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Noujaim.

REP. NOUJAIM: (74th)

Thank you, Madam Speaker. So through you, Madam Speaker, this Bill then does not address any future opportunities for municipalities to request delays?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, no. This Bill does not prevent municipalities from coming back and as I mentioned in response to Representative Cafero, we've had requests since we adopted a planned revaluation schedule that have not been adopted by this Legislature, and I think the message has been pretty clear that we don't want another occurrence of a 20-year delay.

But nothing would prevent a municipality from asking.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Noujaim.

REP. NOUJAIM: (74th:

Thank you, Madam Speaker. And through you, Madam Speaker to Thank you, Madam Speaker. And through you, Madam Speaker to Staples. Let's say a municipality requests a delay. They delay for let's say two years, and they come back and they put their revaluation process again.

Could it be retroactive to the two years that they missed, or would it be just from the time that they did the revaluation? Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

I'm not sure I understood the question. Is the Representative referring to the Bill before us, or to what a municipality might request in the future?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Noujaim.

REP. NOUJAIM: (74th)

Thank you, Madam Speaker. No. Through you, Madam Speaker, I apologize if I misstated Representative Staples, no. Basically, this Bill does not allow the Legislature to impose retroactive financing on the municipalities or on taxpayers for that matter.

If they postpone evaluations for two years, could they make it retroactive once it is implemented?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, no. If they delay under this Bill, and then they implement a revaluation based in 2011 assessment year, for example, it would have to be based on that assessment done that year, and it would have to be prospective. They could not retroactively value property for the three years that they delayed the revaluation, not under this legislation nor under current law.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Noujaim.

REP. NOUJAIM: (74th)

Thank you, Madam Speaker, I appreciate the answers.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Sharkey, you have the floor, Sir.

REP. SHARKEY: (88th)

Thank you, Madam Speaker. Madam Speaker, I don't have a question for the proponent of the Bill, but as Chairman of the Planning and Development Committee, I did want to say that this is a Bill that I came to reluctantly support over time.

At the beginning of the Session this year, I was personally not in favor of the idea of allowing reval delays for all of the public policy reasons that have been described already in the debate.

I think that there are serious public policy concerns with delaying revals in general. One is the concern of the Waterbury effect, if I may use that, the idea that the reval delay could be used for political reasons to delay the inevitable for local property taxpayers by a city or town, particularly this year in the context of a year where most towns have local elections taking place.

We don't want to create those types of incentives for cities and towns to make a political decision to delay their reval when it's really in the best long-term interest of the town or the city to do so.

The other reason for not delaying revals in general is because when we implemented the idea of statistical revals on a five-year basis, we put our entire state, each town in our state on a schedule so that each reval and statistical reval would be coming up in a different year with an equal amount of towns coming up in each year.

The reason why we did that is because when we have an overload of communities that are coming up all in the same year, there are a limited number of reval companies out there that towns can avail themselves of for this purpose, and when you have all of your towns coming at the same time using a small number of reval companies, the laws of supply and demand suggest that the cost of those revals goes up for cities and towns.

So for those and other policy reasons, I was hesitant about agreeing to this type of a delay.

But as the Planning and Development Committee did another bill of its own, calling for one-year reval delay, the public testimony that we received from towns and cities, I think made it clear that there are this year, of all years, is probably the year where this does make sense to do it.

The economic conditions in our cities and towns are dire, particularly in our major cities. The cost of a reval is certainly a major factor for cities and towns this year, and to the extent that those costs would have to be incurred in a difficult financial year, perhaps we can offer that type of relief.

Secondly, the variations in the housing market itself, and the cost of property and the property valuation this year in a shaky economic environment creates a difficult foundation under which we want, we may be establishing grand lists that would be in place for the next five to ten years.

So that perhaps it would be better to wait until the housing market and the real estate market in general settles out a little bit before we actually go ahead and start implementing revaluation based upon new valuation.

So for those reasons, I became convinced over time, over the course of this Session, that a delay probably does make sense. That's not to say that we don't still have some problems, now, particularly with regard to that scheduling problem that I described earlier.

We are going to have to figure out a solution to help mitigate the potential costs that will be associated with now many towns crowding in to doing their revals within the same one-year period.

This is going to resolve, I think, in a cost to cities and towns two years hence, three years hence. We are, I think in the interim going to need to figure out some ways to try to mitigate those costs.

But having said that, and with those reservations, I do support the Bill and I would urge my colleagues to support it. Thank you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Thank you, Sir. Representative Cafero, you have the floor, Sir.

REP. CAFERO: (142nd)

Thank you. Thank you, Madam Speaker, to Representative Staples, questions. I can't find him here in the Chamber so I don't know exactly where he is. Maybe you could help me locate him. Oh, there he is. Thank you, Madam Speaker. He's approaching his desk as we speak.

DEPUTY SPEAKER KIRKLEY-BEY:

Please frame your question, Sir.

REP. CAFERO: (142nd)

Thank you, Madam Speaker. Madam Speaker, to the good gentleman from New Haven. I want to call your attention to current law, Section 12-621 and I'm wondering if you could take a moment to look at that and tell me if the Bill that is before us is similar in intent to that particular section of our General Statutes.

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. I'm looking for that section.

REP. CAFERO: (142nd)

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DEPUTY SPEAKER KIRKLEY-BEY:

Did you hear Representative Cafero, Sir?

REP. STAPLES: (90th)

I'm looking at it right now, Madam Speaker. Just at first glance, Representative Cafero, and I'm happy to read it thoroughly and answer you more complete, but as I skim it, it does look like it was similar, and it looked like it was adopted right after our last recession, or right during our last recession. Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you, Madam Speaker. For the benefit of the Chamber, the section in our General Statutes I'm referring to, Section 12-621, gives local municipalities an option not to implement their revaluation for 2003, 2004 and 2005.

The Bill that's before us, I believe gives local municipalities the option not to implement their revaluation in 2009, 2010, and 2011, or maybe 10, 11 and 12.

I guess my question would be, through you, Madam Speaker, if a municipality was due to implement their revaluation in 2003, and avails themselves of the current law as laid out in Section 12-621, where would they be with regard go their revaluation if this Bill were to pass today as well? Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, I'd have to check the schedule of towns, Representative Cafero. I really couldn't answer that by looking at the statute, except to say, I'm going back to the underlying statute on 12-62, which requires a five-year schedule, and my understanding is that every town will have had to do a revaluation after the delays that are in the section you cited.

So every town would have at least done a revaluation by, it looks like 2006, and so they are at some point in the five-year cycle as of today. That's all I can say.

But I think there's no question that if they are at the end of their five-year cycle, which is what we were talking about earlier and they're doing a revaluation this year because they're at that five-year cycle, then they can push it back three years.

So they would be able to delay or to have about an eight-year stretch of time between their revaluations that they've already done and the next one that they'll be required to do.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you. Through you, Madam Speaker, I guess there would be some towns, theoretically, who had their revaluation due to be implemented in 2003 avail themselves of the law I just referred to, postponed it '03, '04, '05, had to complete it, at least a statistical reval in '06, and now would be up for it in '11 and get a three-year postponement. Is that accurate?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, the postponement can only occur through '11, so they can't opt in 2011 for a three-year postponement. It's just the assessment years '08, '09, and '10 that they can opt out of.

So if they would come up in '11 under the current schedule, they would still come up under '11, and they really couldn't take advantage of the Bill before us.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you, Madam Speaker. I guess the point to be made is this, and Representative Staples was candid enough to say frankly, any Legislature at any time could change this rule.

But basically what we said as a Legislature is, we got to get back on track. We've got to give some structure and certainty to the whole revaluation process. Enough of this year by year exceptions for this town or that town. We're going to put the entire state on a schedule as Representative Sharkey indicated.

We're going to put them on a schedule where every five years they have to do a statistical revaluation and every ten years a physical revaluation so we don't have again, as is referenced, the Waterbury effect, et cetera.

And I guess if you look at Section 12-621, and the Bill that's before us, it sort of indicates that we as a Legislature are full of exceptions. We send mixed messages out there.

We say, we're going to stick to a schedule for planning and predictability except for, notwithstanding that, et cetera, et cetera. And basically upon the adoption of the Bill, what we're saying is, from year 2003 to 2011, which by my math is nine years, nine assessment years, we've allowed people to postpone them for six of those nine.

So much for predictability and a statewide schedule. Thank you, Madam Speaker, and I thank the gentleman again for his answers.

DEPUTY SPEAKER KIRKLEY-BEY:

Thank you, Representative. Representative Harkins, you have the floor.

REP. HARKINS: (120th)

Thank you, Madam Speaker. Madam Speaker, as I listened to the debate and the questions come up on the Bill, but I also have a few concerns. We've been through this before.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples, prepare yourself. Representative Harkins, please frame your question.

