

**MINUTES OF PUBLIC HEARING ON AN ORDINANCE
INCREASING THE LOCAL TAX EXEMPTION FOR VETERANS**

MAY 11, 2004

COUNCIL CHAMBERS

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President Jonathan Harris called the hearing to order at 6:32 p.m.

Present were Councilors Rob Bouvier, Barbara Carpenter, Kevin Connors, Chuck Coursey, Jonathan Harris, Maureen Kelly McClay, Scott Slifka, Art Spada and Carolyn Thornberry.

President Harris: Mr. Slifka since I passed you over could you read in the subject matter?

Vice President Slifka: I would be happy to. It is an ordinance increasing the local tax exemption for veterans.

President Harris: Thank you Mr. Slifka. There have been some changes actually in the past, well it has been going on the past few days but especially today with news from the Capitol, some of the work that we have been doing at the Legislature. I will let Mr. Slifka explain and how it impacts this ordinance.

Vice President Slifka: We have received word today that it appears that within the next day or two a bill will pass the Legislature allowing municipalities the local option to postpone the revaluation for at least a several year period. We are awaiting the details on it and we will be sharing them as soon...

President Harris: Two to three years.

Vice President Slifka: Two to three years.

President Harris: And it will probably will pass tonight.

Vice President Slifka: Now after it passes, obviously it is not law until the Governor signs it so we won't know until about a week from now maybe whether it will actually be an option or not at that point but it is at least I

think it is some good news. At least it does give us one of the options that we were looking for to try to address the potential tax increase and as a result we are suggesting, and as Barry will explain and I see Joanne Ferraresso our Assessor is here, will explain, it necessitates that we table for tonight the ordinance to increase the local tax exemption for veterans. We had originally delayed this to tonight, in other words had not set it up for vote prior to the adoption of the budget for exactly the reasons we are going to table it again tonight which was that we were waiting to see if state law was going to alter what we could do with it in some way and now it appears that that may be the case and I think as Barry will explain if we adopt the option that it looks like we are going to get from the state, as a result most of our veterans would receive less of a benefit under the new exemption than they would under the exemption as it currently stands so we obviously wouldn't want to do that and it is probably best to table this for another two weeks to wait until we know what we are going to do with the revaluation option.

I also, just related to that, I have been in consultation with Barry and his staff today, we have asked for them to begin conducting an immediate review of what the impact of this revaluation option would be. I have asked him to put it on the agenda for Monday's Finance and Budget Committee meeting and I'm suggesting although I don't know that we can set the date today but we can all consult about this later that we set a special meeting for late next week to discuss whether we want to enact the option or not. That of course assumes number one that it is enacted and it is an option; number two it presumes that we are able to complete the in-house review of the work to a sufficient state but Barry assures me that that would be able to be done so I would say with that if Barry could give us the background on what led us here to that decision.

Mr. Feldman: Mr. Mayor if I could, maybe Joanne if you could step to the podium, between Joanne and I we will try to explain what current policy is and what the ordinance deals with and why we are recommending that you table this at least for a week or so. Current policy permits veterans to have a reduction of \$10,000 on their assessed value so a \$100,000 house, \$90,000 assessment you multiply that by the mill rate and you get how much tax the individual pays. What the ordinance before you permits essentially is instead of a flat \$10,000 it presents you with a ten percent with the assumption several weeks ago being that given the increase in value of homes the assessment goes up, the ten percent would actually yield a better

benefit for veterans. Joanne has done some real quick research and I will let her tell you what she has found but essentially if you should, if the Governor signs the bill and if you should in a week or so decide to in essence implement that particular piece of legislation which is to not execute or put in place the new revaluation. This ordinance may actually negatively affect veterans that you want to help.

Ms. Ferraresso: Right in the initial numbers I looked at this afternoon more than half of the veterans of the 280 veterans that are on the October 1, 2003 grand list more than half would receive less of a benefit if you enact the ordinance to postpone the revaluation and we went back to using 1999 calculation tables so it would have a negative impact on more than half of the veterans. It is about 172 of them would actually get less than the \$10,000 current exemption if you went to ten percent.

The other issue that you should consider is that the way that the statute is constructed if we postpone the revaluation let's say to 2006 and our grand list doubled from 1999 to 2006 those values then instead of a ten percent reduction it automatically becomes a twenty percent assessment reduction so of course we wouldn't know what that actual would be until we get there and see what the market values look like but the main issue right now is that if we do go back to the 1999 calculation tables more than half of the veterans receiving the \$10,000 exemption, if you change it to ten percent, would get less than \$10,000 because their assessments would be less than \$100,000.

President Harris: Any questions? Any members of the public that wish to speak? Name and address for the record.

Mr. DiGalbo: First of all I assume you all know that the veterans are taking a cut in dollar value in the exemption. I assume you all realize that. I know I called the Town Assessor's Office and talked to a young lady there and I told her we were taking a cut and she argued with me. Now, do you understand this or maybe you don't. The way the dollar exemption works if you have a \$4,500 exemption which most veterans have they multiply that by the mill rate. Our mill rate was 39.06 or something like that and so if you had a \$4,500 exemption you were getting probably say forty times forty five about \$180 exemption. Now the way the mill rate is right now and the exemption is right now the \$4,500 exemption people would take about a \$30.00 cut. All you have to do is multiply the \$4,500 times the new mill rate and that will be your exemption. Am I wrong or right?

Ms. Ferraresso: You are right.

