



February 18, 2016

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

OPPOSITION TO HOUSE BILL 5183
“An Act Concerning Attorney Fee Agreements in Municipal Tax Appeals.”

**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**

I am writing in opposition to House Bill 5183, on behalf of SL Green Realty Corp. SL Green is an S&P 500 company, with a portfolio consisting of 73 office and retail properties across Connecticut, New York and New Jersey, with interests in over 30.5 million square feet in Manhattan and 5.1 million square feet in suburban locations, including properties in Stamford and Greenwich.

As an organization that does business throughout the tri-state, we have our finger on the pulse of the commercial real estate community and our perspective is broader than just Connecticut. In those circumstances when it is necessary to challenge a Connecticut real estate tax assessment, our practice and strong preference is to retain experienced legal counsel on a contingent fee arrangement, where the attorney’s fee is calculated based on a percentage of tax savings, if any, achieved as a result of the appeal. Simply put, if there is no tax savings, we do not pay any fee to the attorney.

However, an assessment appeal is never “free” for any property owner. There are usually significant expenses (appraisal expenses, expert witness fees, Court costs, etc.) incurred in any appeal. Therefore, we only pursue appeals that have significant merit. As a matter of policy, we do not bring tax appeals in marginal cases, and working with legal counsel on a contingent fee basis aligns us completely with counsel on this point.

We understand that municipal assessors have a difficult job in the mass appraisal process, but sometimes mistakes are made and must be corrected. That is why the tax appeal process exists. There is no legitimate reason for the Connecticut legislature to treat commercial property owners with a value over a certain figure differently from other property owners or restrict our freedom to contract with counsel on terms that we deem fair.



If we are required to retain legal counsel for tax appeals in Connecticut on an hourly fee basis, it will increase our cost of doing business here, as we would need to build in a legal fee budget to challenge inequitable assessments. New York and New Jersey, Connecticut's direct competitors, impose no such limitation. On its face, House Bill 5183 will place Connecticut at a competitive disadvantage.

For the foregoing reasons, I encourage this Committee to reject House Bill 5183.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Caggainello". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Greg Caggainello
SVP – Asset Management/Controller