

Finance, Revenue and Bonding Committee JOINT FAVORABLE REPORT

Bill No.: Senate Bill 452

AN ACT CONCERNING THE PORPERTY TAX APPEALS PROCESS AND THE PENALTY REALTED TO THE SUBMISSION OF INCOME AND EXPESNSES

Title: INFORMATION RENTAL PROPERTIES

Vote Date: 04/03/2024

Vote Action: Joint Favorable

PH Date: 03/28/2024

File No.: 600

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SPONSORS OF BILL:

Finance, Revenue and Bonding Committee, Senator John W. Fonfara, 1st District

REASONS FOR BILL:

This bill [proposes several amendments](#) to the property tax appeals process and penalties for non-compliance with income and expense reporting for rental properties. Additionally, the bill removes the option for the board to waive appeal hearings for high-value properties and extends the deadline for submitting appeal requests under certain conditions.

This legislation purports to enhance the efficiency and fairness of the property tax appeals process and ensure compliance with income and expense reporting requirements for rental properties. By setting clear deadlines for filing appeals and providing notification of hearing dates, the bill aims to streamline the process and reduce delays.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[Daniel Swift, Principal, Ryan LLC](#), offers his support, arguing that this bill addresses several current issues in the property tax appeal process. This act removes the ability of boards of assessment appeals to refuse certain appeals, ensuring property owners have a fair opportunity to be heard and mandates assessors to provide property owners with information on how property valuations were determined, facilitating more effective hearings. In addition, Mr. Swift claims this bill will reduce the burden on judicial resources and make it more accessible for property owners. Swift believes these changes will increase fairness and transparency in the property tax appeals process, benefiting both property owners and

localities. He urges the Committee to support Senate Bill 452 and offers to answer any questions.

NATURE AND SOURCES OF OPPOSITION:

[Ryan Aylesworth, Town Manager, Town of Mansfield](#), highlights several concerns with the bill. He claims it creates inefficiencies, costs the town money, and disrupts the budget process. He further expressed that it circumvents existing legislation and interferes with deadlines for completing duties related to the Board of Assessment Appeals (BAA), imposing additional burdens on the BAA, which may lead to difficulties in recruiting candidates for these positions. In summary, he testifies Senate Bill 452 only benefits one group of property owners while negatively affecting others.

[Dana Barrow, First Selectman, Town of Scotland](#), emphasizes that the Connecticut BAA process is already complex, and asserts that this bill would exacerbate this issue by interfering with the BAA's ability to complete their duties. Furthermore, he states the mandates included in the bill will raise these costs for towns; burdening property owners.

[Kathleen Blonski, Town Manager, Town of Farmington](#), expresses concerns about its implications for the property tax appeals process and penalties related to income and expense information submission for rental properties. She argues that the proposed legislation would introduce significant changes to assessment and appeals processes in Connecticut, placing undue burden on local boards of assessment appeals and adding complexity to the process, ultimately at the expense of local taxpayers. Furthermore, the testimony suggests that the proposed alterations to the appeals process would burden volunteer members of boards of assessment appeals and the assessor's office, potentially extending the budgeting process. Finally, Blonski asserts that the changes seem geared towards protecting the interests of large property owners. In conclusion, the speaker advocates for maintaining the current law, arguing that it already provides sufficient penalties to ensure timely report submission.

[John Burt, Town Manager, Town of Groton](#), asserts that the proposal to extend hearing dates will result in unnecessary delays in the municipal budgeting process. He also shares that Groton conducted a revaluation in 2021 of commercial property tax appeals finding that newer legislation is working as cases have been withdrawn saving time and money for both property owners and municipalities.

