



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

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*Your Home
Is Our
Business*

March 18, 2013

To: Senator Steve Cassano, Co-Chairman
Representative Jason Rojas, Co-Chairman
Members of the Planning and Development Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **SB 693 AAC Property Tax Relief for Businesses Affected by Major Construction Activities**

The HBRA of Connecticut is a professional trade association with about nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. Our members build between 70% to 80% of all new homes and apartments in the state each year.

With apologies for not first speaking with the leadership of the committee to learn more about this legislation, we express concerns about its undefined language and potential for both litigation and abuse by local zoning commissions.

First, we do not understand the connection between property tax liability to be reimbursed and the disruption to a business affected by major construction activity. What if the disruption does not cause any financial harm to the business, but merely an inconvenience? And, the financial affect on a business that results from disruption of its operations due to "major construction activities" is likely to have no correlation to the property taxes such business pays. Property taxes and, therefore, the amount of a financial guarantee that would have to be posted, could be much higher than the financial impact from construction activities. The financial impacts on a disrupted business would also vary greatly depending on what type of business is involved (e.g., retail or medical office with many daily trips, versus other facilities with only shift change trips). Also, what if the construction activity causes only a six month disruption but once completed creates a tremendous financial advantage for previously impacted businesses?

Requiring the posting of a financial guarantee could also be extremely expensive for what may be unknown and only potential disruptions. Who chooses the amount of the guarantee? How is it to be calculated? What guards a development applicant against overreaching by a zoning commission or town engineer? Finally, the definition of major construction activity needs further objectivity and clarity to avoid unintended consequences or abuse by a zoning commission. For example, what does "interrupt" mean? What does "likely to interrupt" mean? What does the "normal" operation of a business mean, and what happens when there are multiple types of businesses with different types of operations that might be impacted by construction activity? Why are only for-profit businesses protected and not the operations of non-profit businesses, which also must earn revenue from their operations?

We urge you to not pass SB 693 without addressing these questions. Thank you for considering our views on this important matter.