



**Testimony of
Bonnie Stewart
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Connecticut Business & Industry Association
Before the
Planning and Development Committee
Hartford, CT
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Good afternoon. My name is Bonnie Stewart and I am Vice President of Government and Public Affairs & General Counsel for the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 job creators throughout the state of Connecticut ranging from one-person businesses to large corporations. The majority of our members have fewer than 25 employees.

I would like to express CBIA's concerns with, and therefore opposition to, **HB 5183**, An Act Concerning Attorney Fee Agreements in Municipal Tax Appeals.

In order to remain competitive, the members of the CBIA must ensure that the property tax assessments of the commercial properties they own and lease are fair and equitable. On those occasions when they are not, our members must avail themselves of the opportunities provided to them under Connecticut law to appeal the assessments. That usually means initial appeals to the local Boards of Assessment Appeals or BAAs. As you know, the BAAs are not obligated to hear commercial property appeals when the property at issue is assessed at over \$1,000,000. This option to summarily deny an appeal without a hearing is exercised by many BAAs throughout the State. Those BAAs that do hear commercial property appeals are often reluctant to make changes to the assessments for a variety of reasons. The result of all this is that many commercial property tax appeals must of necessity be filed in court.

If a taxpayer must go to court to seek redress, they should have the ability to select competent counsel of their choosing and enter into a fee arrangement with that attorney that is suitable to them. This may mean a fee calculated based on the outcome of the appeal, particularly when the need to challenge an inequitable assessment is unanticipated and unbudgeted. **HB 5183** unfairly restricts a commercial taxpayer's access to counsel of its choosing and the courts for the following reasons:

- The bill restricts the ability of certain commercial taxpayers to structure a contingent legal fee arrangement that reflects the unique facts and circumstances of their particular appeals as well as their business objectives.
- The bill does not allow informed property owners to waive the restriction if they wish to do so.

As you may know, many municipalities in Connecticut hire private firms or individuals to conduct business personal property tax audits on a contingent fee basis. This practice has raised serious concerns in the business community but continues without any restrictions. It is a troubling irony that this practice is allowed to continue without any limitations while at the same time **HB 5183** is working its way through the legislative process.

HB 5183 will have the effect of imposing unreasonable and unnecessary restrictions on the ability of commercial taxpayers, including members of the CBIA, to pursue equitable property tax assessments through the courts with the assistance of experienced attorneys at the very time that we are trying to make Connecticut more business friendly. The CBIA opposes the arbitrary and inflexible limitations contained in **HB 5183**.

Thank you for the opportunity to express our concerns.