



DANNEL P. MALLOY
GOVERNOR
STATE OF CONNECTICUT

June 6, 2012

The Honorable Denise Merrill
Secretary of the State
30 Trinity Street
Hartford, CT 06106

Dear Madam Secretary:

I hereby return, without my signature, substitute House Bill 5424, *An Act Concerning Delays in Revaluation for Certain Towns*. This bill would allow the municipalities of Norwich, Farmington, Windham, Stamford and New Britain to postpone until 2013 the property revaluations due to be performed in those communities this year. The apparent rationale underlying the bill is the unsupported perception that property values have decreased in these communities disproportionately from other communities since the last round of revaluations. Proponents fear this will lead to a disproportionate shift in the property tax burden among these five municipalities' taxpayers. In juxtaposition, I believe that delaying a regularly scheduled revaluation for just these communities, and not for other communities that are similarly situated, is unfair and that, regardless, delaying a revaluation at this time might exacerbate, rather than mitigate, the problems that Connecticut communities face in these uncertain economic times.

The purpose of revaluation is to ensure that the tax burden is distributed equally, according to the fair market value of property, whether that property is residential, commercial, or industrial. Delaying revaluations on regularly scheduled intervals may distort this system by continuing to use outdated and inaccurate property values in the calculation of a property taxpayer's tax bill.

The proposed postponement of the revaluation for the town of Windham is particularly disconcerting. Windham's last revaluation occurred in 2005. Pursuant to Public Act 09-60, the Windham Town Council chose to postpone their 2010 revaluation until 2011. In 2011, pursuant to Public Act 11-239, the Town Council voted again to delay revaluation until 2012. Now, this Special Act would allow Windham – for a third time – to again postpone their revaluation until 2013, thus ensuring that at least eight years will elapse between Windham's revaluations. The longer the time period between revaluations, the less accurate the assessments become and the larger the disruption that is caused when the revaluation is actually completed. Many will remember that, in 2001, the General Assembly voted to take over the finances of the city of Waterbury, at least in part because it had not conducted a revaluation in over 20 years. Waterbury's experience demonstrates that prolonging the revaluation period only exacerbates

fiscal problems and delays that which is inevitable. While I can conceive of exigent circumstances which might justify a single delay for a particular town, I cannot support delaying a revaluation three times in a particular community. The downside to that community, and the state, is too great, as the Waterbury experience taught us.

Finally, the decline in the real estate market did not only effect the five municipalities contemplated in this bill. For the past five years, our state and our country have been slowly emerging from the biggest economic downturn since the Great Depression. In large measure, this downturn resulted from the collapse of the housing market. While Connecticut fared better than many states, home values have nevertheless declined throughout the state since their peak in 2007-08. Had this bill simply given all municipalities the option of a one year delay in revaluations – like Public Act 09-60 did – I might be more predisposed to sign it. However, 38 municipalities are mandated to perform revaluations this year, but this bill extends the time period to do so for only five. I find that there is no compelling reason to make a special exception for these five municipalities, as opposed to the others which are facing the same challenges including, ironically, the city of Waterbury.

For these reasons, I disapprove of substitute House Bill 5424, *An Act Concerning Delays in Revaluation for Certain Towns*. Pursuant to Section 15 of Article Fourth of the Constitution of the State of Connecticut, I am returning substitute House Bill 5424 without my signature.

Sincerely,



Dannel P. Malloy
Governor