REP. HARKINS: (120th)

We've been through this before with revaluations, by simply putting off the inevitable. I know in some of our urban areas in particular, that have been hit by the subprime lending market and a number of foreclosure sales, that values have basically tumbled in some of the neighborhoods in our urban areas.

For example, two years ago, I witnessed a two-family that was sold for almost $300,000 in 2007 and was just sold for $97,500. It's over a 60 percent decrease in value.

But if this Bill was passed, that property owner would still have to pay taxes on a property that was valued years ago at that higher level, not reflecting the current market value. Is that fair to that particular homeowner? I'm not so sure. I don't think so, because that's not really reflective of what that property is worth.

The issue I have is, as residential property values decline, what does that do to the commercial property owners? They're not normally in the same market. They'll react differently depending on where the market is with commercial real estate versus that of residential real estate.

So is there going to be an unfair burden placed upon residential homeowners or is it going to be shifted onto commercial property owners, and if it's in an area that needs economic development, that's not going to bode well to that community because a business won't want to locate to that city or town if the taxes are too high.

The other issue is, the real estate, it is what it is as of that specific date. It's (inaudible) as of that specific time. If it's lower, then the mill rate is going to go up, based upon the budget of that community.

By having a higher mill rate, as most of you know, it's going to reflect also and it's going to make your constituents pay higher automobile taxes, higher taxes on personal property, so again, you're shifting the taxes unfairly onto another segment of the population.

The one concern about this Amendment that I, that really stuck out, I know it's been talked about earlier today, was about the number of reval companies that are available to actually perform this work for our communities in Connecticut.

By implementing this law, you're going to be increasing the workload down the road. We already know that. So good for you if you're a reval company, because guess what? You'll be making a lot more money because the demand is going to be high and there's only three of you.

So good for the reval companies, bad for the taxpayers, and that's a shame.

Representative Staples, earlier you had mentioned that some towns might be able to do some regionalization in order to save money, lower costs on doing a revaluation in their area of towns or communities.

Through you, Madam Speaker, I was wondering, how would this be done, a regional revaluation, and who would be in charge of the reval and who would supervise it?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. The process is fairly detailed and described in Section 2 of the Amendment, and it involves towns coming together to develop a plan. There are several criteria that the plan must include, including designating an entity such as a regional planning organization or other entity that would coordinate the revaluation on their behalf, indicate how the revaluation company would be hired, and a range of other provisions around a regional plan.

That regional plan would then have to be submitted to the Secretary of OPM relating to the proposed adjustments in the revaluation schedules and there's an opportunity for the Secretary to provide feedback to that group of towns if he declines to approve the agreement so they can go back and revise it.

So there's a fairly detailed description and I think the benefit of this is that any group of towns that are comfortable through current working relationships that are comfortable coming together around this, can really design their own plan, and seek its approval by the Secretary in a way that perhaps takes into account the issue you raised, Representative, about the demand for revaluation services if a number of towns delay, and perhaps pick a different year, perhaps 2010 if they believe several, and 2011 will be driving the cost up of the revaluations.

But the process is all new and it's described pretty clearly, I think, in the Amendment before us.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Harkins.

REP. HARKINS: (120th)

Thank you, Representative Staples. Through you, Madam Speaker, so it's my understanding through your explanation, it's to be done through a regional planning agency, and if they decided to set up a regional reval organization or group or company, they'd be allowed to.

Would this reval company, through you, Madam Speaker, would this reval company have to be incorporated on its own? Would it be a nonprofit, or is it something that would fall under the RPA under their corporation?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. Through you, the company would have to be certified by the state as they presently are, and this really is more about not so much the company, since I don't imagine there'll be brand new companies that are being served, but more how the towns would come together and contract together and coordinate their revaluation schedules.

I think the agreement that's described in the Bill is mostly about how the towns come together. I assume they would turn to the same sort of revaluation companies that are already, or that would be providing services, since they would have to be approved by the state.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Harkins.

REP. HARKINS: (120th)

Thank you, Representative Staples. Through you, Madam Speaker, one more question to the good Representative.

When every town goes through revaluation, they go through the process, there's a period that a person is allowed to make a tax appeal. If they think their real property is valued too high, there's a form they can fill out. There's normally a board of individuals they can go to and appeal their taxes through legislative statutes.

Is there a cut off date that a municipality must abide by, that cuts off that appeal process annually?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Through you, Madam Speaker, there is a, there is in current law, there are statutory timelines. But if you look at the Amendment before us, if you are in your current revaluation process now, and you elect to revert to the October 2007 grand list, in Section 1(c) of the Bill, it describes the requirements for this current year, and in that the assessor after reverting to the October 2007 grand list, will have to send notices of any increase in valuation, or notice of an evaluation of any real estate that is not on the grand list and provide an opportunity for an appeal, but there is not a specific timeline described in the statute before us.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Harkins.

REP. HARKINS: (120th)

Thank you, Madam Speaker. Is there currently a timeline in place under current law?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Yes. Through you, Madam Speaker, yes, there is.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Harkins.

REP. HARKINS: (120th)

So for example, if a town had a revaluation done as of October 1, 2008 and the numbers were made public and people were able to see those numbers and were dissatisfied or not pleased with that value, and they decided to appeal those valuation numbers, they would be allowed to, but they would have a specific time period that they would have to get their appeal filed.

Through you, Madam Speaker, is that correct?

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. Yes, there is a process currently in statute that specifies those timelines, but as I mentioned and whatever those timelines are, this would apply in the case where the town chose not to implement the October 1, 2008 grand list, and so those appeals would be moot at that point.

They would be reverting to the 2007 grand list, provide notice, and then a new opportunity to appeal would be presented to the property owners under this Bill.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Harkins.

REP. HARKINS: (120th)

Thank you, Madam Speaker. So it's my understanding that there are rules in place. There are state laws that guide us and tell us, or actually describe a timeline that the process is allowed to take place and go forward and then there's a cut off.

What if there was a municipality or a town that during that process went past that cut off, or that deadline?

For example, if there was so much outrage in the community that residents still wanted to file tax appeals that the town was still accepting those tax appeals past the deadline, what would the ramifications be for that community and what would that do to the revaluation?

Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Representative Harkins, I apologize. I'm not sure. Are you asking if under current law, under the current timelines if they lapsed for the 2008 grand list, what would happen if they adopted this provision here?

I mean, if this Bill, if they do not opt to delay their revaluation, then obviously those timelines remain in place and people have either taken advantage of them or not.

If this passes, it essentially restarts the clock from the time they get notice of the October, 2007 grand list being the grand list that would be implemented for this year's tax bill, so they would get a new opportunity to appeal on the basis of that grand list.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Harkins.

REP. HARKINS: (120th)

Thank you, Madam Speaker. That actually answers part of my question.

I guess the other part is, if this doesn't pass, what would happen if that community was still accepting tax appeals past the cut off date or deadline for that particular revaluation? Through you, Madam Speaker.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Staples.

REP. STAPLES: (90th)

Thank you, Madam Speaker. I think that they, I think the appeals become moot if they're not working off the 2008 grand list. So I think that, I mean, I think they would effectively be putting aside that grand list so any of the valuations or appeals that change valuations would be set aside, and they would just revert to the old list, and as we've discussed, they would not be able to re-use that list in a subsequent year anyway, so they would have to do a new revaluation at some later time.

DEPUTY SPEAKER KIRKLEY-BEY:

Representative Harkins.

REP. HARKINS: (120th)

Thank you, Madam Speaker. I have no further questions.

DEPUTY SPEAKER KIRKLEY-BEY:

Thank you. Will you remark? Will you remark further on the Bill as amended? Will you remark further on the Bill as amended?

If not, staff and guests please come to the Well. 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.

DEPUTY SPEAKER KIRKLEY-BEY:

Have all Members voted? Have all Members voted? If all Members have voted, please check the board to see that your vote has been properly cast.

The machine will be locked and the Clerk will prepare the tally.

Will the Clerk please announce the tally.

CLERK:

Senate Bill Number 997 as amended by Senate "A" in concurrence with the Senate.

Total Number Voting	143
Necessary for Passage	72
Those voting Yea	125
Those voting Nay	18
Those absent and not voting	8

DEPUTY SPEAKER KIRKLEY-BEY:

The Bill as amended passes.

Will the Clerk please call Calendar Number 600.

CLERK:

On Page 26, Calendar Number 600, Substitute for House Bill Number 6561 AN ACT CONCERNING STATE SUPPORT

JOINT
STANDING
COMMITTEE
HEARINGS

FINANCE
REVENUE
AND BONDING
PART 3
739 - 1104

2009

Good morning.

TONY HOMICKI: Good morning Representative Staples, Senator Daily, members of the committee. My name is Tony Homicki. I'm here this morning to discuss Senate Bill 997 as past president of the Connecticut Assessors Association and as president of the Northeast Regional Assessors Association.

