

Legislative History for Connecticut Act

PA 16-207

SB453

Senate	2427-2431, 2441-2442	7
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**Transcripts from the Joint Standing Committee Public
Hearing(s) and/or Senate and House of Representatives
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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2016**

**VOL. 59
PART 8
2400 – 2750**

/je
SENATE

321
May 2, 2016

Seeing no objection, so ordered, sir. Mr. Clerk.

THE CLERK:

On page 12, Calendar 426, Substitute for Senate Bill
Number 453, AN ACT CONCERNING REMITTANCE OF REVENUE
FORM CERTAIN TRAFFIC FINES TO MUNICIPALITIES.

THE CHAIR:

Good morning, Senator Fonfara.

SENATOR FONFARA (1ST):

We've made it all the way to the morning, Madam
President.

THE CHAIR:

We sure have. Let's not try for the afternoon, sir.

SENATOR FONFARA (1ST):

I will do my best.

THE CHAIR:

I bet you will. I know that.

SENATOR FONFARA (1ST):

Madam President, I move for acceptance of the Joint
Committee's favorable report and passage of the
bill.

THE CHAIR:

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SENATE

May 2, 2016

The motion is on acceptance and passage. Will you remark, sir?

SENATOR FONFARA (1ST):

I will, Madam President, thank you. The Clerk is in possession of an amendment, LCO 5896. Would you please call and I be permitted to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 4, I'm sorry, 5896, Senate A, offered by Senator Fonfara.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA (1ST):

Thank you, Madam President. I move for adoption.

THE CHAIR:

The motion is on adoption. Will you remark, sir?

SENATOR FONFARA (1ST):

Madam President, this amendment simply changes the number of eligible municipalities that can participate in the provision of the underlying bill. I move adoption.

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SENATE

May 2, 2016

THE CHAIR:

Will you remark further on --

SENATOR FONFARA (1ST):

I urge passage.

THE CHAIR:

I'm sorry. Will you remark further on Senate A?
Senator Frantz.

SENATOR FRANTZ (36TH):

Thank you, Madam President. Through you, Madam
President, to Senator Fonfara, a quick question
about the amendment. Does the amendment give 50
percent, 100 percent of the fine revenue back to the
municipality, or how does that work.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA (1ST):

Through you, Madam President. The amendment simply
changes the number of eligible towns. The
underlying bill addresses the distribution of the
fine.

THE CHAIR:

Senator, I'm sorry, Senator Frantz.

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SENATE

May 2, 2016

SENATOR FRANTZ (36TH):

Thank you, and through you, Madam President, okay, so, all right so you answered that question on the underlying bill. So it goes up by a number of towns that are qualified to take advantage of this. Does the amendment or maybe actually the underlying bill, if it is, I apologize, but is it just blocking the box, or is it parking fines?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA (1ST):

Through you, Madam President. Again, that would be under the underlying bill. I think we should address the amendment and then we can get to that.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ (36TH):

Yes, thank you, Madam President, and through you. I'm totally fine with the amendment, and thank you.

THE CHAIR:

Thank you. Excuse me. Are there any further comments on Senate A? If not, oops, I'm sorry. Senator Kelly.

SENATOR KELLY (21ST):

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SENATE

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May 2, 2016

Thank you, Madam President. With regards to the Excel Center, or not the Excel Center, the Webster Bank Arena in Bridgeport, would that be inclusive or exclusive of the [inaudible]. I withdraw my question, Madam President.

THE CHAIR:

Thank you very much, sir. Will you remark further on Senate A? If not, I will try your minds. All those in favor of Senate A, please say Aye.

SENATORS:

Aye.

THE CHAIR:

Opposed. Senate A is adopted. Will you remark further on the bill? Will you remark further on the bill? If not, Senator Fonfara.

SENATOR FONFARA (1ST):

Thank you, Madam President. Madam President, if there is no objection, I would move this to the Consent Calendar.

THE CHAIR:

Thank you very much, sir. Mr. Clerk.

