



CCM 2012 Testimony

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PLANNING & DEVELOPMENT COMMITTEE

February 22, 2012

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 90% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

H.B. 5158 An Act Concerning the Assessment of Buildings Under Construction

CCM supports H.B. 5158 as a common sense proposal that would clarify local governments' authority to assess partially constructed properties.

Although there are several statutory references to municipal authority to assess properties (CGS 12-63; 12-55; 12-53), HB 5158 would specifically identify "improvements that are partially completed or under construction" as properties that are assessable – and would therefore, conform state law to generations of public policy standards.

Passage of **HB 5158** would generate an immediate, positive impact on all 169 towns and cities by protecting over \$30 million in local property tax revenue, statewide (*see the attached town-by-town survey results, according to the Connecticut Association of Assessing Officers*). The opposite of HB 5158 – to not clarify local authority to assess, and to place this critical revenue stream in jeopardy – would devastate *all* local budgets, not just some.

Simply put, even partially constructed properties have some level of fair market value within their communities. In fact, Connecticut's property tax system functions on the core principle known as "ad valorem" (Latin for "according to value") – which ensures local taxing authorities (towns and cities) perform appraisals of the monetary values of local properties, which are then assessed in proportion to that value.

Improvements to properties that are partially complete or under construction, that would ordinarily be assessed, have never been exempt from these local taxing policies. Evidence of this fact is implicit in GCS 12-88, which stipulates that those properties ordinarily exempt from local property taxes (i.e. churches, hospitals, etc.), are also exempt from partial assessments while under construction. This stipulation therefore, acknowledges the fact that other "taxable" properties shall be assessed while partially complete or under construction.

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Opponents of this issue have attempted to reverse state law and carve-out such properties from this centuries-old taxing policy. Last session, SB 505, would have prohibited towns and cities from collecting property taxes on partially-completed construction sites. Members of the Planning and Development Committee wisely defeated this measure as a costly unfunded state mandate on municipalities.

This session -- HB 5158 would therefore, be a simple legislative solution -- and a logical means of protecting your hometowns' scarce yet, much-needed property tax revenues.

CCM urges committee members to **favorably report H.B. 5158.**

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If you have any questions, please contact Bob Labanara at rlabanara@ccm-ct.org or Ron Thomas at rthomas@ccm-ct.org, or via phone at (203) 498-3000.

Attachment: Survey results, as conducted by CAAO

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Survey results, as conducted by CAAO

TOWN	2011	
	Incomplete Assessment Value	Revenue Loss
Andover		\$16,325.00
Ansonia		
Ashford	1,327,800	\$33,991.68
Avon	5,000,000	\$125,200.00
Barkhamsted	356,700	\$8,567.93
Beacon Falls	411,335	\$11,517.38
Berlin	13,405,035	\$328,423.36
Bethany		
Bethel	5,720,240	\$132,938.38
Bethlehem	9,844,700	\$248,283.33
Bloomfield	4,838,540	\$163,058.80
Bolton	1,550,000	\$45,229.00
Bozrah		
Branford	26,130,680	\$634,191.60
Bridgeport		
Bridgewater	750,000	\$12,187.50
Bristol	131,024,220	\$3,569,099.75
Brookfield	8,440,750	\$168,308.56
Brooklyn	563,300	\$12,606.65
Burlington	3,973,060	\$106,279.36
Canaan		
Canterbury	7,897,500	\$167,427.00
Canton	2,000,000	\$52,160.00
Chaplin	3,260,700	\$98,310.11
Cheshire	4,400,000	\$118,102.00
Chester		
Clinton	3,379,370	\$84,281.49
Colchester		\$454,686.82
Colebrook	754,800	\$19,625.00
Columbia	1,441,200	\$33,940.26
Cornwall	402,750	\$5,034.00
Coventry	2,100,000	\$56,700.00
Cromwell	4,110,420	\$118,000.00
Danbury		\$900,000.00
Darien		\$150,000.00
Deep River	4,997,650	\$121,342.94
Derby		
Durham		
East Granby	168,627	\$4,552.93
East Haddam	2,614,010	\$55,155.61
East Hampton	9,517,207	\$244,401.88
East Hartford	118,650	\$4,083.93
East Haven	18,800	\$499.89
East Lyme	5,276,110	\$102,736.41
Eastford	1,214,770	\$25,813.86
Easton	761,108	\$17,467.43
East Windsor	3,842,670	\$93,667.39
Ellington		\$113,186.98
Enfield	415,230	\$9,915.69
Essex	5,376,700	\$96,673.07