With me, behind me, is Mr. Steve Kosofsky. He's been co-chairman of the legislative committee and the assessor of Windsor for over -- almost over a decade.

With regard to Senate Bill 997, An Act Concerning Municipal Options to Delay Revaluations, many members of the Connecticut Association of Assessing Officers have spent a significant amount of time reviewing the OPM report dated December of 2004, which is an excellent reconciliation of property assessment practices in Connecticut. One of the overriding issues as written within the OPM study is the required time period for revals. For over a decade, CAAO has testified before this committee that shorter annual periods of time between revaluations complement the need for all Connecticut property owners, specifically in terms of parity and equity. As an organization, the Connecticut Assessors Association continues to support this argument. The property tax is well defined, well defended and accountable to all taxpayers on a day-to-day basis at a local level. With that said, we are aware of the pragmatic difficulties with the local property tax in Connecticut and the resultant fallout that it causes politically and procedurally that generally occurs with the implementation of a town-wide revaluation.

As certified municipal property assessors, there are certain aspects of language contained in Senate 997 that deeply concern us. First, the language of this proposal if adopted has the potential to create complete chaos regarding the rescheduling of future municipal revaluations and sets a precedent to allow municipalities to delay revals. Under the present law municipalities are required to complete revals at least once every five years according to General Statutes. By adopting this proposal, it begins to unbalance the existing schedule in terms of number of parcels scheduled to undergo revaluations. This will also become a problem as more municipalities opt to delay a reval, so when the time does come by them ultimately to implement, there may not be enough reval company technicians available to assist the assessor in the proper way.

While the Connecticut assessors recognize the significance of giving municipalities more flexibility in deciding their own fate, so to speak, we feel that the revaluation issue is far too complex to be left -- to be left in this regard. As professional assessors, we promote fair and equitable assessments in Connecticut and recognize the best way to achieve this is to do more frequent revals, possibly by in-house with certified professionals. The option of capable, professional outside consultants is also a strong option. Delaying revals does nothing more than eliminate the equity that it was created to create -- that it was to create.

Over the past decade there have been several positive achievements by the assessment profession that has refined the process, increasing our professionalism statewide in handling the property tax properly. We have CAMA systems. We've automated on a day-to-day basis. We have performance-based statistical standards created by the Office of Policy and Management with OPM approval and oversight. Assessors have achieved education excellence in Connecticut through a 50-credit-hour certification mandate. Assessors record a high degree of integrity and accountability statewide with most all being online and sharing information on a day-to-day basis with the public and private sectors.

SENATOR DAILY: Thank you very much.

REP. STAPLES: Thank you. I think we'll certainly take your technical suggestions into account. I think we have made a real effort over the last several years to make the revaluation process much more consistent and much more -- less subject to political decision-making where revals were delayed for 20-plus years in one large municipality. However, we're in unprecedented economic times, and I think our sense is that every tool we can give municipalities to -- to save money in the next two years is something that should be on the table. So --

TONY HOMICKI: Thank you, Representative.

REP. STAPLES: -- appreciate your -- appreciate your comments and I appreciate the specifics of your testimony. I'm sure we'll review them when we look at the legislation.

TONY HOMICKI: Thank you very much.

SENATOR DAILY: Thank you.

REP. STAPLES: Mayor DeStefano, followed by Marcella Hyland and then Gian Carl Casa.

MAYOR DeSTEFANO: Good morning Chairs and Committee. My name is John DeStefano. I've submitted testimony. I'm just going to make a couple -- a couple observations. I'm here on behalf of a bill that would permit delay in reval and freeze in reval implementation on behalf of municipal revenue diversification and also on behalf of dedicated funding sources for some of these statutory programs.

SB997
HB6561

So here's our deal down on the other part of I-91. The budget our legislative body got from me last week, it was a 1.8 percent increase in our budget. That was wages, healthcare and pension that drove it. It was not less than that because we are eliminating 65 filled -- 65 vacant positions and 154 filled positions. We started layoffs on Friday with 27 layoffs. We will schedule another 127 before the year is out. This follows another 37 layoffs we did in November of this year.

We reached out to our bargaining units and suggested changes in the existing contracts, offering no-layoff pledges if they agreed. Only two of 13 unions took us up on that offer. As a result of this, we will be closing three senior centers in the City of New Haven and will generally degrade some administrative and recreation services in the city. It was a choice we do not like to make, but we confront another reality.

The other reality -- I went to school with Tony Homicki and -- you know, and hearing everything he said and the Chair's question, the reality I'm dealing with is two years ago there were 60 foreclosures actually in the City of New Haven. A year ago it went up to 165. This past year it went up to 410. We've had a 600 percent increase in foreclosures in the city over the last two years. This is real people being put out of their houses.

The pressures on our budget are real for other reasons. Even while we are laying off, we are adding 45 police officers. Let me tell you about our weekend in the City of New Haven. Our weekend started Thursday at 7:30. The first victim that was shot was age 24, convicted felon, won't talk to us. The second shooting of the weekend was Friday at 3:30. That victim was 17, was out on a robbery warrant that -- we were looking for him. He was shot and killed. He had two .22s on him, and on his body he had Blood tattoos, as you might suspect. Friday at 10:30 was the third shooting that came in. The victim there was 17 as well, outstanding warrant on him as well. And the fourth was yesterday afternoon at 4:40, two -- two shooting victims, both 17, one with youthful offender status, the other with 70 felony convictions.

The point I'm making is this. Every month the City gets back 100 individuals coming back from the criminal justice system, and what happens is they are a population that kills themselves. They either shoot or get shot.

This is a difficult year for all of us. The three bills I mentioned provide a modicum of relief in what's a very extraordinary time for -- for all of us.

Final -- a final point. The budget that was -- that we have submitted in New Haven takes into account freezing -- freezing our reval phase-in. If we did nothing and didn't collect another dollar of taxes, under our existing reval residential homeowners would see their taxes go up 7.5 percent. The time when we've gone up 600 percent in foreclosures, it is absolutely the wrong time to ask residential property taxpayers to pay more. What we need is a collective time out in our community and many other places.

Thank you for letting me address you.

REP. STAPLES: Thank you very much, and thank you for coming up to testify. Any questions or comments? Representative O'Brien, questions?

REP. O'BRIEN: Two quick. About the revaluations, we hear a lot of discussion about the -- about why revaluations are done, about why it's fair to balance out different parts of -- of the grand list, but the truth of the matter is that the whole property tax system is grotesquely unfair and, you know, chaotic, and it's kind of crazy, I think, to argue for one form of -- to argue that property tax is more fair after reval than it was before reval because it was unfair before and after. Do you think it would make sense to have kind of a broad-based limit on how much a homeowner's valuation can go up in any given year no matter what happens with the -- with the revaluation process?

MAYOR DeSTEFANO: Thank you for your question, Representative O'Brien. I would say let's shoot for the harder thing of revenue diversification in the state of Connecticut and look at the total pool of how we spend state and local expenses and then how we raise it. If you come from New Britain or from Bridgeport where you have significant parts of commercial property, we all know the deal, commercial property is appraised up at a lower rate than residentials. That's been the experience always, particularly most recently. If you come from a community that has large amounts of residential, very little commercial, there's not much problem in the ship. What's happening here is a very -- a smaller and smaller segment of our communities are paying more and more taxes. I'd look at the revenue distribution before I'd do the cap. Hartford basically did tend to right the cap and shifted very aggressively to commercial. I don't know if that was the best thing.

REP. O'BRIEN: What you're arguing for is that we ought to be moving away from property --

MAYOR DeSTEFANO: Property tax. We're the second most dependent of 50 states on the property tax. Property tax is a good tax in some ways -- right? -- and you guys know better than me because you're going to have to deal with it. It's more stable than sales and income tax revenue streams, but the problem is we're so heavily weighted on us, when you get some communities with very high exceptions from the -- from the property tax, you get these huge gross distortions and burden, and typically they tend to be in communities -- and that was the point of my soliloquy on violence -- they tend to be dealing with other issues at the same time.

REP. O'BRIEN: And you feel that your ability to pay in New Haven is considerably less than the amount of the public services for the state that you're bearing?

MAYOR DeSTEFANO: The point is, given the fact that -- yes, 70 percent of our housing stock is rental, so we get the re-entry population. The same is true of Bridgeport. Bridgeport, Hartford, New Haven probably average, at any given time, 5,000 people under control of Probation or Corrections. I would -- I would probably guess that's larger than the population of towns some of you come from.

REP. O'BRIEN: Do you feel that when it comes to the -- you're asking for diversification of the revenue that you --

MAYOR DeSTEFANO: Local option taxes, yes.