THE CLERK:

On page 10, Calendar 409, Substitute for Senate Bill Number 458, AN ACT CONCERNING THE OFFICE OF THE CLAIMS COMMISSIONER. There are amendments.

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SENATE

335
May 2, 2016

If the Clerk can now call the items on the Consent Calendar and then followed by a vote, please.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 10, 10 409, Senate Bill 458; page 12, Calendar 426, Senate Bill 453; page 23, Calendar 508, Senate Bill 461; page 38, Calendar 125, Senate Bill 21; on page 41, Calendar 269, Senate Bill 371.

THE CHAIR:

Mr. Clerk, will you please call for a roll call vote, and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Immediate roll call on today's Consent Calendar has been ordered in the Senate.

THE CHAIR:

All members have voted? All members have voted?
The machine will be closed. Mr. Clerk, will you please call the tally.

THE CLERK:

On today's Consent Calendar,

Total Number Voting

36

/je
SENATE

336
May 2, 2016

Those voting Yea	36
Those voting Nay	0
Absent and not voting	0

THE CHAIR:

The Consent Calendar passes. Senator Duff.

SENATOR DUFF (25TH):

Thank you, Madam President. I move that all items that need action by the House be immediately transmitted.

THE CHAIR:

So ordered, sir.

SENATOR DUFF (25TH):

Thank you, Madam President. Is Senate Agenda Number 2 on the Clerk's desk?

THE CHAIR:

Mr. Clerk.

THE CLERK:

The Clerk is in possession of Senate Agenda Number 2. It's dated Monday, May 2, 2016.

THE CHAIR:

Senator Duff.

SENATOR DUFF (25TH):

**JOINT
STANDING
COMMITTEE
HEARINGS**

**FINANCE
REVENUE
AND BONDING
PART 2
458 – 926**

2016

So, I appreciate very much so you coming here and testifying here today. I think we have to take a broader perspective of what we are looking at. It is not just millionaires under the general belief that we normally have. And to give you, I guess, anecdotal as the conversations we had last year, I had a closing last week of a very nice home and the individuals that were selling their home whom I represented, specifically said it was because of taxes that they were choosing to move to Florida. That they are retired. That they do not want to pay the income taxes on their retirement benefits, and now they have moved to Florida as well.

So it's a real thing, it does happen, intent can't be reflected in surveys in general speaking, and it is something that we do have to keep in mind moving forward. So I thank you again, Representative Carney. Thank you, Mr. Chairman.

REP. BERGER (73RD): Thank you, any other comments or questions. It appears that there were many comments, not many questions. Thank you for your testimony, Representative.

REP. DAVIS (57TH): Thank you very much, Mr. Chairman.

REP. BERGER (73RD): Mayor Bronin.

MAYOR BRONIN: Thank you very much. Chairman Berger, Chairman Fonfara, ranking members Frantz and Davis, and members of the Finance Committee. Thank you very much for the opportunity to testify and thank you for raising the bills about which I will testify. I am going to testify about five bills today.

SB 447
SB 449
SB 450
SB 452
SB 453

Bank Arena in Bridgeport have successfully sought exemptions before. Dunkin Donuts Park and the DoNo development in Hartford is being developed without state funding, and we believe it is appropriate for revenue generated by the park to benefit the city of Hartford.

Finally, S.B. 453 concerning remission of revenue from certain traffic fines from municipalities would require that half of the fines for blocking an intersection, blocking the box be remitted to the municipality. Just to cut my testimony short here, we spend a lot of resources on traffic enforcement in a city with a high level of commuters and we want to step up our efforts to force against blocking the box which could make life better for all commuters and residents in the city of Hartford and think that it is appropriate that a portion of the revenue generated from that enforcement come back to the city of Hartford. So thank you very much again chairman and ranking members.

REP. BERGER (73RD): Thank you for your testimony mayor. Senator Fonfara.

SB 447
SB 449
SB 450
SB 452
SB 453

SENATOR FONFARA (1ST): Thank you, Mr. Chairman, I will brief. I have to testify or speak on another bill in another Committee which is happening right now, but major thank you very much for coming up today and speaking on these bills and I will just comment quickly that I think everyone in the room and everyone in this building if they haven't heard by now the difficult straits that the city of Hartford is in and the responsibility that you find yourself at the head of and trying to address. I don't think anyone envies that task.