[John Chaponis, Tax Assessor, Town of Colchester](#), states that The Town of Colchester strongly opposes the bill as it makes significant and unvetted changes to Connecticut's assessment and appeals processes. These changes would be difficult or impossible to implement, unnecessary, and financially burdensome for municipalities as unfunded state mandates. Furthermore, Chaponis raises concerns about the decline of Hartford due to high commercial property taxes, illustrating the broader consequences of property tax policies. He criticizes the lack of action on property tax studies and express frustration with the proliferation of bills creating exemptions without addressing the underlying issues. Ultimately, the testimony conclude that Senate Bill 452 would undermine fair property taxation, disrupt financial budgeting, and impose significant costs on municipalities and property owners, leading to their opposition to the bill.

Danielle Chesebrough, First Selectwomen, Town of Stonington, respectfully urges opposition to Senate Bill 452, stating that its passage would severely harm municipalities. They argue that the bill's complex timelines would disrupt the budgetary process, particularly with the possibility of extensions. She expresses concern that requiring reasons for decisions from the BAA would deter potential candidates from serving due to increased scrutiny. Additionally, she contends that adding mediation as a third step in the appeals process would increase costs for both municipalities and taxpayers without clear guidelines. Finally, they assert that raising the threshold for providing appraisals after filing a tax appeal to seven million would undermine progress made in resolving appeals efficiently and fairly, leading to increased litigation costs.

Randy Collins, Associate Director of Policy, Connecticut Conference of Municipalities, states that this legislation would reverse changes made during the 2022 legislative session, which helped municipalities by requiring property appraisals for appeals exceeding \$1 million. This requirement has been effective in reducing frivolous appeals, especially from out-of-state companies. Additionally, the bill would introduce mediation for appeals; placing half of the cost on municipalities, and further delaying the budgeting process and creating unfunded mandates.

Mario Coppola, Attorney, Berchem Moses PC, writes on the behalf of the municipalities of New Canaan, Norwalk, Trumbull, Weston, Westport, Wilton and Woodbridge, all which oppose Senate Bill 452. The firm maintains that there is no reasonable basis for the proposed changes, which will have major negative financial impact on Connecticut municipalities and their taxpayers.

Daniel Cunningham, First-Selectman, Town of East Lyme, underscores that this legislation would weaken fair administration of the local property tax and would welcome increased assessment litigation. He explains that this proposal makes wholesale changes to the assessment and appeals process in Connecticut that were never vetted by assessment professionals or any property tax study group. Ultimately, he states these changes would be impossible to implement, notes that some are unnecessary as they already exist, and implementation will come at great financial expense to the municipality as an unfunded state mandate.

Elizabeth Duffy, Tax Assessor, Town of Trumbull, contends that sweeping changes to the assessment and appeals process will impact the town's ability to provide fair assessments and taxation. Ms. Duffy argues that the proposal creates untenable time schedules, extends timelines, and imposes burdens on the BAA. Additionally, she highlights concerns about the burden of proof shifting to property owners and the lack of clarity regarding mediation.

Tammie Fiske, Tax Assessor, Town of Brookfield, criticizes the proposed mediation process for lacking clarity and potentially adding further expenses. She emphasizes the importance of maintaining predictability and stability in municipal finances and highlights the negative impact of reducing penalties for non-compliance with income and expense reporting.

Paul Friia, Tax Assessor, Town of Westport, states that the bill undermines long-standing statutes and the BAAs' ability to hear appeals on commercial properties over \$1 million. They argue that the proposal imposes unnecessary burdens on municipalities, delays the assessment process, and increases costs. Additionally, they criticize the requirement for written reasons from the BAA, stating that it burdens the board and could lead to reductions in the Grand List, ultimately increasing taxes for residential property owners. The Assessor also

highlights concerns about the proposed mediation process and the reduction in penalties for not filing income and expense reports.

Betsy Gara, Executive Director, Connecticut Council of Small Towns, notes that Public Act 22-118, as amended by Section 19 of Public Act 22-146, requires applicants to file a property appraisal with the court within 120 days after filing the appeal for properties assessed at \$1 million or more. Under Senate Bill 452, commercial, industrial, utility or apartment properties assessed at \$1 million or more may completely bypass the appeals process and appeal assessments directly to Superior Court, which is a costly, protracted process that will require municipalities to incur substantial legal and court costs. This undermines the BAA process, which provides an effective mechanism to ensure that property taxpayers and municipalities can resolve issues quickly and efficiently.