REP. O'BRIEN: It's -- you know, I think that it would make more sense to have a statewide comprehensive reform in property taxes, although I think it's -- it's pretty interesting that a lot of the politicians who sit up at this table are very quick when they're talking about their own communities to argue for home rule, but when it comes to cities like yours and cities like mine being able to make ends meet, they're very quick to point out why it's better for you to -- for them to be able to tell you what to do.

MAYOR DeSTEFANO: In a perfect world we take on the larger issue. This isn't a perfect world, and I'd hate to see the perfect be the enemy of the good.

REP. O'BRIEN: Thank you, Mayor.

MAYOR DeSTEFANO: I hope I said that right.

REP. STAPLES: Mr. Mayor, could you just expound a little bit on the local option issue? I think we debated that last year, several approaches. What -- what do you think would make the most sense for this committee to consider to give municipalities the option of raising --

MAYOR DeSTEFANO: Let me start it in this context. 48 percent of the City's revenue comes from you all, from taxpayers of the state of Connecticut. 47 percent comes from local property taxes. The reason for that is Bridgeport, Hartford, New Haven average about 50 percent of their grand list exempt; the other 166 towns average about 11 percent of their grand list exempt. So we have whole slots of the grand list exempt. You know the reasons why. You know the story. What that leaves us with is a very small revenue base to raise money.

I would suggest again, while we have to pay attention to expenditures, right now having laid off in the last 12 months 200 City employees, and at the same time having to add cops for the self-evident reasons I mentioned earlier, this is a matter of just giving us other choices. Again, as suggested by Representative O'Brien, while I prefer a system of tax structure reform, I don't think that's likely.

That said, we have a healthy retail base in the City of New Haven, that a local option on the sales tax would be meaningful for -- for us. Other communities, that may not be so advantageous, but this is where I think a series of local option taxes would -- would be a good prescription for the circumstances we find ourselves in.

REP. STAPLES: Thank you very much. Any further questions? Yes, Senator Roraback.

SENATOR RORABACK: Thank you, Mr. Chairman. Good morning, Mayor.

Perhaps a little bit off topic, but we in the General Assembly are facing the same phenomenon that the City of New Haven has been dealing with, which is we don't have enough money to pay for our bills. And do you have any advice for us? I think none of us wish to see layoffs in the ranks of state employees. We're hoping that we can negotiate or reach a reasonable concession package. Do you have any advice for us? Did you try to achieve concessions in New Haven or was layoffs the first option that you've turned to?

MAYOR DeSTEFANO: I sat down with all the union leadership in November. We began discussions. I indicated that if they reached targets with respect to each union, we'd extend a no-layoff pledge for each union. I offered to meet with and met with several of the general memberships of the -- of the unions. I hosted two meetings with all City employees to explain this so the union leadership didn't have to be the one that was so much explaining the facts. So we did go back, and I think it's truly unfortunate we were unable to -- unable to reach agreement with our -- with most of our labor unions.

That -- that said, I think the prescription income residents of Connecticut. LISC and the Coalition have been able to produce these results with active outreach, one-on-one technical assistance, educational forums and planning and technical assistance grants. LISC has also leveraged additional investment for housing, providing $295,000 in grants and loan to support development in rural and suburban towns.

The creation of the Connecticut Economic Recovery Fund would provide financial resources for the continued production of housing across the state of Connecticut. The need for these funds is demonstrated by the number of towns that have asked for our help. We ask that the committee approve funding for the Connecticut Economic Recovery Fund. We thank you for your support, and we are happy to provide you any additional information that you may need.

REP. STAPLES: Thank you very much. Any questions? No.

Thanks for your testimony.

Gian Carl Casa, followed by Mike Fox and then Michael Winterfield.

GIAN CARL CASA: Thank you, Mr. Chairman, members of the committee. My name is Gian Carl Casa. I'm director of public policy and advocacy for CCM. We've submitted testimony to the committee on many bills before you. One of my colleagues is supposed to testify later. I don't know if he can get off his hill; it may be snowed in some. I will touch on those briefly, and I will scoot through these as quickly as I can.

SB991
HB6559
HB6558
SB996
HB6560

First of all, CCM supports Senate Bill 997, which is the option to delay revals. It just simply doesn't make sense in this time of volatile housing values to have this revaluation mandate just continue on auto-pilot, and a temporary moratorium, as the Mayor of New Haven said, would provide tangible relief to hard-pressed property taxpayers and municipalities. With all due respect, this is a matter of state policy, and when speaking -- when talking about who speaks for municipalities on this issue, elected and accountable officials in their communities are the ones who set policy for municipalities, and we believe that it is their position that should be -- that should carry weight here.

Secondly, CCM supports Bill 6559, which would give you a way to fund -- full funding of the pilot and additional property tax relief through the Pequot Mohegan grant by setting aside money above this year's revenue from Indian gaming. It wouldn't help this year, but it would help in the future. Attached to our -- to our testimony is a list of municipalities and a percentage of the grand list that is tax exempt per state mandate in each municipality. Sixty-five property tax exemptions state mandated on the books. It makes up about 13 percent of the statewide grand list. Pilots haven't kept up, and we think 6559 is a way to help them catch up.

Similarly, we support 6558, which would allow municipalities to impose service fees because, again, the pilot system simply is not keeping up with the need, and 6558 gives municipalities a way to do so.

DAVID SUTHERLAND: Yeah, okay. Great. Well, and I'd also say again the title of the bill, I think that probably I'm going to send out the alert to a lot of nonprofits, but I think a lot of them just didn't realize it had to do with property tax exemption when they looked at the title of it.

SENATOR DAILY: You should read it and see if it does say "structures" before you send out an alert.

DAVID SUTHERLAND: It doesn't. It just says "of such property."

SENATOR DAILY: Okay. You can let them know that's our intention.

DAVID SUTHERLAND: Yes.

SENATOR DAILY: Thank you.

DAVID SUTHERLAND: Thank you.

SENATOR DAILY: Chuck Moran, followed by Representative Grogins.

CHUCK MORAN: Good afternoon, Senator Daily.

Representative Staples and members of the finance committee. My name is Chuck Moran. I'm the general manager of the Courtyard by Marriott in Cromwell, Connecticut, where we currently employ 70 residents of our great state. I'm also the president of Connecticut Lodging Association, a statewide trade association representing over 400 lodging properties in the state of Connecticut. HB6561 SB997

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I want to thank you for the opportunity to provide you with the prospective of the lodging industry. We're here to testify in opposition of House Bill 6561, An Act Concerning Municipal Revenue Diversification, and also Senate Bill 997, The Municipal Option to Delay Revaluations.

There are few, if any, remaining individuals who question the depth of the economic turmoil facing people and the businesses that provide them with jobs. The hotel industry is particularly vulnerable, and the full effects of the recession are hitting us hard. Smith Travel Research recently released January numbers that indicated a continuance in the pattern of decline that we've been experiencing since August of 2008. Occupancy was down 10.7 percent from January 2008 nationwide, Connecticut occupancy was down 16 percent over the same period, and regionally Groton- Norwich was off 22.9 percent in occupancy compared to January of last year.

We don't make the headlines with announcements of large-scale cutbacks and layoffs like corporate America, but each associate in our hotels faces the prospect of job loss and fewer hours. Each day is stark testimony to the fact that the industry is hanging on with difficulty, but the human price and job loss and pay loss is debilitating for so many of our associates and your constituents.

As a manager of people, it's hard to witness. I'm reminded of Keith, the maintenance technician for over 35 years at the Holiday Inn, New London, never missing a day's work, and now has been reduced to part-time, losing full-time benefits, or Bri, a cafeteria cook at the Mystic Marriott, associated from the opening of that hotel in 2001, laid off last week.

Many of my associates are working reduced hours, all in an effort -- and managing expenses -- so that our hotels survive this period.

I'm here to ask you to do no further harm to our industry by increasing occupancy tax or shifting the burden of personal property tax through a revaluation onto the lodging industry. We already charge one of the highest taxes for our hotel stays in the country. According to a recent study of American Hotel Lodging Association, the imposition of a tax of 1 percent would mean a reduction of hotel revenue of 2 percent. That could mean additional job loss and decline of current occupancy tax revenues. As a result, an additional tax increase would mean an actual reduction in the occupancy tax now collected, which were reported to be over $80 million to the General Fund.

SENATOR DAILY: Thank you very, very much, Mr. Moran, and thank you for waiting.

CHUCK MORAN: Yes, I was there and the other gentleman got up, so...

SENATOR DAILY: You've got to be fast, I guess. I thought you weren't in the room at the time. Representative Giannaros.

REP. GIANNAROS: Thank you, Madam Chair.

Mr. Moran, is it?

CHUCK MORAN: Yes, sir.

REP. GIANNAROS: Is your industry considered to be one of the most vulnerable because it's a luxury-oriented industry during recessions?