Mr. DiGalbo: So I hope you all understand veterans are getting or have already taken a cut if everything stands as it is. I'm taking \$123.00 cut in dollar value. My exemption will be the same but the dollars I will pay the town will be more. Now the people who were fortunate enough to get the \$37,000 they are going to take about \$300.00 hit so I would like you to realize that the veterans of the Town of West Hartford have taken a decrease in dollars they will pay the town. Now, I'm sorry but I am hearing Ms. Ferraresso talk about 1999. I would like to talk on today's rules and I don't understand all these numbers. I didn't look them up. Do you mean, were you talking Ms. Ferraresso, through the Mayor, were you talking about the rules that are in effect now like \$4,500 times the mill rate and then it goes up to \$13,500 and up to \$37,000 multiplied by the mill rate? That is today. Is that right?

Ms. Ferraresso: Yes.

Mr. DiGalbo: Okay, now I don't understand this \$10,000. It just says \$10,000 for this resolution, this ordinance. Could someone explain and then you have to qualify for that \$10,000. Could someone explain to me if this goes through, take myself, I have, I think I am getting \$4,500. I qualify for a veteran disability and old man. How would that affect me with this here if this was implemented? Could someone explain to me how my dollar exemption I would pay the town what it would be? Could someone explain that?

President Harris: Why don't you do this Mr. DiGalbo? If you have some testimony that you want to give with how you think it will impact you...

Mr. DiGalbo: No I don't have any idea Mr. Mayor.

President Harris: Okay well then we can ask, we will ask the Assessor to come back up...

Mr. DiGalbo: That's fine.

President Harris: And she talk but if you have any comments now on whether it should be tabled, shouldn't be tabled, whether anything

substantive like that, then you are free to go do that and then we will call up the Assessor.

Mr. DiGalbo: I can't answer that Mr. Mayor because I don't understand the \$10,000 and I don't understand what the state is going to give us so I can't make many comments on the information I have and hopefully once she explains it I would like to come back.

President Harris: Well when she explains it...

Mr. DiGalbo: Maybe I will understand it and maybe you will understand it.

Councilor Thornberry: Mr. Mayor.

President Harris: Dr. Thornberry.

Councilor Thornberry: I understand why Mr. DiGalbo's confused but at one time when I read the state's, well at least the bill that went into this, it was going to be \$10,000 our ten percent whichever is more so that you would not have a loss. Also, if we delay assessment we are not looking at multiplying anything by a 31.36 mill rate. The mill rate will change but even this has the \$10,000 in brackets deleted.

Mr. Alair: I can actually answer that because I had the same conversation with Joanne. Remarkably, that very logical interpretation is absolutely not what OPM gives it. They say it is an either or. It is either ten percent or \$10,000 but you don't get the greater of the two. It is the Town picks one or the Town picks the other and it applies across the board. It makes no sense to me. It is totally illogical but that is the interpretation that OPM has given it and they were very insistent.

Councilor Thornberry: And Mr. Mayor if I may ask Mr. Alair another question?

President Harris: Dr. Thornberry.

Councilor Thornberry: I don't doubt for a moment that that was probably the final bill but do you have any recollection of at least the initial bill coming out of committee having that provision? I remember reading a copy of that because what is here makes no sense.

Mr. Alair: Right, I don't have any recollection of the bill. I just have seen the statute as it was finally printed.

Councilor Thornberry: Thank you.

President Harris: Thank you Mr. Alair. Ms. Ferraresso.

Ms. Ferraresso: Fortunately, you don't qualify for this exemption because it is based on low income. This is the local option, low income for veterans and that is why even though we have over 4,000 veterans in town receiving the basic veterans exemptions we only have 280 who are fortunate or unfortunate to be low income and receive this local option \$10,000 off their assessment. The ordinance here would change that \$10,000 off your assessment to ten percent reduction of your assessment so if your house was assessed at \$100,000 then the exemption would be exactly the same. It would be \$10,000 off your assessment. If your house was assessed at \$90,000, then if this ordinance was in place then your exemption would only be \$9,000 and if your house was assessed at \$200,000 ten percent of that would be \$20,000 off your assessment so that is the difference changing the exemption amount of \$10,000 to ten percent of your assessment.

Mr. DiGalbo: I'm lost.

President Harris: It sounds to me like, this is with the public hearing taking your comment, it sounds to me like what would benefit you Mr. DiGalbo is if you sit down with the Assessor and actually go through and work out the numbers. It is not really a public hearing issue but the bottom line is it is going to be tabled right now anyway.

Mr. DiGalbo: Can I make one more comment?

President Harris: Mr. DiGalbo you have to go to the microphone.

Mr. DiGalbo: Yes, that is what I was going to wait to do.

President Harris: Thank you.

Mr. DiGalbo: I'm still lost. Maybe it is me. Maybe I'm a thick headed Italian but I'm trying to find out would the present \$4,500, \$13,500, \$37,000 will that stay in place?

President Harris: For the record the Assessor has said yes but again Mr. DiGalbo the hearing is about the subject of this ordinance not working out the whole statutory scheme so if you could, I think it would benefit you if you went and spoke to the Assessor and went through all the levels of questioning, okay?

Mr. DiGalbo: Well, I will say this from what I am hearing it doesn't sound too good Mr. Mayor. I'm not sure what I'm saying but from what I am hearing \$100,000 today is nothing and that is going to hurt a lot of people so who has a house that is assessed for \$100,000? I will find out from, I am going to call Joanne tomorrow and I'm going to have a meeting with her. Hopefully, she can answer all my questions and I will be back and you know what I don't believe you people understand it either from the expressions on your face. Thank you Mr. Mayor. I hope I didn't overstep my bounds and I will get together with Ms. Ferraresso hopefully tomorrow.

President Harris: Thank you Mr. DiGalbo. Any other members of the public? Any questions by Councilors? We will do the official tabling. We will keep the public hearing open and it is continued and we will come up with a date when we table the motion formally so I will adjourn the public hearing.

The hearing adjourned at 6:50 p.m.

Norma W. Cronin
Town Clerk/Council Clerk