David Gardner, Tax Assessor, Town of Farmington, states that the bill would make accurate commercial values more difficult, the local appeals process longer, and the budget process less certain. Furthermore, it will add costs to the appeals court by adding a fourth level of appeal, an undefined meditation period. He asks the legislator to not advance this bill.

Ann Marie Gradoia, Tax Assessor, City of West Haven, expresses strong opposition to the bill, citing concerns over its proposed changes to the property tax appeals process. Specifically, the mandated extension for rescheduling hearings at the BAA would disrupt the budget process. Additionally, requiring the BAA to provide written reasons for each appeal decision would slow down the process and increase workload. The testimony also highlights the negative impacts of allowing certain properties to bypass the BAA, introducing a mediation appeal process, and raising the threshold for property appraisals.

Todd Helems, Tax Assessor, Town of Enfield, notes that this proposal makes wholesale changes to the assessment and appeals processes that were never vetted by assessment professionals or any property tax study group. He asserts that some of these changes would be impossible to implement, some are unnecessary as they already exist, one would weaken fair taxation, and all of them would come at great financial expense to the municipality as unfunded state mandates.

Jody Heon, Tax Assessor, Town of Hampton, shares her experience working within the assessment and appeals system. She explains that the BAA must maintain their right to refuse to hear certain appeals, for the protection of time and financial burdens. Furthermore, she explains that this bill would threaten the integrity of the information needed, create undue strain on this already fragile system and will impede the municipal budgeting process.

Anthony Homicki, Tax Assessor, Town of Darien, outlines concern about the bill's potential negative impact on the local property tax administration in Connecticut. The writer, with 46 years of property assessment experience, argues that the bill is unnecessary and would hinder the ability of assessors to perform their duties effectively. Specific concerns include the proposed requirement for the cost approach to appraise commercial properties, delays in the BAA hearing process, implications regarding mediation costs, and raising the threshold for properties requiring appraisal. Mr. Homicki underscores that these changes would disrupt accountability and delay the annual budget process statewide.

Marcus Irrek, Tax Assessor, City of Milford, emphasizes that the components of the bill were not vetted by tax professionals and would create financial burdens for municipalities. Specific concerns include the complexity and cost of the proposed mediation process, the lack of definition for the mediation process, and the reduction of penalties for non-compliance with income and expense reporting requirements. The testimony emphasizes the importance of maintaining predictability and stability in property taxation and urges opposition.

Angel Johnstone, Tax Assessor, Town of Canterbury, states that the bill would significantly alter the property tax appeals process, undermining established legislation and jeopardizing the budgetary process of towns. It contends that the burden of proof should remain with the taxpayer, not the Assessor, and criticizes the bill for redundant provisions regarding public access to valuation methodology. Additionally, it opposes the requirement for the BAA to provide reasons for their determinations, arguing that it exceeds their expertise and discourages volunteer participation. Finally, it criticizes the proposed penalty changes for non-filing of income and expense data, asserting it would decrease compliance and hinder proper valuation of commercial properties.

Rochelle Lambert, Tax Assessor, Town of Mansfield, cites various concerns about its implications for taxpayers and municipalities. It argues that the proposal would complicate the appeals process, benefitting one property group over another, and impose unfunded costs on towns. Specifically, it criticizes the burden-shifting aspect of the bill, the requirement for the BAA to provide reasons for their determinations, and the lack of expertise among board members. Moreover, it highlights potential flaws in the mediation process introduced by the bill and expresses concerns about its impact on municipalities. The testimony concludes by urging the committee not to advance the bill.

Jason Lawrence, Revaluation Chair, Connecticut Association of Assessing Officers, argues that the proposed changes would be impractical, unnecessary, and financially burdensome for municipalities. Specifically, the testimony criticizes provisions such as rescheduling BAA appointments, requiring written reasons for BAA determinations, and introducing a mediation process without clear guidelines. Additionally, it highlights the potential disruption to the budgetary process and the reduction in compliance with filing income and expense information for commercial and industrial properties.