CHUCK MORAN: I don't believe it to be a luxury industry. I believe that all corporations are cutting back across the board. A lot of our corporate travelers are being cut back as well in the amount of expenses, and I would just mention to the individual who spoke before me, a lot of our corporate travel coming to this state is paid direct billed back to the companies that operate in this state. And so the thought that a lot of the tax coming to the industry would be out-of-state --

REP. GIANNAROS: Let me rephrase that. I think you may have misunderstood what I -- I guess where I was heading.

If -- if the economy is doing badly, are hotels one of the first things that people would say, Hey, I can do away -- I can do away with that kind of service and maybe take my car and go and visit my relatives instead and stay with them?

CHUCK MORAN: Certainly that is an impact. Also, again, business travelers only making day trips as opposed to multiple night stays.

REP. GIANNAROS: Now, when you mentioned that for a 1 percent increase in price, there's a 2 percent change in quantity demanded of your service, that is, drop in sales of 2 percent --

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CHUCK MORAN: Drop in revenues.

REP. GIANNAROS: -- yes, that we call very elastic response, which is consumers are very price sensitive to your product.

CHUCK MORAN: Correct.

REP. GIANNAROS: Is that correct?

CHUCK MORAN: Absolutely. And the consumer at the end of the day doesn't look at the rate that we charge versus the taxes on the invoice. They look clearly at the bottom line.

REP. GIANNAROS: And you mentioned earlier that in some parts of the state there's as much as 16 percent decline in January in terms of occupancy?

CHUCK MORAN: In terms of occupancy change year over year, yes.

REP. GIANNAROS: Yes. And, therefore, if I was to increase your price by 10 percent through this occupational tax -- taxes, a 10 percent increase based on your estimate of impact on sales would be 20 percent reduction in -- in your sales. So if you add to whatever you already had, you may -- we may be causing you in that case to lose about a third of your total sales --

CHUCK MORAN: Um --

REP. GIANNAROS: -- given the economic environment we're in?

CHUCK MORAN: Conceivably, and that would certainly reduce the current 12 percent tax revenue stream that we'd currently be getting from the revenues.

REP. GIANNAROS: Now, how reliable is this 1 percent to 2 percent ratio that you mentioned before? Where are you getting that?

CHUCK MORAN: That was a study that was conducted by the American Hotel and Lodging Association, which is a national association similar to the Connecticut Restaurant and Hotel --

REP. GIANNAROS: Now, in order for your industry to be viable in Connecticut, what is the percent of occupancy that you must have, on average?

CHUCK MORAN: Certainly the percentage of occupancy would vary from property to property, depending upon the size of the hotel, the number of associates and certainly the debt -- debt ratio and demand for the hotel that exists. But certainly we're seeing -- since August of last year, we've seen a consistent decline in our occupancies, and that trend has continued into this year.

REP. GIANNAROS: So, in other words, if I was to force another 10 percent decline on you, on the industry as a result of an occupation tax increase, occupational tax increase -- is that the term we used? -- occupancy, I'm sorry, thank you; I knew I wasn't saying it right, thank you -- occupancy tax increase, another 10 percent on average would put a lot of you out of business, is that correct?

CHUCK MORAN: Well, we would certainly see a lot of decline, more decline and cutbacks in our associates, which again deters from the current tax stream of the state because of the loss of their income tax paid by those employed associates.

REP. GIANNAROS: All right. Thank you.

CHUCK MORAN: Thank you very much, Representative.

SENATOR DAILY: Senator LeBeau.

SENATOR LeBEAU: Yes. Thank you, David.

Could you explain to me -- I was kind of listening, and I'm sorry, but I was going through some of the written materials and I was looking for yours and I didn't see it, but I'm sure it's here. Could you explain to me what you mean by a 1 to 2 percent ratio? I mean, for every -- what is the loss for, say, the proposed increase? What loss in business do you see specifically for the proposed increase that would be allowed to municipalities at the top end?

CHUCK MORAN: Well, I couldn't speak specifically except that the study by the American Hotel and Lodging Association indicated that a 1 percent increase in tax would result in a 2 percent loss, reduction in revenues. A lot of that, to some extent --

SENATOR LeBEAU: Can I interrupt right there?

CHUCK MORAN: Yes.

SENATOR LeBEAU: A 1 percent total increase or is that 1 percent on the current?

CHUCK MORAN: A 1 percent increase on the current tax.

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SENATOR LeBEAU: So from 12 to 13 percent?

CHUCK MORAN: Correct.

SENATOR LeBEAU: Okay.

CHUCK MORAN: Would result in a 2 percent reduction in the hotel revenues. A portion of that would be as a result of making the adjustment in our rate structures to be competitive and remain competitive. Certainly as I was saying, travelers and event managers look at the bottom line cost of stays at hotels when they're booking their events and travel. So if taxes cause an increase, we would make adjustments in rate to absorb that, which would cause a decrease in revenues, which would be a decrease on what revenues would currently be taxed at the 12 percent rate.

SENATOR LeBEAU: And is that rate consistent for every 1 percent, a 2 percent loss? So if you had a 2 percent, that would be a 4 percent loss? If you had a 3 percent, that would be a 6 percent loss?

CHUCK MORAN: I would have to refer to that study a little further. We certainly could get the information for you.

SENATOR LeBEAU: I think that's important for this committee.

Is there -- you have two kinds of travelers, I would think. One are kind of business travelers --

CHUCK MORAN: Correct.

SENATOR LeBEAU: -- and particularly in Connecticut we certainly have a lot of vacation travelers, people who are coming in to -- to visit, to visit the various sites, to stay down by the water, down by Long Island Sound, to go to Mystic, to go to the casinos. So we have business travelers and we have, in a sense, family travelers --

CHUCK MORAN: Correct.

SENATOR LeBEAU: -- or couples or whatever. Is that rate consistent for both of those kinds of travelers? I mean, my gut sense says that, look, I remember going to Disney World with my family a couple times, and you got down there, it was like, whoa, look, these taxes are incredible down in Florida. That's one of the big -- that's one of the big income sources for Florida, is the high hotel tax. But, frankly, we didn't give it a thought. We're going to Disney World. And so -- and I can see where your argument makes sense for somebody who is booking a convention or somebody who is booking a -- sending -- trying to plan a convention, but I'm not sure I buy it for kind of a family and family vacation, a couple going off for a weekend from New York or whatever.

CHUCK MORAN: I think that we have consistent -- consistently seen a decline where if someone was traveling across the state to, say, visit the Mystic Seaport area, certainly as the costs of their stays increase in that area, they certainly do make choices about going for the day and then returning. I mean, it was evidenced even last year with Governor Rell's "staycation" where she was promoting people to stay within the state and travel just to the locations and nuggets of the state that would -- were primarily day stays, day trips as opposed to multiple stays.

SENATOR LeBEAU: Okay. Let me just ask one more question. How do we compare to our neighbors in terms of our current tax structure for hotel occupancy?

CHUCK MORAN: I've submitted with the testimony a structure of the local states.

SENATOR LeBEAU: Great. I'll try to find it.

CHUCK MORAN: We are one of the highest aside from Rhode Island in the northern New England states.

SENATOR LeBEAU: Does that include -- like if you go to New York, isn't there a local hotel occupancy tax, also, which is possible?

CHUCK MORAN: In the City of New York I know that there's an additional $3.50 per room charge, I believe, for the city.

SENATOR LeBEAU: Okay. Don't localities have the option of also tacking on something more than that?

CHUCK MORAN: It's -- it's certainly -- I have the report somewhere. I could certainly research it.

SENATOR LeBEAU: I'd like to see it.

CHUCK MORAN: I've submitted it with our testimony today.

SENATOR LeBEAU: Great. Thank you very much. I'll try to find it in this pile.

Thank you, Madam Chairman.

SENATOR DAILY: Thank you.

SENATOR BOUCHER: Thank you, Madam Chairman. And I don't want to belabor this, but your testimony did bring to light, and I can substantiate that in my own office we are all spending less time on the road to do business, the only way we travel, and in fact we're trying very hard to do day trips where we can actually fly in very early in the morning so we can get there without having to spend another night, overnight in a hotel room that would cost the business more money. So I can substantiate the changes that are going on there.

Also, your industry is very strongly indicative of the elasticity of demand that the good Representative was just mentioning, and, as such, that in the taxing proposals that we have, we have to be so careful. It underscores what your testimony gave us, was it underscores the fact that in an effort to find more revenue, we can also inadvertently decrease revenue very quickly because we reduce the demand for that particular service or product to the point where even with the higher tax being imposed, you're really pulling in less money because you're reducing that service to some extent.

CHUCK MORAN: That's one of the largest points that I was trying to make, and had I continued, there were some more comments to that effect. Thank you.

SENATOR DAILY: Thank you, Mr. Moran.

CHUCK MORAN: Thank you very much, Senator.

SENATOR DAILY: Representative -- I'd like to know how to say it correctly.