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TOWN	2011	
	Incomplete Assessment Value	Revenue Loss
Fairfield	56,783,860	\$1,275,933.33
Farmington	7,415,050	\$157,718.11
Franklin	516,410	\$10,607.06
Glastonbury	15,747,100	\$473,200.36
Goshen	3,931,270	\$58,969.05
Granby	5,979,750	\$179,990.48
Greenwich	311,000,000	\$3,144,521.00
Griswold	2,824,500	\$52,902.89
Groton		\$3,042,300.00
Guilford		
Haddam	2,727,150	\$76,987.44
Hamden	963,350	\$33,492.89
Hampton	0	\$0.00
Hartford	118,650	\$4,083.93
Hartland		
Harwinton	1,776,072	\$42,448.00
Hebron	220,290	\$6,665.98
Kent	2,313,300	\$33,010.79
Killingly	850,000	\$16,320.00
Killingworth		
Lebanon	15,000	\$342.00
Ledyard	1,062,671	\$29,680.40
Lisbon	1,905,034	\$32,195.07
Litchfield		\$495,378.57
Lyme	497,731	\$67,193.62
Madison		
Manchester	2,529,300	\$71,275.67
Mansfield		\$55,135.00
Marlborough	202,248	\$5,501.15
Meriden		
Middlebury	8,697,900	\$243,541.20
Middlefield	339,400	\$9,557.50
Middletown		
Milford	6,700,000	\$174,200.00
Monroe		
Montville		
Morris	1,535,690	\$31,988.00
Naugatuck		
New Britain	22,463,700	\$822,845.33
New Canaan	10,000,000	\$138,530.00
New Fairfield		
New Hartford	561,149	\$13,579.81
New Haven		
Newington	425,030	\$12,759.40
New London		
New Milford	13,142,010	\$348,788.95
Newtown	4,400,000	\$107,228.00
Norfolk		
North Branford	800,000	\$22,200.00
North Canaan		

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TOWN	2011	
	Incomplete Assessment Value	Revenue Loss
North Haven	8,584,380	\$227,829.45
North Stonington		
Norwalk	11,500,000	\$276,000.00
Norwich	38,805,000	\$1,118,748.15
Old Lyme		
Old Saybrook	9,857,400	\$138,595.04
Orange	24,496,500	\$739,794.30
Oxford	8,046,900	\$186,768.55
Plainfield	3,504,780	\$72,864.38
Plainville		
Plymouth	3,590,860	\$113,112.09
Pomfret	1,044,720	\$24,091.24
Portland	925,000	\$27,000.00
Preston	1,500,000	\$29,145.00
Prospect		
Putnam	12,000,000	\$167,280.00
Redding	564,620	\$12,822.00
Ridgefield	450,000	\$150,000.00
Rocky Hill	8,024,450	\$196,599.03
Roxbury	5,285,440	\$62,896.74
Salem		
Salisbury		\$1,588,470.00
Scotland	5,000	\$150.35
Seymour	2,128,200	\$58,780.00
Sharon	2,189,200	\$248,474.20
Shelton		
Sherman	2,025,000	\$32,000.00
Simsbury		
Somers	1,312,200	\$29,025.86
Southbury		
Southington	10,332,070	\$250,862.66
South Windsor	5,346,000	\$153,857.88
Sprague		
Stafford	2,121,650	\$61,442.98
Stamford	75,575,790	\$1,301,545.42
Sterling	1,243,670	\$26,253.87
Stonington	27,194,000	\$425,042.22
Stratford	25,160,310	\$859,224.59
Suffield	7,460,530	\$180,321.01
Thomaston	734,650	\$22,400.00
Thompson	646,098	\$13,574.52
Tolland	1,715,400	\$50,998.84
Torrington	876,911	\$28,499.61
Trumbull	17197600	\$429,940.00
Union	241,820	\$5,573.95
Vernon	10,811,090	\$323,251.59
Voluntown	1,300,000	\$31,421.00
Wallingford		
Warren	3,510,710	\$43,006.20
Washington	2,322,710	\$25,549.81

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TOWN	2011	
	Incomplete Assessment Value	Revenue Loss
Waterbury	129,400	\$54,113.01
Waterford		
Watertown	3,321,100	\$77,448.05
Westbrook	4,000,000	\$67,840.00
West Hartford	2,196,553	\$33,455.90
West Haven		
Weston	11,500,000	\$276,000.00
Westport		\$80,000.00
Wethersfield	12,100,100	\$380,185.14
Willington	1,200,460	\$28,306.85
Wilton	7,372,820	\$153,723.30
Winchester	12,500,000	\$318,000.00
Windham	2,698,640	\$84,923.36
Windsor	7,177,240	\$201,178.00
Windsor Locks		
Wolcott	4,579,520	\$103,909.31
Woodbridge	2,000,000	\$67,000.00
Woodbury	7,785,940	\$167,000
Woodstock	1,680,900	\$30,962.18
TOTAL:	1,185,727,612	\$31,912,301.57