And I would just like to ask you with respect to these initiatives a couple of points. One is with respect to the overall genesis of these bills being here not all in terms of revenue but many of them are in terms of revenue in helping the poor city in the State of Connecticut, by far the poor city in the State of Connecticut, needing different approaches beyond the property tax which is the most punishing at 74 mills of any city or town in this state currently and that is not a direction that I'm sure you're looking to address any of this problem with.

But to the extent that these issues are here not only because of good public policy but as a way to assist the city in more creative ways than we allow to date, I would like you to comment on that if you could.

MAYOR BRONIN: Thanks very much Mr. Chairman. As you know, I share your view that the city of Hartford, which the small city, 17 are so square miles, supporting critically important regional assets as well as the Cedar state government and also serving one of the poorest communities in the entire country is extremely constrained in its ability to deliver the service it needs based on a property tax base that we have.

So the proposals that are on the table and the bills that I just testified on give us some flexibility. Not just in the diversion of revenue screens but also in giving us additional tools to incentivize development so that we can grow the tax property tax base. I do believe that beyond what's in these bills that I just testified about we have to have a broader conversation as a state about the

relationship between our cities and our smaller towns and suburbs.

We have talked as a state for many, many years, decades about regionalism and sometimes it takes a crisis to produce change. I think this may be one of those moments of crisis that calls for change, and I think in the case of Hartford like other cities we need a greater recognition that the region as a whole and the state as a whole has a role and a responsibility in ensuring that urban centers are vibrant and strong.

Senator Fonfara (1ST): Thank you, mayor. Thank you, Mr. Chairman.

REP. BERGER (73RD): Thank you, Senator. Any other comments or questions? Representative Wood

REP. WOOD (141ST): Thank you, Mr. Chair and thank you major. A couple of things stood out, so I have a couple of comments and then a couple of questions. When you said the relationship on regionalism, relationship between urban and suburban districts, needs to be redefined and looked at, it is the first time I heard a rationale for regionalism. I know so many of us that represent suburban areas, and I represent a suburban area and an urban area and the regionalism seems a little, is not formed, it's a little scary, and this gives little more credence to why we need to look at it and it is moments of crisis that helps define this.

So the question is, I also agree with your thought on incentivizing growth through some of the bills you are speaking in support of and incentivizing the growth and the property base in Hartford. What is the mill rate for real estate in Hartford? Because I

know Hartford is the town that bifurcates the car tax and the property tax.

MAYOR BRONIN: Well, it does not bifurcate the property tax and the car tax. The mill rate in Hartford is roughly 74-1/2 mills. There is an assessment differential. So commercial property in the city of Hartford is assessed at the full 70% like all other property in the State of Connecticut. Residential property, at three or fewer units, residential property, is assessed at a lower assessment rate that is closing over a period of time. There is a state law that equalizes that assessment ratio over a period of time. It is currently at 32.5.

So the effective mill rate for residential property is lower but as you can imagine the commercial tax rate which calls on all businesses small and large to pay full freight assessment more than 74 mills is a devastating burden and presents a very challenging economic development obstacle.

REP. WOOD (141ST): A point well made. The last question is what percent of the property in Hartford is tax exempt.

MAYOR BRONIN: More than 50%, approximately 52%, and that has risen, in the past decade you can see that rise from about a third of the property in Hartford to more than a half, and that is a combination, of course, of state property, as well as universities, hospitals, churches, nonprofits.

I would want to make one other point here which is not on the table in any of these bills, but I think it is something that needs to be recognized, and I hope addressed in the future.

The State of Connecticut made important progress last year through S.B. 1 in changing the pilot formula to recognize the needs of urban centers and poor communities. There is still a significant differential between the reimbursement that a city gets for most tax exempt property and the reimbursement that a city gets for state property. So under S.B. 1 most tax exempt property reimburses at 42%, state property is reimbursed at 32%, so for a city like Hartford, which houses its home to a significant amount of state property including some very valuable properties including properties that were recently taken off the tax rolls by the State of Connecticut that differentially adds to the burden.