REP. GROGINS: Okay. It's Representative Auden Grogins, and I'm representing the 129th district in Bridgeport.

I first want to thank you for allowing me to speak, the Chair and all the distinguished members of the finance committee. I appreciate this opportunity. I have a very important message for you with regard to supporting, in part, the municipal revenue diversification bill, which is House Bill Number 6561, but also to ask you to consider part of the legislative concepts that I have introduced regarding the desperate need for property tax relief.

As you know, I'm a new member of the Connecticut General Assembly, and I represent an area in Bridgeport which pays probably -- I know it's some of the highest property taxes in the state and probably some of the highest property taxes in the nation. And I want to convey to you the plight of Bridgeport taxpayers and homeowners in particular in my district. This was one of the critical reasons I decided to run for office, and in going door to door and throughout the entire campaign I spoke to probably about 2,000 people or more, and the number one issue in my area was property taxes.

Actually, I was taken aback by the astronomical number of people being forced to either sell their homes in Bridgeport or losing their homes in Bridgeport because they could not afford the property taxes. They are significantly higher than in other areas.

Bridgeport, like many cities of its size, has lost a great deal of its tax base because of the flight of businesses over the years due to high property taxes, so the tax burden falls on the homeowners here. And, again, they can't -- it's a dilemma for them. On the one hand, they can't afford to maintain their homes and pay these astronomically high property taxes, and on the other hand, they can't sell their homes because their homes have lost value.

I provided you written testimony and a chart prepared based on numbers from the 2007 U.S. Census, which talks about the median income of a family in Bridgeport. You know, this is all of Bridgeport. My area is different and they pay even higher taxes, but the average family income of all of Bridgeport based on these 2007 numbers was around 39,600, and the median house value was about 232,000. Our mill rate in part of 2007 was 41.28, so the assessment of this median home would be around 163,000, and if I may just have a couple more minutes -- not a couple more, a minute or so -- the assessment in property taxes would amount to about 6,700.

Now, it's very important to provide municipalities with other alternatives in raising revenues other than property taxes, and I support enabling them to do that, particularly the hotel tax, but I'm really here to address my legislative concepts which you have been -- I know many of my constituents have written to you about that and which fall under the same category, but I've introduced legislation on providing a homestead exemption, a tax cap, a legislation which concerns an increase in the elderly circuit breaker program. If you're going to allow municipalities to raise revenues in other fashions, which I think they should, I think that we have to ensure and assure that the property taxpayers get relief, tax relief, and this is only -- municipal revenue diversification is indirect relief. It's not direct relief to homeowners and taxpayers in Bridgeport or -- and throughout the state.

My legislation is direct tax relief to property owners. Again, in many states these are novel ideas but are options for constructive property tax relief. Massachusetts, Maine, Pennsylvania, Nevada, Illinois are some of the states, and there's really a majority of the states that either provide homestead exemptions or -- or the tax cap to their citizens.

So for those reasons, I respectfully request and I implore you to -- and this committee -- to include these concepts in your tax relief bill.

SENATOR DAILY: Thank you very much, Representative Grogins. Those are all very, very interesting concepts, and you can bet that we will all be looking at them very carefully. Thank you for your testimony and your time.

REP. GROGINS: Thank you very much.

SENATOR DAILY: I've called everybody that's on our list. Is there anybody that came today, would like to testify, and hasn't been called?

Bonnie Stewart, CBIA **SB-997**

CBIA opposes SB-997, An Act Concerning a Municipal Option to Delay Revaluations. This bill would give municipalities that are required to conduct revaluations for the 2008, 2009 and 2010 assessment years the ability to delay those revaluations until as late as the 2011 assessment year. If adopted, the measure will be harmful to both residential and commercial taxpayers for several reasons.

Delaying revaluations causes an increasingly large difference to develop between a property's valuation for tax purposes and its actual fair market value. This makes assessments less equitable and more difficult to accept for all taxpayers. Delay also unfairly shifts the tax burden between types of property so the tax burden is not shared equally.

When revaluations are performed with greater frequency, they are generally easier to implement. Longer delays generally make implementation more difficult, expensive and divisive within communities.

When revaluations are delayed and assessments are held static, mill rates must necessarily increase significantly in order to adequately fund local government. The result is that a disproportionate share of the tax burden is borne by the property types that undergo annual revaluation under state law. Generally speaking, this includes motor vehicles and business personal property as business pay property tax not only on their land, structure and motor vehicles, but also on their furniture, fixtures and machinery and equipment. Thus, communities that delay revaluation become less attractive places in which to live and to do business.

An equitable property tax system is predictable. When commercial and residential taxpayers receive their new revaluation assessments, they must decide if those assessments are equitable or should be challenged. In making that decision, the current length of the revaluation cycle is an important consideration. Inequitable assessments may not have been challenged and appeals of inequitable assessments may have been settled in reliance upon the expectation that new assessments will be implemented within five years. This important attribute of predictability is lost when a revaluation cycle is extended. Another hallmark of an equitable property tax system is transparency. The process of implementing new assessments should be readily comprehensible to taxpayers. Delaying revaluations makes the system less transparent and the results more subject to criticism.

Many states have revaluation cycles that are shorter than Connecticut's five year cycle. This makes those states more attractive places to do business because assessments more closely track changes in value. By permitting an already lengthy revaluation cycle to be extended further, an unintended consequence is to make Connecticut less hospitable to business.

This proposed delay is similar to one implemented five years ago. It is not clear that the delay at that time achieved its proponents' goals, including cost savings. Indeed, the necessity for remedial legislation would indicate that the previous experiment with delay was not successful. There is no reason to believe that delay will be successful now.

Allowing a significant number of municipalities to delay revaluations to the same time in the future may actually make them more expensive as competition intensifies for the services of a limited number of revaluation companies.
The main reason given in support of SB-997 is that it will allow municipalities to postpone the cost of revaluation. Of course, this cost savings is nonexistent for those municipalities currently implementing October 1, 2008 revaluations as the

cost of those revaluations has already been incurred. With improvements in technology, the ability of municipalities to share revaluation costs and other recent changes in state law, revaluations are already becoming less costly. Requiring a municipality to bear the cost of a revaluation once every five years is a modest price to pay for an equitable, predictable, transparent and competitive property tax system.

CBIA urges you to reject SB-997.

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THE VOICE OF LOCAL GOVERNMENT

TESTIMONY

of the

CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

FINANCE, REVENUE AND BONDING COMMITTEE

March 2, 2009

CCM is Connecticut's statewide association of towns and cities and the voice of local governments - your partners in governing Connecticut. Our members represent over 93% of Connecticut's population. We appreciate this opportunity to testify before you on issues of concern to towns and cities.

CCM supports SB 997, **"AAC A Municipal Option To Delay Revaluations".**

This bill would allow municipalities which are required to "effect a revaluation" in 2008, 2009, or 2010 to delay the revaluation until 2011.

CCM supports allowing municipalities the option to delay revaluations -- until the economy can rebound -- as a reasonable means to (a) provide savings from the cost of conducting the unfunded revaluation mandate, and (b) provide a measure of relief to hard-pressed local property taxpayers by delaying either implementation or phase-in of a revaluation. **Precedent exists: a similar deferral was allowed during the economic slump in 2003-04.**

The cost of conducting a property revaluation, as currently mandated, could cost a small town approximately $220,000. Statewide -- this mandate could potentially postpone over $3.2 million in revaluation costs for towns scheduled to conduct revaluations in 2009, and over $6.2 million for those scheduled to conduct revaluations in 2010.

It does not make sense in this time of volatile housing values to have the revaluation mandate continue on autopilot. A temporary moratorium would provide tangible relief to hard-pressed property taxpayers and towns.

It is unclear how many municipalities would exercise such an option – but in today's tough budget climate – each community should be able to analyze how revaluation will affect it and the people who live and work there. They should have a choice.

When it comes to managing the local bottom-line in these difficult times – local officials need (1) options for quick relief, and (2) the necessary discretion to make decisions that work best for their communities. Enabling towns and cities the discretion to delay conducting, implementing or phasing-in revaluations would provide their taxpayers and local budgets that much-needed temporary relief.

We urge you to favorably report this bill.

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For more information, please contact Gian-Carl Casa or Bob Labanara (gcasa@ccm-ct.org, rlabanara@ccm-ct.org) or by phone (203) 498-3000.

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City of New Haven
John DeStefano, Jr.
Mayor

Testimony of John DeStefano, Jr.
Mayor, City of New Haven
March 3, 2009
Finance Revenue and Bonding
Connecticut General Assembly

Honorable Committee Members, thank you for allowing me to address you. I am here today to testify on behalf of SB 997, An Act Concerning Municipal Option to Delay Revaluation. As Mayor of New Haven I come before you to support this bill and to request an amendment to allow municipalities who have recently completed a revaluation the option of suspending the phase-in of that revaluation.

