



## *Planning and Development Committee*

February 3, 2021

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members representing 168 towns and cities.

### **S.B. 695 “An Act Concerning Penalties for Failure to File Certain Property Tax Assessment Information and Contingency Agreements for Expert Testimony in Certain Tax Assessment Appeals.”**

CCM appreciates the intent in Sections 2 & 3 of S.B. 695, which seek to prohibit contingency fee arrangements in municipal tax appeals. However we would request the Committee amend these sections to more specifically, (1) prohibit contingency fee agreements by, attorneys, appraisers, tax representatives, agents or companies filing a tax appeal, in all municipal tax appeal proceedings, and (2) include language to require that within ninety (90) days of the filing of the appeal, plaintiffs file an appraisal of the subject property completed by a person or a firm licensed to perform appraisals in the State of Connecticut. The failure to file such an appraisal within such time period shall be grounds for dismissal of the appeal.

As amended, Sections 2 & 3 of the bill, will assist municipalities in avoiding numerous and often frivolous property tax assessment appeals, especially following a revaluation. Municipalities in Connecticut have seen a large increase in tax assessment appeals, often at the instigation of out of state companies that file hundreds of nuisance tax appeals with the intent of getting a municipality to settle rather than expend limited financial resources fighting these frivolous claims in court.

The Hartford Business Journal published an article by Matt Pilon in January of 2020, on the subject. It is attached to our testimony. Here are some quotes from that article.

“A key reason why this year’s grand list won’t hit Bronin’s 1.5-percent growth target is because a significant number of commercial property owners successfully challenged their property valuations in court, leading to lower tax bills.”

“Tax appeals have haunted Hartford and other municipalities for years, forcing some cities and towns to deal with hundreds or even thousands of legal challenges annually, creating financial uncertainty as cases drag out in court. Some property owners,

municipal assessors claim, show up to court with little evidence that their valuation is too high, yet often reach a favorable settlement that lowers their tax bill.”

“The city of Hartford is the poster child for the property tax appeal issue. The city’s high property tax rate — 74.29 mills — makes it more likely property owners will challenge their assessments.

The city saw approximately 1,200 appeals filed in 2017, the year the city’s five-year revaluation led to a spike in many commercial-property assessments. In 2018, there were more than 300 property tax appeals.”

**CCM does not seek to limit any residents’ ability to appeal their assessment, we are seeking to repair a broken system that limits the filing of numerous costly and frivolous claims.**

Again, we would ask the committee to amend the language under both Connecticut General Statutes section 12-117a and 12-119 to, (1) prohibit contingency fee agreements by, attorneys, appraisers, tax representatives, agents or companies filing a tax appeal, in all municipal tax appeal proceedings, and (2) include language to require that within ninety (90) days of the filing of the appeal, plaintiffs file an appraisal of the subject property completed by a person or a firm licensed to perform appraisals in the State of Connecticut. The failure to file such an appraisal within such time period shall be grounds for dismissal of the appeal.

CCM urges the Committee to amend S.B 695 as suggested above.

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If you have any questions, please contact Donna Hamzy, Advocacy Manager of CCM at [dhamzy@ccm-ct.org](mailto:dhamzy@ccm-ct.org) or (203) 843-0705.