

Finance, Revenue and Bonding Committee JOINT FAVORABLE REPORT

Bill No.: SB-1100

AN ACT CONCERNING THE FAILURE TO FILE FOR CERTAIN GRAND LIST

Title: EXEMPTIONS.

Vote Date: 4/22/2021

Vote Action: Joint Favorable

PH Date: 4/20/2021

File No.: 671

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SPONSORS OF BILL:

Finance, Revenue and Bonding Committee

REASONS FOR BILL:

This bill allows taxpayers to claim a property exemption for specific property and grand lists in Hartford, Middlefield, Middletown and Plainville, notwithstanding certain statutory deadlines.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed

NATURE AND SOURCES OF SUPPORT:

Scott Kerner, CEO of Green Street Power Partners

Mr. Kerner testified in support of sections 2,4 and 5 of the Bill. He stated that Green Street Power Partners is a Stamford based solar energy system financing, development, and operations company with some newly acquired projects in Connecticut. He testified that with the challenges of office shutdowns and other delays brought on by the COVID-19 pandemic, GSPP had a few projects for which those complications resulted in late or inaccurate filings for the solar energy project tax exemption. His written testimony includes the full chronology and outline of what transpired to provide the clearest picture of the events which caused their delays and resulting penalties.

Mr. Kerner stressed that the company seeks to enhance their commitment to Connecticut and to renewable energy overall, and that they hope the Committee will sympathize with the difficulties of the last year and support their request for one time relief.

Deb Polun, Executive Director for the Connecticut Association for Community Action

Ms. Polun testified in support of sections 3 & 4 of the Bill. She stated that CAFCA is a small nonprofit organization located in Middletown. They have four full-time employees that provides training, technical assistance, and other programming to help Connecticut's Community Action Agencies better serve low-income people across the state. She testified that in July 2018, for the first time in over 40 years, CAFCA had moved to its own office space. Unfortunately, due to the location change along with its leadership changes, CAFCA did not file the appropriate paperwork with the City of Middletown thus alerting the City of their nonprofit status resulting in the accrual of owed property taxes. Ms. Poulin hopes that by passage of the bill it will help rectify their situation of owed taxes as our funds are already stretched meeting the needs of their member agencies and the 200,000 low income people they serve annually..

Pedro Soto, Owner and CEO of Hygrade Precision Technologies

Mr. Soto testified in support of the Bill. He stated that in October 2018, he acquired ownership of Hygrade, a precision grinding, lapping and CNC machining service provider serving the aerospace, medical and defense supply chains in Plainville. While the first several months proved his decision to purchase Hygrade correct, the pandemic brought many supply chains to a standstill, greatly impacting the business.

He testified that the 2020 Declaration of Personal Property and Grand List Manufacturing Machinery and Equipment Exemption Claim was due to the Tax Assessor's office on or before November 2, 2020, however due to the stresses and challenges at the time, they required more time to file our exemption claim. Due to a clerical misinterpretation they completed the forms and hand delivered them to the Assessor's office on Thursday November 12th confident that they were granted an exemption. Shortly thereafter in a conversation with the Plainville Assessor that they discovered they were not granted an exemption and that the failure to file in a timely manner would result in an entire loss of their manufacturing exemption along with an additional 25% penalty. With the penalty and loss of the exemption, Hygrade's taxes will increase by over \$50,000.

Mr. Soto stated that the passage of SB1100 would help Hygrade and other companies who fall into similar circumstances to not have to suffer such an enormous penalty for clerical missteps.

NATURE AND SOURCES OF OPPOSITION:

None expressed

Reported by: Dawn Silveira

Date: 5/13/21