



CONNECTICUT CONFERENCE OF MUNICIPALITIES

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TESTIMONY

of the

CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

JUDICIARY COMMITTEE

March 17, 2006

The Connecticut Conference of Municipalities appreciates the opportunity to testify on the important issue of eminent domain.

It's worth remembering that the vast majority of cases involving the use of eminent domain are resolved leaving property owners feeling that they have been fairly compensated. Further, eminent domain is an authority exercised with great care, deliberation and public scrutiny. Indeed, no municipality wants to remove their own residents from their homes. When eminent domain is used, it is used grudgingly, as a last resort.

CCM's 2006 State Legislative Program calls for eminent domain reform that:

- *Modifies the State Uniform Relocation Assistance Act* to ensure that it reflects the varying needs of displaced property owners and fully compensates them for relocation costs.
- *Reexamines the definition of "just compensation"* to ensure that the definition is not always limited to fair market value for property. In some instances, a market value plus approach (e.g., 125%) may be appropriate to recognize the social and sentimental value of the property, as well as the future worth of the property post-development.
- *Ensures greater transparency and accountability* of local government by requiring local legislative bodies to (1) approve of project areas to be acquired by eminent domain and (2) articulating clear expectations and goals for development and redevelopment plans.
- *Reviews and reassesses development and redevelopment plans* after a period of time if no activity has occurred.

S.B. 665, “An Act Concerning Eminent Domain Proceedings”

CCM supports, with modification, S.B. 665 as it contains proposals that amplify the aforementioned CCM-supported concepts.

The bill is generally a fair compromise in that it ensures that property owners are treated fairly and that the fundamental authority of municipalities to acquire property via eminent domain for public purposes remains viable.

S.B. 665 would, among other things, (1) prohibit acquiring property via eminent domain for the “sole purpose of increasing local tax revenue”, (2) require that local legislative bodies set clear public benefits prior to approving eminent domain acquisitions and that eminent domain is not invoked until the municipality has determined that it is the best method by which development plans can successfully be achieved, (3) establish a “market value plus” approach to provide additional relief for property owners, and (4) increase compensation to property owners under the State’s Uniform Relocation Assistance Act.

CCM urges the Committee to amend the bill to (1) ensure that the proposed “market value plus” concept applies only to owner-occupied residential properties acquired for economic development purposes. [The market value plus approach works in this instance to recognize the particular social and sentimental value of such property, and can reflect as well the value of the property post development.], and (2) eliminate the proposed prohibition against acquiring properties for the “sole purpose of increasing local tax revenue.” [Connecticut’s suffocating property tax system constricts the ability of many land-starved municipalities to grow their grand lists in a conventional manner. In the absence of property tax reform, eminent domain provides at least an opportunity in special, narrow circumstances to benefit the general public through increased revenues that can pay for needed public services and provide relief to existing property taxpayers.]

CCM urges the Committee to keep in mind what the use of eminent domain has done for struggling communities. Hartford’s Learning Corridor, a \$120 million, 16-acre complex of magnet schools developed by a nonprofit developer in one of Hartford’s poorest neighborhoods, would not have been possible without the use of eminent domain.

As Mayor Eddie Perez said, projects like the Learning Corridor “foster a growing desire of businesses throughout the region to locate their headquarters to Hartford. The social and educational benefits of these projects will also provide a continuously more educated and more attractive workforce for businesses looking to relocate to the region.” The Mayor also believes that, by creating economic development, the projects provide the City with the “increased capital it needs to continue providing affordable housing opportunities for Hartford residents”.

Eminent Domain: A Useful Tool for Communities

CCM urges you to consider the following issues while deliberating further on eminent domain reform:

- **Eminent domain facilitates highly valued and needed public services and facilities – schools, the highway and rail transportation system (including local and state roads and**

bridges), universities, railroads, airports, and other mechanisms through which we learn, travel, communicate, function and compete globally are a result of governments and others using their eminent domain authority.

- **Eminent domain is centuries-old, a constitutionally recognized bedrock authority of government.** Any changes to this system should be undertaken with great care.
- **The *Kelo* decision reasonably pertained only to a narrow category of eminent domain takings,** namely, instances where occupied private residential property is being taken for transfer (99-year lease) to a private owner for economic development purposes without a formal finding of blight prior to the taking.
- **Reform of the state-local tax system and land-use practices should be a part of any eminent domain reform discussion.** The U.S. Supreme Court recognized the fiscal distress and decline of New London and the appropriate use of eminent domain to help reverse this decline. The present property tax system exacerbates the problems of communities like New London by promoting (1) disinvestment in our urban towns and cities where the infrastructure to support development already exists, (2) competition between communities for tax base growth, and (3) costly sprawl development that consumes open space, farmland and environmentally-precious resources. Further, if eminent domain reform legislation curbs municipalities' ability to grow their tax base, towns and cities must be provided with other options to raise revenue to pay for needed public services.

S.B. 665, as amended, would (1) modify the State Uniform Relocation Assistance Act, (2) reexamine the definition of "just compensation", (3) ensure greater transparency and accountability of local government and its elected officials, and (4) require municipalities to allow property owners to buy back property if such property acquired is not used for the purpose for which it was acquired, or for a public use.

As modified per CCM's suggestions, S.B.665 is a firm, yet fair proposal.

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If you have any questions, please call Jim Finley, Ron Thomas or Gian-Carl Casa at (203) 498-3000.