New Haven completed its most recent revaluation in 2006. As you are aware, 2006 was near the height of the real estate market. Prices were up – way up. The 2006 grand list saw significant growth – but most of that growth was in our residential grand list – homeowners saw assessments increase an average of 85% compared to the average growth of 42% for commercial properties. Because of this shift, I recommended, and our Board of Aldermen approved, the five year phase in of this new assessment – to give homeowners a chance to adjust to this change.

A lot has happened since that time. We are in a recession. Foreclosures are up, home prices are down. Residents can not sustain another tax increase – and with the implementation of year three of the phase-in many of them will see just that.

To put it in perspective I have attached the four tax scenarios my staff and I considered in drafting our FY 10 budget. Scenario number 1 shows that if we were to maintain the current mill rate (42.21 mills) and implemented the 3rd year of phase-in, the City of New Haven would recoup approximately 14 million dollars of new revenue. This would be a 7% increase in the tax levy but - because of the shift caused by the 2006 revaluation, the increase would be overwhelming borne by residential taxpayers who would have seen an average increase of 12.7%.

Scenario number 2 considered keeping the levy the same by implementing the phase-in and lowering the mill rate to 39.39 mills. This scenario would result in a 0% tax revenue increase for the city; however, it would translate to an average increase of 5% for our residents, with some residents facing increases of up to 15%, while commercial properties would experience a decrease.

Because the impact of phase-in was so varied, and keeping the levy constant did not seem to help residents, I looked at Scenario number 3 which considers keeping the levy constant at the second year of phase-in. However, due to some transfers of property form taxable to tax exempt status, this resulted in the mill rate increasing to 43.05 and taxes increasing 2% for everyone.

So the budget that I submitted to the Board of Aldermen this year relied on Scenario number 4, the only scenario which resulted in a tenable outcome for my residential tax payers. This scenario calls for no new taxes – and the levy proposed is actually $3.5 million less than the FY 09 budget. It is my intention that in doing this that in our final budget we will able to post a 0% increase for our residents as the tax levy was built upon the current grand list with only the second year of phase-in and a flat mill rate.

But to do this I need your help. The City of New Haven seeks legislation that will enable us to suspend our phase-in – to give tax payers a true time out.

Some may ask why not just lower the tax levy and move to the 3rd year of the phase in. We did examine this option – the option that we will be forced to implement if the legislation is not adopted. Again we lost $3.5 million off the FY 09 levy – a loss of 1.75%, but instead of seeing residents tax bills go down – the average resident would actually see a 2.5% increase.

I ask you to give our tax payers this time out. Enact legislation that will enable us to suspend year three of our phase in. I have also attached language which would allow this type of freeze.

001046

Taxes, Mill Rate & Levy
Scenario 1 - Rejected

Collection Year	Taxable Grand List (For Budget)	Mill Rate	Levy
Budgeted FY09 (PH-In 2)	4,944,791,028	42.21	203,231,230
FY10 Scenario 1 (PH-In 3)	5,166,044,416	42.21	217,058,735

		FY 06	FY 07	FY 08	FY 09	Option 1 FY 10	% Growth
		GL 04	GL 05	PH1	PH 2	PH 3	FY 09 to
	ADDRESS	42.53	44.85	42.21	42.21	42.21	FY 10
Residential	Quinnipiac Ave	771	813	940	1,115	1,290	22.69%
Residential	Ella Grasso Blvd	4,260	4,493	4,807	5,386	5,966	13.59%
Residential	State Street	3,352	3,535	3,956	4,585	5,213	18.76%
New Alliance Building	Church Street	534,538	563,697	572,055	613,593	655,131	7.77%
Sargent Assa Abloy*	Sargent Drive	354,744	373,968	381,925	412,880	440,325	7.74%
Maritime Center	Long Wharf	1,418,377	1,495,749	1,439,883	1,472,062	1,504,240	2.27%

001047

Taxes, Mill Rate & Levy
Scenario 2 - Rejected

Collection Year	Taxable Grand List (For Budget)	Mill Rate	Levy
Budgeted FY09 (PH-In 2)	4,944,791,028	42.21	203,231,230
FY10 Scenario 2 (PH-In 3)	5,166,044,416	39.39	203,231,230

		FY 06	FY 07	FY 08	FY 09	Option 2 FY 10	% Growth
		GL 04	GL 05	PH1	PH 2	PH 3	FY 09 to
	ADDRESS	42.53	44.85	42.21	42.21	39.39	**FY 10**
Residential	Quinnipiac Ave	771	813	940	1,115	1,204	11.50%
Residential	Ella Grasso Blvd	4,260	4,493	4,807	5,386	5,567	4.23%
Residential	State Street	3,352	3,535	3,956	4,585	4,865	8.36%
New Alliance Building	Church Street	534,538	563,697	572,055	613,593	611,335	-0.42%
Sargent Assa Abloy*	Sargent Drive	354,744	373,968	381,925	412,880	410,889	-0.56%
Maritime Center	Long Wharf	1,418,377	1,495,749	1,439,883	1,472,062	1,403,680	-4.82%

001048

Taxes, Mill Rate & Levy
Scenario 3 - Rejected

Collection Year	Taxable Grand List (For Budget)	Mill Rate	Levy
Budgeted FY09 (PH-In 2)	4,944,791,028	42.21	203,231,230
FY10 Scenario 3 (PH-In 2)	4,895,232,690	43.05	203,381,230

		FY 06	FY 07	FY 08	FY 09	Option 3 FY 10	% Growth
		GL 04	GL 05	PH1	PH 2	PH 2	FY 09 to
	ADDRESS	42.53	44.85	42.21	42.21	43.05	FY 10
Residential	Quinnipiac Ave	771	813	940	1,115	1,137	1.99%
Residential	Ella Grasso Blvd	4,260	4,493	4,807	5,386	5,494	1.99%
Residential	State Street	3,352	3,535	3,956	4,585	4,676	1.99%
New Alliance Building	Church Street	534,538	563,697	572,055	613,593	625,825	1.99%
Sargent Assa Abloy*	Sargent Drive	354,744	373,968	381,925	412,880	417,921	1.22%
Maritime Center	Long Wharf	1,418,377	1,495,749	1,439,883	1,472,062	1,501,408	1.99%

0001049

Taxes, Mill Rate & Levy
Scenario 4 - Recommended

Collection Year	Taxable Grand List (For Budget)	Mill Rate	Levy
Budgeted FY09 (PH-In 2)	4,944,791,028	42.21	203,231,230
FY10 Scenario 4 (PH-In 2)	4,895,232,690	42.21	199,665,103

		FY 06	FY 07	FY 08	FY 09	Option 4 FY 10	% Growth
		GL 04	GL 05	PH1	PH 2	PH 2	FY 09 to
	ADDRESS	42.53	44.85	42.21	42.21	42.21	FY 10
Residential	Quinnipiac Ave	771	813	940	1,115	1,115	0.00%
Residential	Ella Grasso Blvd	4,260	4,493	4,807	5,386	5,386	0.00%
Residential	State Street	3,352	3,535	3,956	4,585	4,585	0.00%
New Alliance Building	Church Street	534,538	563,697	572,055	613,593	613,593	0.00%
Sargent Assa Abloy*	Sargent Drive	354,744	373,968	381,925	412,880	409,753	-0.76%
Maritime Center	Long Wharf	1,418,377	1,495,749	1,439,883	1,472,062	1,472,062	0.00%

AN ACT CONCERNING THE SUSPENSION OR FREEZING OF PHASE IN OF REAL ESTATE ASSESSMENT INCREASE

Be it enacted by the Senate and the House of Representatives in General Assembly convened

That Connecticut General Statute Section 12-62c(a)(2) shall be amended by inserting the following new sentence after the first sentence of that subsection:

For the purpose of assisting taxpayers during the current financial crisis, and notwithstanding the provisions of section 12-62 or 12-62c, a town which has chosen to phase in a real property assessment increase, or a portion of such increase, resulting from revaluation may, acting by and through its chief executive officer, suspend or freeze the implementation of such phase in for either or both of the assessment years commencing October 1, 2008 and October 1, 2009.

Statement of purpose: To assist taxpayers during the current financial crisis by allowing towns to temporarily stabilize assessments and resultant property tax bills for the assessment years commencing October 1, 2008 and October 1, 2009.

7 File

T-3

Connecticut Association of Assessing Officers, Inc.

David Dietsch, President
City of Waterbury, CT

Brian Lastra, 1st Vice President
Helen Totz 2nd Vice President
Lawrence LaBarbara, Treasurer
Stuart Topliff, 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
Legislative Co-Chairs for the Connecticut Association of Assessing Officers

Date: March 2, 2009

Re: SB# 997, An Act Concerning A Municipal Option To Delay 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 opposition of ***SB# 997 An Act Concerning A Municipal Option To Delay Revaluations.***

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 complement the needs of all Connecticut property owners specifically in terms of **parity** and **equity**. As an organization, CAAO continues to support this argument. The property tax is well defined, well defended and accountable to all taxpayers.

