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February 18, 2016

TO: The Hon. Catherine A. Osten, Co-Chair; The Hon. Philip J. Miller, Co-Chair; The Hon. Steve Cassano, Vice-Chair; The Hon. Michael D'Agostino, Vice-Chair; The Hon William Aman, Ranking Member; The Hon. Art Linares, Ranking Member and the members of the Planning and Development Committee

VIA E-MAIL: pdtestimony@cga.ct.gov

RE: Opposition to House Bill 5183: An Act Concerning Attorney Fee Agreements in Municipal Tax Appeals

We wish to thank this Committee for considering this written testimony in opposition to House Bill 5183. Our firm has had an active valuation practice for nearly thirty (30) years, and over that time has pursued many real estate tax assessment appeals. Our attorneys have represented commercial and residential property owners before local Boards of Tax Review and Assessment Appeals, in Superior Court and in the Connecticut Supreme Court. We urge rejection of House Bill 5183 for two main reasons:

House Bill 5183 is Anti-Consumer:

The fee structure in tax appeals is chosen by the client/property owner, not the firm. Over the years, we have represented commercial property owners in tax assessment appeals utilizing various fee structures, including hourly, contingency and flat fee. Many of our clients, particularly those who own properties in multiple states, insist on a contingent fee arrangement as a matter of company policy. In some circumstances, requiring a commercial property owner to prosecute an appeal on an hourly fee basis will have a chilling effect, and the fixed costs of an appeal may lead an aggrieved property owner to accept an assessment that is excessive and/or disproportionate. For this reason, House Bill 5183 undermines the spirit of our long-standing assessment appeal statutes and is anti-consumer.

House Bill 5183 Unfairly Favors Municipalities:

Municipalities already enjoy an economic advantage in tax assessment appeals; and that advantage would become even greater with the passage of House Bill 5183. Many municipalities in litigated tax appeals are represented by a town attorney or corporation counsel who is already on the municipal payroll. Therefore, the cost to the municipality for legal representation in a given appeal is incremental. Further, in most litigated cases, the municipality negotiates a

favorable fee with the real estate appraiser retained as an expert witness, because the appraiser acts as an expert in multiple appeals for the municipality. On the other hand, the individual commercial property owner must pay for legal services and for an expert appraiser without the same economies of scale. The passage of House Bill 5183 would further tilt the tax appeal process in favor of municipalities, to the detriment of aggrieved commercial property owners.

Therefore, we respectfully urge the Planning and Development Committee to reject House Bill 5183.

Sincerely,

Michael J. Cacace | Paul T. Tusch | Mark P. Santagata