

COST REDUCTION

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Testimony of Jeffrey C. Dexter

In OPPOSITION to House Bill No. 5183
"An Act Concerning Attorney Fee Agreements in Municipal Tax Appeals"
Planning and Development Committee

Via e-mail: pdtestimony@cga.ct.gov

I appreciate this opportunity to voice my opposition to HB 5183. As a property tax consultant for over 25 years, I am very familiar with the industry, the Connecticut real estate assessment appeal process and the benefits taxpayers receive upon successful appeal. As a Connecticut taxpayer, I have read the proposed bill many times to try and find a strong and valid reason for its proposal but I can only see it as an attempt to restrict the number of tax appeals, which, if allowed, would drastically increase the cost of doing business in Connecticut.

Here, specifically, are reasons I am opposed to this:

- The restrictions this bill places on taxpayers limits taxpayer's rights to efficiently appeal over-assessment of one of their largest (and ever-increasing) expenses. It would actually hinder implementation of the assessor's code to provide "fair and equitable" taxation.
- CT statutes go to great lengths to ensure taxpayer rights to appeal. This bill, for many, would remove or block those taxpayer rights.
- This bill puts us on a very slippery slope of public intervention and control of our private, free market system. If a contingency-fee agreement was so wrong and so harmful, 1.) the market would have quickly responded to it and such an agreement would have been forced out of the marketplace many decades ago; and 2.) if taxpayers felt contingency-fee agreements were so onerous or illegal, they would be the ones asking their legislators to propose a bill to restrict or eliminate such agreements...and they are not.
- Common sense makes it more than clear that appeals under a contingency-fee agreement *reduce and prevent* frivolous appeals that otherwise would be wasting valuable assessor (and BAA) time and clogging our courts. In my opinion, a governmental, strong arm tactic to force taxpayers not to use this type of agreement would not only hurt all taxpayers with properties assessed over \$1.5 Million, it would backfire and actually *increase* the number of frivolous appeals in towns and Superior Court.
- This bill would unleash yet another totally unnecessary level of bureaucracy (i.e. a complicated enforcement and punishment system) that meddles with and prevents a process already in place to handle excessive tax assessments.

46 Grickis Street
Naugatuck, CT 06770
(203) 729-1889
1-800-790-0922
FAX (203) 729-1771
E-mail:
Cut.Costs@att.net



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- Taxpayers are the employers of our *public* officials. To have assessors, mayors, selectmen, etc. try to dictate how taxpayers can sign *private* agreements to appeal over-taxation is, to me, plainly wrong.
- Such a bill would eliminate any incentive to reach a quick resolution of appeals and, therefore, actually *increase* most Town's skyrocketing legal expenses...already the bane of most town's taxpayers. No town wants *even higher* legal expenses.
- Towns all over our state (and nation) routinely utilize contingency-fee agreements in efforts to fairly and efficiently collect unpaid taxes, tax liens, water bills, delinquent traffic ticket fees, etc. etc. They know firsthand the many benefits of this type of fee agreement. Legislators voting in favor of this bill would be telling taxpayers "Your local governments can use this very efficient fee arrangement to save money but *you* cannot use it to reduce excessive tax assessments." Not only is that hypocritical, it's patently unfair and makes no sense.

In closing, while I can sense and understand some assessors' frustration dealing with frivolous appeals, having been in the business for 25+ years, I have to believe this is a very small number of all appeals. More importantly, our current appeal process, in place for decades, ferrets out appeals without merit and "dis-rewards" consultants, attorneys and taxpayers (who would wrongly submit them) with no financial gain and wasted time.

This proposed bill is very unnecessary, is unfair to taxpayers and it undermines both our free market system and the rights of all taxpayers to appeal over-taxation....the basis on which our country was founded. Please vote NO to HB5183. Thank you for your time and consideration.