

# Property Valuation Topics

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## 2009 Revaluations are Under Way

As of the October 1, 2009, assessment date, 22 Connecticut municipalities are conducting periodic revaluations of all real estate within their boundaries.

Property owners should expect to hear from either the revaluation company retained by the municipality or the local assessor regarding the new proposed value for their properties.

Given depressed market conditions over the last 18 months, property owners should carefully examine their new values, even if reduced from the previous revaluation, to be certain that they are reflective of current market conditions.



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After a thorough analysis, if there is a question about the accuracy of the new value, opportunities exist for informal discussions with the revaluation company or the assessor.

Even when a value appears to be in line, it may be appropriate to confirm that other properties in the same category are not being treated more favorably.

Please feel free to contact any member of the Pullman & Comley Valuation Department for assistance or further information.

## Requirement of BAA Appearance Discussed

Robert Valenti and Ferdinand Valenti appealed to the Stonington Board of Assessment Appeals to challenge the assessments of their properties on that community's October 1, 2007 Grand List.

The town moved to dismiss the Superior Court appeal because neither of the owners had appeared before the Board. (The Board had sent notice that the hearing on their appeals was scheduled for March 6 in a letter dated February 11.)

Sitting in the New London Superior Court, Judge Robert Martin heard the town contend that the Valentis' failure to appear deprived the court of jurisdiction to consider their contest. The property owners countered that they had been on vacation and returned after the hearing date.

After reviewing the few decisions on point, including a 1904 Connecticut Supreme Court case which ruled that "[t]he mere failure to appear cannot, in this case, deprive the applicant of a right to be heard upon the claimed illegality of this assessment," Judge Martin ruled that "[u]ntil the Supreme Court overrules" its decision in this early 20th century case, its precedential effect must be observed. He denied the motion to dismiss.

Notwithstanding, the editors of *Property Valuation Topics* suggest that property owners not be too cavalier about their board of assessment appeals appearances. Failure to receive a response from the board after filing an appeal should be followed up with a telephone call to check on status.

*Valenti v. Town of Stonington*, Docket No. CV 08 4008423, July 10, 2009.

For more information, please contact Laura A. Bellotti at (860) 424-4309 or at [lbellotti@pullcom.com](mailto:lbellotti@pullcom.com).

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### Revaluation Postponed

Newington may be the only community in Connecticut to take advantage of recent legislation authorizing the postponement of mandatory revaluations. On August 13, 2009, the Newington Town Council unanimously voted to delay its revaluation, which otherwise had to be performed for the October 1, 2009, Grand List, to the October 1, 2010, Grand List.

### Land of the Pharaohs to See Property Taxes

According to Tarek Farag who is in charge of the Real Estate Tax Authority of Egypt, commercial and residential properties valued in excess of approximately \$200,000 will face a levy of approximately 1 percent of value next year. Homes valued at less than \$90,000 will be exempt. The Egyptian finance minister noted that "[t]he new tax system is part of a wider government plan to reform the economy and modernize the taxation system."

None of the members of Pullman & Comley's property valuation department are admitted to the Egyptian bar.

### Brownfield Development Law Modified

The Connecticut General Assembly recently adopted legislation which, according to an article by Alexander Soule in the July 6, 2009 Fairfield County Business Journal, "removes a major source of doubt for developers contemplating brownfield projects . . . ."

The legislation, which took effect October 1, 2009,

encourages qualified brownfield site buyers to move forward with projects because they will no longer be liable for pollution caused to neighboring properties which has ended; brownfield buyers would remain liable to clean up *continuing* sources of pollution.

Pullman & Comley environmental law partner Lee Hoffman, who is quoted in the article, notes that "the adjacent property owners are already out of luck because there isn't anyone there to do the site remediation to begin with . . . . To the extent that anything is bubbling over, all sources will be cleaned up and so the adjacent property owner will be better off."

For further information about brownfield development, please contact Lee D. Hoffman at (860) 424-4315 or [lhoffman@pullcom.com](mailto:lhoffman@pullcom.com); or Diane W. Whitney at (860) 424-4330 or [dwhitney@pullcom.com](mailto:dwhitney@pullcom.com).

### Land Valuation Taxation Pilot Program Authorized

2009 Public Act No. 236 authorizes the Office of Policy and Management to establish a pilot program in a single municipality for a program which classifies real estate as land (or land exclusive of buildings) *or* buildings on land. The program would establish a different tax rate for each of the two classes of property with the proviso that the higher tax rate shall apply to the "land" category.

Once selected by OPM, the municipality's chief executive officer must appoint a committee of "relevant tax payers and stakeholders" to implement the new program.

If approved by the municipality's legislative body, the land value taxation plan must be submitted to the General Assembly for approval by the relevant legislative committees.

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While the terms of the legislation would limit this program to the city of New London, it can not be forced upon it.

We will eagerly await developments here, especially to learn if the theory that lowering tax rates on undeveloped property encourages development is valid.

For further information, please contact Elliott B. Pollack at (860) 424 4340 or [ebpollack@pullcom.com](mailto:ebpollack@pullcom.com).

### Changes in Assessment Law

Important new pieces of legislation affecting the assessment/valuation of real property in Connecticut should be considered:

- Boards of assessment appeals may now decline to hear appeals of any property with an assessment of \$1,000,000; formerly, the threshold for boards to punt to the Superior Court was \$500,000.
- Under certain circumstances, in order for an assessor to increase or decrease an assessment established by a board of assessment appeals, she must submit a written explanation to the board setting for her reasons.
- Certain Superior Court decisions suggested that an assessor could not require the filing of an income and expense report for rental property unless the town was conducting a revaluation. A new public act establishes that these data can be requested, effective October 1, 2009, whether or not a revaluation is being conducted. Of particular note is the creation of a new audit right for towns.

For further information, please contact Gregory F. Servodidio at (860) 424 4332 or [gervodidio@pullcom.com](mailto:gervodidio@pullcom.com).

### Attorney Notes

Property Valuation Department Chair **Elliott B. Pollack** addressed attendees concerning "Emerging Property Tax Issues for Non profits" at the 2009 Tax Issues for Health Care Organizations program presented by the American Health Lawyers Association on October 12 and 13 in Washington, D.C.

**Greg Servodidio** spoke at the Property Tax and Fixed Asset workshop presented by the Connecticut Business and Industry Association on October 21 in Hartford. He also provided an update on recent Connecticut Tax Court decisions at the Society of Professional Assessors seminar to be held in Old Saybrook on October 29.

Greg has served on the planning committee of and will be a speaker at the annual Property Tax Symposium of the Institute for Professionals in Taxation held in Tampa from November 8-11.



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