REPRESENTATIVE WOODS (141ST): Thank you very much. Thank you, Mr. Chair. Thank you major for being here.

REP. BERGER (73RD): Thank you major. Representative Davis

REP. DAVIS (57th): Thank you very much. Thank you, Mr. Chairman, and thank you major for being here today. I certainly don't envy you for the task that you had taken on here with the challenges that the city of Hartford is facing, and I know that many of the decisions were made before you took office. So I appreciate your efforts of trying to at least right the ship as much as possible, as quickly as possible as you are.

I do have a concern with bill 452 in that when the stadium was first announced it was sold to the public that the state would not be involved in any kind financing for the stadium and that the city of

compact we can address the inequity among seeing hiring individuals and bring in and by the way I did not say the figure but it is in my written testimony the estimate is this will bring in 535 million dollars to the State of Connecticut. From New York, it is going to bring in over 3 billion.

In conclusion, while in cutting taxes for the wealthy we really think it is time to make this loop hole in the taxes much more fairer and we urge you to adopt this, JF a bill like this, so it is there if New York, New Jersey, and Massachusetts do this we can do it too and we want to lose out and I think that given the fact that we are facing this massive budget deficit, and it is a time to look at that, but it is also the right thing to do we should do it now. Thank you.

REP. BERGER (73RD): Thank you for your testimony. Comments or questions from Committee members. Seeing none. Thank you for your testimony.

SHELDON TOUBMAN: Thank you. Joe Sculley.

JOE SCULLEY: You have suspenders on. No. I think that is one tradition I probably will not continue. I thank chairman Fonfara and Chairman Berger for this opportunity to testify in opposition to Senate Bill 453 and that concerning remission of revenue from certain traffic fund to municipalities. I am the president of Motor Transport Association of Connecticut. We think that this bill is the perfect example of diversion of revenue that is currently going through this special transportation fund. But now much of that would be going elsewhere.

I think it is a signal that there is an intention to continue to raid the specially transportation fund

to send it elsewhere. We are talking about the lockbox big issue this session and whether this bill was being considered now or a year from now under the hypothetical passage of the lockbox. We do not think it would make any difference. The lockbox would not prevent this diversion of revenue, and I would just add that not only could the fines from walking the intersections be diverted as is proposed by this bill so could fuel taxes registration fees or anything else. You read it just like this bill is written.

We also point to examples in existing law of current things that we believe are diversions that should be going to the special transportation fund, fines for unregistered motor vehicles are remitted to municipalities. There is a 1 dollar surcharge for every 8 dollars of a fine for unregistered vehicles, operating under suspension, and other things that are the surcharges paid to the general fund. There is a 15 dollar surcharge applied to all violations for speeding, reckless driving, and many others that is paid to the municipality. There are so many examples like this.

And I would also just point out that I appreciate the written testimony submitted by the judicial branch which says that if this bill was to pass as is it would result in conflicting statutes, and they would have to re-write one of them to adjust the conflict. I cannot speak for the judicial branch obviously but if they seem to be saying that, yes this is a diversion of revenue. So we strongly urge that this bill be rejected. I would happy to answer any questions.

pg. 4, line 2

MTAC MOTOR TRANSPORT ASSOCIATION OF CONNECTICUT, INC.JOSEPH R. SCULLEY
PRESIDENT

Statement of Joseph R. Sculley
President
Motor Transport Association of Connecticut
Before
The Joint Committee on
Finance Revenue and Bonding
March 18, 2016

**Re: Bill No. 453 AN ACT CONCERNING REMISSION OF REVENUE
FROM CERTAIN TRAFFIC FINES TO MUNICIPALITIES**

I am Joe Sculley, President of Motor Transport Association of Connecticut (MTAC), a statewide trade association, which represents almost 700 companies that operate commercial motor vehicles in and through the state of Connecticut. Our membership includes freight haulers, movers of household goods, construction companies, distributors, tank truck operators and hundreds of companies that use trucks in their business and firms that provide goods and services to truck owners.