Jennifer Lineaweaver, Legislative Chair, Connecticut Association of Assessing Officers, underscores that these changes were not vetted by assessment professionals or any property tax study group, and they would impose financial burdens on municipalities. The proposal introduces complex procedures, extends timelines, and adds costs without clear benefits. Additionally, it imposes burdens on the BAA, potentially hindering their effectiveness. The introduction of a new appeal process called "mediation" lacks clarity and could further complicate matters. The current system, established by Public Act 22-118, has already reduced frivolous appeals and ensured fairness to taxpayers. Senate Bill 452 threatens to reverse these improvements by eliminating requirements for appeals and reducing penalties for non-compliance with income and expense reporting. The CAAO urges opposition to maintain the integrity of the property tax system in Connecticut.

Chris Lippke, First Selectman, Town of Canterbury, expresses concerns about the bill's inefficiencies, financial costs to the town, and disruption to the budget process. The bill circumvents existing legislation and makes the already complex appeals process even more

burdensome. He argues that the proposed requirements for the BAA to provide reasons for their decisions would exacerbate recruitment challenges and increase costs for the town, ultimately impacting property owners through potential tax increases.

Vincentia Midodzi, Tax Assessor, Town of Bloomfield echoes the comments made by fellow tax assessors.

[John Rainaldi, Tax Assessor, Town of Ellington](#), delineates that, if passed, Senate Bill 452 will fundamentally change the process under which real estate is valued by municipalities for assessment purposes. It will give an unfair advantage to owners of larger, commercial properties, thus negatively impacting Connecticut municipalities and their residents by transferring more of the tax burden to local homeowners.

[Matthew Reed, Town Administrator, Town of Ellington](#), emphasizes that this legislation would strain local boards of assessment appeals, mainly composed of volunteers, and add unnecessary complexity. He argues that the legislation overlooks the reality of mass property appraisals and unfairly shifts the burden of proof onto property owners, potentially delaying resolution and increasing costs for taxpayers. Mr. Reed also expresses concerns about the proposed revision of penalties for failure to file income and expense reports, which could undermine the accuracy of property appraisals and should maintain the current fee structure to ensure timely compliance.

[Jim Rivers, Town Manager, Town of Windham](#), strongly opposes this bill, claiming it will create costs for the town, impede the budget process and create inefficiencies for cities and towns throughout the State. He finds that ultimately Senate Bill 452 only benefits one group of property owners but has negative implications for other property groups and undermines the town's interests.

[Chandler Rose, Tax Assessor, Town of Windham](#), states that there are several issues within this bill that will have a far-reaching negative impact for most municipalities and taxpayers. He claims it creates more complex time schedules, adds unfunded costs to a town and impedes the budgetary process. Finally, he argues that this limits the non-filing penalty causing out filing rates to plummet. He requests the bill is not voted out of committee.

[Mark Walters, Town Administrator, Town of Columbia](#), argues that this legislation creates inefficiencies, cost the town money, and delays the budget process. Ultimately, he urges the legislature to not vote on this bill as this act shifts the tax burden from one group to another; removing equity among all groups.

[Paige Walton, Assessor, Town of Waterford](#), currently serves as the Assessor for the Towns of Canton and Waterford, strongly opposes the bill. She foresees it imposing significant financial strain on municipalities and creating implementation challenges for local assessment appeal boards and offices and echoes the concerns expressed by fellow tax assessors.

RELATED INFORMATION:

[Mary Louw, Catholics for Tax Prosperity](#), provides general comments in her testimony; suggesting repealing taxes on houses of worship and Catholic schools, stating that reducing

taxes will benefit all parishes. She also recommends allocating any raised revenue to support the poor and impoverished.

Reported by: Abigail Nick

Date: April 16, 2024