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

As certified municipal property Assessors, there are certain aspects of the language contained in SB#997 that deeply concerns us:

- First, the language of this proposal if adopted has the potential to create complete chaos regarding the required scheduling of future municipal revaluations in that it sets a dangerous precedent to allow all municipalities to delay revaluations.
  Under present law, municipalities are required to complete revaluations at least once every five (5) years according to Connecticut General Statutes. By adopting this proposal it begins to unbalance the existing schedule in terms of the total number of parcels scheduled to undergo revaluation. This will become more of a problem as more municipalities opt to delay a revaluation so when the time does come for them to ultimately be required to implement, there may not be a revaluation company available at the time to assist the Assessor in the process due to a disproportionate number of towns requiring their services in a given year.

While CAAO recognizes the significance of giving municipalities more flexibility in "deciding their own fate" so to speak, we feel that the revaluation issue is far too complex to be left to decisions based on political posturing.

As professional Assessors we promote fair and equitable assessments in Connecticut and recognize that the best way to achieve this is to do more frequent revaluations with strong certified in-house professional support with the option of capable professional outside consultants. Delaying revaluations does nothing more than eliminate the equity that it was designed to create.

Over the last decade, there have been several positive achievements in the Assessment profession that has refined our process, increased our professionalism while at the same time provided technologies that has improved our service to taxpayers:

- Recent changes in the revaluation laws coupled with technological advances in Computer Assisted Mass Appraisal software now allows for Assessors to conduct revaluations at a fraction of the cost thus saving municipalities thousands of tax dollars.

- Performance Based Revaluation Standards have been created with OPM oversight and approval.

- Assessors have achieved education excellence through a 50 credit hour re-certification mandate

- Assessors records have a high degree of integrity and accountability statewide with most all being on line and shared with both the public and private sectors daily,

- Court litigation of the local property tax has been reduced and is significantly less than neighboring states

As an organization, CAAO has always maintained the position that more frequent revaluations will over time minimize the significant shift in the tax burden that so many politicians are concerned with to the point that they attempt proposals like this one when it is time for their community to implement revaluation.

The Connecticut Association of Assessing Officers respectfully urges the Finance, Revenue and Bonding Committee to oppose ***SB# 997*** ***An Act Concerning A Municipal Option To Delay Revaluations.***

Respectfully,

Anthony Homicki, Darien Assessor
CAAO Legislative Co-Chair
(203) 656-7313

Steven Kosofsky, Windsor Assessor
CAAO Legislative Co-Chair
(860) 285-1819

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T-21

Good afternoon Senator Daily, Representative Staples and members of the Finance Committee. My name is Chuck Moran. I am the General Manger of the Marriot Courtyard in Cromwell where I currently employ ____. I am also the president of The Connecticut Lodging Association a statewide trade association representing the over 400 lodging properties in the state of Commecticut. I want to thank you for the opportunity to provide you with a perspective from the lodging Industry. I am here to testify in opposition to House Bill 6561 An Act Concerning Municipal Revenue Diversification and Senate 997 A Municipal option to Delay Revaluations

There are few if any remaining individuals who question the depth of the economic turmoil facing people and the businesses that provide them with jobs. The hotel industry is particularly vulnerable and the full effects of the recession are hitting us hard. We don't make the headlines, but each associate in our hotels faces the prospect of job loss and fewer hours. Each day is stark testimony to the fact the industry hanging on with difficulty but that the human price in job loss and pay loss is debilitating for so many of our associates. As a manager of people it is hard to witness.

I am here to ask you to do no further harm to our industry by increasing our occupancy tax or shifting the burden of the personal property tax through revaluation onto the lodging industry. We already charge one of the highest taxes for a hotel stay in the country. (We have provided a copy of hotel tax comparisons with the written testimony)

According to a recent study by the American Hotel and Lodging Association the imposition of a tax of 1% would mean a reduction in hotel revenue of 2%. That means the loss of jobs and the loss of occupancy tax revenue. The actual result of a tax increase would mean an actual reduction in the occupancy tax that is now collected and was lat reported to be at over 80 million dollars to the general fund.

Hotels are is a difficult position Please don't compound the problem with the enactment of a tax increase, small and large lodging properties could be devastated. It is the wrong time to increase the tax on hotels.

Moreover the idea of creating a local option for taxation would set one community against another. A hotel on the border of a taxing town may be advantaged or disadvantaged by virtue of a decision of the town council. It would make hotels disinclined to locate or continue operations in a disadvantaged situation. It would potentially have long term consequences for the communities most at need.

In times of economic uncertainty, policy makers work to enhance job creation and improve the business climate. Connecticut's focus should be on promoting the growth of tourism and the film industry and thereby increasing the revenue from the hotels in a tried and true way. Don't increase the tax on an industry that bears it full share of tax burden. The consumer may pay the increase but it ultimately affects the businesses bottom line

State and Local Taxes on Lodging in Maine, New England, and Selected States and Destinations

	Total state taxes on lodging (minimum)	Total available local option taxes	Total state and local taxes on hotels (maximum)	Additional fees
Maine	7.00%	0 00%	7.00%	
New Hampshire	8.00%	0.00%	8.00%	
Vermont	9.00%	1.00%	10.00%	
Massachusetts	5.70%	4.00%	9.70%	
Connecticut	12.00%	0.00%	12.00%	
Rhode Island	12.00%	0.00%	12.00%	
New England Average	8 95%	0.83%	9.78%	
New York	4.00%	9.75%	13.75%	
Florida	6.00%	7.00%	13.00%	
Arizona	5.50%	6 57%	12.07%	
Hawaii	4.16%	7.25%	11.41%	
Selected Destinations				
Martha's Vineyard, MA	5.70%	4.00%	9.70%	
Boston, MA	5.70%	4.00%	9.70%	
Portsmouth, NH	8 00%	0.00%	8 00%	
Burlington, VT	9.00%	1 00%	10.00%	
Stratton, VT	9.00%	1.00%	10.00%	
Newport, RI	12.00%	0 00%	12.00%	
Mystic, CT	12.00%	0.00%	12.00%	
New York, NY	4 00%	9 38%	13.38%	Plus $3.50 per day
Phoenix, AZ	5 50%	6.57%	12.07%	
Miami, FL	6.00%	7.00%	13.00%	
Tampa, FL	6.00%	6.00%	12.00%	
Honolulu, HI	4.16%	7.25%	11.41%	

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T-22

Testimony of Representative Auden Grogins of the 129th District before the Finance Committee on March 2, 2009.

House Bill 6561, AAC Municipal Revenue Diversification

I would like to thank the distinguished chairs of this committee, Representative Cameron Staples and Senator Eileen Daly as well as all the distinguished members of the Finance Committee for the opportunity to address you on House Bill 6561 AAC Municipal Revenue Diversification. More specifically I would like to address the critical issue of providing municipalities with alternatives to raise revenues other than by taxing its overburdened residents who desperately need tax relief in these harsh economic times.

As you may know, I am a new member of the Connecticut General Assembly and I represent the 129th District in Bridgeport which is an area where my constituents pay some of the highest property taxes in the state. I am here to tell you about the plight of Bridgeport taxpayers and homeowners in my district which is a critical reason I decided to run for the House of Representatives. During my campaign, I spoke with thousands of residents going door to door in the district. The overwhelming concern of the residents in my area was the high property taxes that they were paying and which have been on the rise year after year. I was taken aback by the astronomical number of people being forced to sell their homes or even loosing their homes because they could not afford to continue to pay Bridgeport's significantly higher property taxes.

Bridgeport, like many cities in Connecticut of its size, has lost a great deal of its tax base because of the flight of businesses over the years due to these high property taxes. Consequently the tax burden falls on the residents, particularly the homeowners. In today's current economic crisis, our homeowners are in a financial dilemma. On the one hand, they cannot afford to maintain their houses and pay the astronomical property taxes. On the other hand they cannot sell their homes because their homes have lost value.

Based on 2007 US Census Bureau statistics, the average family income is $39,684 and the median house value is $232,200. Our mill rate in 2007 was 41.28 and the assessment on this median home would be in round numbers about $163,000. Therefore the property tax on this house would be approximately $6,700. That means that about 17% of that median family's income is spent on property taxes. It is therefore critical that municipalities be compelled to alleviate the heavy tax burden on our residents (please see attached table).

The legislation before you is one alternative in addressing the problem of cities who are in financial crisis by enabling them to raise other types of revenue, other than property taxes and should be passed. However these measures will only help homeowners indirectly by alleviating the need to raise property taxes. But frankly, we need to do much more to address the problem of overburdened tax payers across the state and give them much needed tax relief.