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**Testimony For Raised Bill 5801  
AN ACT CONCERNING ASSESSMENT OF APARTMENT BUILDINGS.**

The Connecticut Apartment Association (CTAA), the state chapter of the National Apartment Association which represents more than 5.2 million apartment homes throughout the United States and Canada, **strongly opposes Raised Bill 5801** because it unfairly singles out apartment owners from other commercial property, places unfair burdens of compliance on property owners, requires excessive and potentially sensitive financial disclosures, over-empowers local tax assessors who already have adequate means to value multi-family properties, mandates excessive penalties for non-compliance and fails to address the need for owners to have a right to appeal assessments.

Raised Bill 5801 unfairly singles out multi-family property owners by requiring them to submit annual financial information to municipal assessors and does not require other commercial property owners to do so as well. If multi-family properties are required to submit financial information than every commercial property should be required to do so as well.

Secondly, Raised Bill 5801, if passed, places unfair burdens on multi-family property owners by requiring them to submit an income and expense report annually by May, regardless of whether or not the town or municipality is conducting revaluation. If the assessed value of the property cannot change on the town records, then why is it necessary to submit information annually? Nothing can be done with this information at the time it is submitted. An income and expense report should suffice only in a year of revaluation and only if there "is insufficient data in such town based on bona fide sales of comparable property" - as currently stated in section 12-63b of the Connecticut General Statutes. If this information is questioned by that assessor, then a certified auditor report conducted and signed by a certified public accountant should suffice as a means of checking the financials in question.

Thirdly, if Raised Bill 5801 was to pass it would grant a great deal of people access to the multi-family property owner's financials. The proposed legislation would potentially give the assessor and their designees, a certified public accountant, a revaluation company and the revaluation company's employees access to not only income and expense reports but also general ledgers, balance sheets, disbursement ledgers, financials statements, invoices, operating expense reports, building and leaseholder ledgers and much more. Also, where will this information be stored once it is handed over? In public municipal buildings that have many employees and daily visitors? There is too great a possibility that confidential financial information can fall into the wrong hands from an owner's perspective. With identity theft and check fraud being a prominent problem, and given the growing effort in the U.S. to protect the privacy of financial information, this feature of the legislation is very worrisome. Again, a certified auditor report should suffice, but only if the information is questioned and only if it is required to be given on a year of revaluation as is currently stated in the statute.

Fourthly, there are other adequate means by which assessors can ascertain the value of a property. Market data is now readily available online and town records are available. If real estate agents use online market data to compare properties and determine valuations for a sale for large-scale

transactions, then why can't a municipal assessor use the same tools to assess the value of a property for tax purposes where a transfer of property is not even involved?

Fifth, the assessor controls the review board and can choose to not hear a multi-family property owner's appeal if the assessed value of their property is greater than \$500,000, which accounts for 98% of multi-family properties. A property owner then has no other recourse except to litigate, which is extremely expensive. It is unfair to expect property owners to divulge large amounts of financial information to an assessor when there isn't even a right to appeal the assessment.

Finally, Raised Bill 5801 sets unreasonably high penalties for not complying with the language of the proposed legislation. Thirty days in jail and a \$100 fine as well as a twenty five percent increase in the assessed value of such property as a penalty for not providing potentially sensitive financial information or for not testifying in an assessment audit is excessive and unjustified.

It is for all of the aforementioned reasons why *the Connecticut Apartment Association strongly opposes Raised Bill 5801.*

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