TESTIMONY OF THE CONNECTICUT LIGHT & POWER COMPANY

CONCERNING S.B. 535

AN ACT CONCERNING PROPERTY TAX RELIEF FOR OWNERS OF RESIDENTIAL REAL PROPERTY ABUTTING REAL PROPERTY ON WHICH ABOVE GROUND ELECTRIC TRANSMISSION LINES ARE LOCATED.

Summary
Section 1 of SB 535 (the "Bill) would provide for cash payments from municipal treasuries to property owners who live nearby one specific type of utility infrastructure, without treating owners of other property adjoining other types of utility infrastructure equally.

Section 2 of is confusing and unclear. It either adds nothing to existing law or - if it is construed to make a change in existing law - will likely greatly decrease municipal tax revenues.

Both sections unreasonably stigmatize and single out overhead electric transmission lines above 345-kV.

For the reasons given in this testimony, The Connecticut Light and Power Company ("CL&P") respectfully submits that this legislation should not be adopted.

Reasons for Opposition

Section 1
Section 1 of the Bill requires towns to distribute to certain property owners ten percent of the tax revenues realized from the addition of one specific type of utility infrastructure to the grand list. That one type of infrastructure is "above ground electric transmission lines with a capacity of more than three hundred forty-five kilovolts." The only property owners who receive a payment under this scheme are the owners of "residential real property abutting real property on which above ground electric transmission lines are located." Thus, as written, the Bill would distribute revenues allocable to new transmission lines above 345-kV to the owners of property abutting above ground transmission lines of any voltage class. It is not clear whether this is an intentional result. The drafters may have meant for the cash to be distributed only to owners of property abutting lines above 345-kV.

Transmission lines above 345-kV are not the only type of utility infrastructure that provide revenues to municipalities, and not the only type of structures that are constructed in a specific location, but benefit the community at large. Electric transmission lines of other voltage classes, both aboveground and underground;

natural gas transmission lines; telecommunications towers; electric generating plants; and railroad tracks and stations, to name just a few types of utility infrastructure, do so as well. If the legislature is going to require cities and towns to distribute funds derived from taxation of utility infrastructure to individual property owners, there is no reason to single out transmission lines above 345-kV.

This section of the bill will be unfair and discriminatory to landowners and unfairly singles out one type of utility infrastructure. It should be stricken – or expanded to cover revenues from all types of utility infrastructure and all landowners who live nearby such infrastructure.

Section 2

Section 2 of the Bill would amend current Section 12-113 of the General Statutes, which authorizes the adjustment of property tax assessments by local boards of assessment appeals. The amendment would authorize "any property owner who believes that the value of real property has been reduced because of an above ground electric transmission line with a capacity of more than three hundred forty-five kilovolts" to take an appeal to the Board of Tax Review and to submit "any evidence the property owner deems necessary as evidence of such decrease."

Section 12-113 in its present form already broadly authorizes local review boards to reduce the assessment of any property; and Section 12-117a provides a further opportunity for a property owner to appeal an assessment to court, and gives the court broad discretion "to grant such relief as to justice and equity appertain."

Under this grant of authority, boards of tax review and courts may consider any and all factors that affect the fair market value of taxable real estate. For instance, courts have often ruled that the value of a property is reduced by the burden of an easement, such as one for a road, sewer, drainage, or electric or gas transmission facilities.

Accordingly, boards of tax review and courts are already empowered to reduce property tax assessments to reflect the burden of utility easements - or any other factor that is proven to affect the market value of the property. Adoption of a provision that concentrates on electric transmission lines above 345-kV would only confuse and disrupt the careful scheme of rules for processing tax appeals that the courts have worked out over the years.

For instance, if construed to convey any rights that property owners do not already have, the loose language in the Bill has the potential to significantly reduce municipal tax rolls. Does the bill authorize tax relief to be granted to any property owner who "believes" that the value of his property has been affected,

regardless of whether or not he proves what the fair market value of his property actually is, as other property owners have always been required to do in order to obtain tax relief? Note also that the Bill would authorize appeals not just by owners of property subject to transmission line easements, but by anyone, anywhere who "believes" the value of his property has been affected by the transmission lines, wherever the lines are in relation to the property.

Thank you for the opportunity to submit these remarks. For further information, please contact Peg Morton, Vice President, Governmental Affairs, Northeast Utilities Service Company, at (860) 665-3590