MTAC opposes this bill.

MTAC opposes this bill in the strongest of possible terms. It provides that the three municipalities be allowed to receive half of the state traffic fines for blocking an intersection.

This is a perfect example of a diversion of transportation revenue that should be going to the Special Transportation Fund (STF). The legislature is in the midst of considering the "lockbox" proposal, which would be created by Constitutional amendment. This bill should be considered a signal that there is a clear intention to continue to raid the Special Transportation Fund to send transportation revenue to non-transportation purposes, whether there is a lockbox or not. If the current version of the lockbox were to become law, and this bill was being considered next session instead of this session, it would not make any difference. The current version of the lockbox would not stop this diversion of revenue. Not only could this fine revenue be diverted now or after the hypothetical passage of this lockbox, so could fuel taxes, registration fees, or anything else.

Under existing law, there already exists significant diversion of fine revenue, which we believe ought to all be deposited in the STF:

As this bill illustrates, Section 51-56a CGS already authorizes several examples of diversion of what should be STF revenue:



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- Under (b), all of the funds generated by fines for operating an unregistered motor vehicle are remitted to municipalities.
- Under (c), an additional \$1 surcharge is added for every \$8 of fine paid for unregistered vehicles, operating under suspension, speeding, reckless driving, overweight, and more, is paid for municipal police training. This surcharge is paid to the state's General Fund.
- Under (d) a \$15 surcharge is applied to all violations including speeding, reckless driving, left lane operation, improper passing, one way violations, following too close, right on red, at grade crossing, cattle crossing, stop sign, failure to yield and several other violations. This surcharge is paid to the municipality where the violation occurs regardless of whether a local or state official issues the summons.
- Under (e) the STF only gets 12% of the fine for failure to stop for a school bus. The municipality where the ticket is written gets the balance of the fine revenue after the state's General Fund receives 8% of the fine

Now, under this bill, the cities of Bridgeport, Hartford and New Haven would be able to receive 50% of the fine for blocking an intersection.

Not only is this a diversion of revenue, it will incentivize the issuance of tickets.

The cities want state fines to subsidize their budgets. If the Legislature is serious about protecting the STF, this bill ought to be rejected. If this bill goes forward it is further evidence that transportation funding must be protected with a strong Constitutional Amendment....stronger language than currently exists in HJR 1.

STATE OF CONNECTICUT
JUDICIAL BRANCH

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Testimony of the Judicial Branch
Finance, Revenue and Bonding Committee Public Hearing
March 18, 2016

S.B. 453, An Act Concerning Remission of Revenue from Certain
Traffic Fines to Municipalities

Thank you for the opportunity to submit written testimony on behalf of the Judicial Branch regarding S.B. 453, *An Act Concerning Remission of Revenue from Certain Traffic Fines to Municipalities*. The Judicial Branch has some technical concerns with the bill as proposed.

Currently, the fine and Special Transportation Fund (STF) surcharge for the offense of blocking an intersection (C.G.S. §14-250b) are deposited into the STF. Should the Committee decide to act favorably on this bill, the statute that defines STF offenses, C.G.S. §13b-59(g), would need modification to avoid conflicting statutory language. It would not be possible to implement this bill without this change.

In addition, we would respectfully request that the towns to receive these funds be named in the legislation, which could be modified by subsequent legislation as needed. Monitoring changes in decennial census data is problematic because of the lapse between the time the data is compiled and the time of its release. Also, in the event that the towns change, it is unclear whether the town to receive the funds would be the town at the time of the offense, or the town at the time payment was made.

We would also suggest a change in line 24 of the bill, namely, that "all amounts received" be replaced with "the fine amounts received" to avoid conflicting statutory language. "All amounts received" is problematic as it can be misinterpreted to include other fees associated with the ticket that have alternate revenue destinations already established by other statutes.

Thank you for taking our concerns into consideration.