

DOCKET NO.: HHB-CV-176037545-S

SUPERIOR COURT

YPS FAMILY LLC

JUDICIAL DISTRICT OF NEW BRITAIN

v.

CITY OF HARTFORD

JANUARY 28, 2021

RULING ON PLAINTIFF'S MOTION FOR CONTEMPT (#107.00)

The plaintiff moves the court to find the City of Hartford ("City") in contempt for allegedly violating a court-approved stipulation of value in a property tax appeal. The stipulation established an agreed-upon fair market and assessed value of the subject property-an apartment building and parking lot-and included the following key provision: "The parties hereto further stipulate and agree that said fair market valuation for the October 1, 2016 Grand List shall not change until the next city-wide revaluation except in the event that improvements are made to the Subject Property, it is demolished or partially or totally destroyed or *as may be otherwise permitted by law.*" (Emphasis added):

Several months after the stipulation, the plaintiff changed the ownership structure of the apartment building to a condominium. Actual ownership did not change, however, change in ownership structure allegedly resulted in a change in the income and the property, both of which may affect the property's value, the City reassessed value higher than the stipulated value.

The City argues that given the change in ownership structure, the interim revaluation was "permitted by law," specifically General Statutes § 12-55,¹ which authorizes interim

¹ Section 12-55 provides in relevant part: "(b) Prior to taking and subscribing to the oath upon the grand list, the assessor or board of assessors shall equalize the assessments of property in the town, if necessary, and make any assessment omitted by mistake or required by law. The assessor or board of assessors may increase or decrease the valuation of any property as reflected in the last-preceding grand list, or the valuation as stated in any personal property declaration or report

*electronic notice sent to counsel of record,
sent to Judicial Reporter A. Jordanopoulos
1-28-21*

revaluations. The plaintiff disagrees that § 12-55 permits an interim revaluation under the facts of this case, but also argues that even if it does the terms of the stipulation do not. According to the plaintiff, the phrase "as permitted by law" refers only to financial penalties that a municipality may impose on a taxpayers under certain circumstances.

The party's disagreement over the interpretation of the stipulation is a good-faith dispute. The good-faith nature of the disagreement precludes a finding of Wilfulness, and thus a finding of civil contempt. *Gabriel v. Gabriel*, 324 Conn. 324, 333-34, 152 A.3d 1230 (2017) (civil contempt finding requires proof party willfully violated a clear and unambiguous court order). However, the parties are still entitled to a judicial determination whether the City breached the stipulation, which is a contract. *McCarthy v. Custom Design Servs., Inc.*, 126 Conn. App. 274, 281, 11 A.3d 1094 (2011).

As with any contractual provision, the "as permitted by law" phrase must be read in context. Both parties agreed to a fixed valuation of the property until the next city-wide revaluation except under certain circumstances. Two of those circumstances are very specific and do not pertain here: (1) physical improvements to the property, or (2) demolition or destruction of the property. The third circumstance-"as permitted by law"-is much more general and open-ended. The phrase necessarily requires the court to look beyond the four corners of the stipulation itself.

received pursuant to this chapter. In each case of any increase in valuation of a property above the valuation of such property in the last-preceding grand list, or the valuation, if any, stated by the person filing such declaration or report, the assessor or board of assessors shall mail a written notice of assessment increase to the last-known address of the owner of the property the valuation of which has increased. All such notices shall be subject to the provisions of subsection (c) of this section. -otwithstanding the provisions of this section, a notice of ircrease shall not be required in any year with respect to a registered motor vehicle the valuation of which has increased. In the year of a revaluation, the notice of increase sent in accordance with subsection (f) of section 12-62 shall be in lieu of the notice required by this section."

Initially, the court rejects the plaintiff's position that "as permitted by law" refers only to financial penalties the City could impose on a property owner under certain circumstances. The language of the phrase does not permit such a narrow construction.

Next, the court considers the City's argument that § 12-55 (b) gives municipalities broad authority to conduct interim revaluations. The state Supreme Court's decision in *Kasica v. Town of Columbia*, 309 Conn. 85, 104, 70 A.3d 1 (2013), instructs that assessors are not required to conduct interim revaluations, but that they have "broad power to conduct interim assessments of real property, if the assessor deems an assessment necessary to equalize the grand list." In other words, interim revaluations under § 12-55 (b) are permissive, not mandatory.

If § 12-55 (b) permits the City to conduct interim revaluations whenever an assessor deems it necessary to equalize the grand list, the revaluation in this case arguably was "permitted by law" and, thus, did not constitute a breach of the stipulation. For the purposes of this decision, the court assumes, without actually deciding, that this interpretation of § 12-55 (b) is correct. But such a broad interpretation of the City's interim revaluation authority under § 12-55 (b) effectively renders the entire stipulation meaningless, for what the plaintiff bargained for, and the City agreed to, a fixed value of the property until the next city-wide valuation. It is an elementary rule of contract interpretation that terms of a contract should not be read in a way that renders a provision, much less an entire agreement, meaningless. E.g., *Magsig v. Magsig*, 183 Conn. App. 182, 191 A.3d 1053 (2018).

To resolve this interpretative conundrum, the court considers General Statutes § 16-63d: "The assessor in any municipality may not, with respect to any parcel of real property in the assessment list for any assessment year, make a change in the assessed value of such parcel, as

compared to the immediately preceding assessment list, solely on the basis of the sale price of such parcel in any sale or transfer of such parcel." General Statutes § 16-63d.

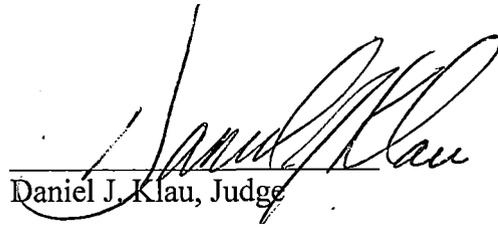
All persons are charged with knowledge of the law. *M & L Homes, Inc. v. Zoning and Planning Commission of the Town of Montville*, 187 Conn. 232, 244, 445 A.2d 591 (1982). Thus, the court must assume that the plaintiff and the City knew of § 16-63d when they executed the stipulation. It necessarily follows that the parties understood that a change in actual ownership of the property due to a sale would not constitute grounds for revaluing the property before the next city-wide revaluation. Because a change in actual ownership would not have been a "permitted by law;" reason under the stipulation to revalue the subject property, the court fails to appreciate how the parties' could have reasonably understood or intended that a change in the ownership structure of the property-from apartments to condominiums-would be a contractually permissible reason to revalue the property. Accordingly, the court rejects the City's argument that the stipulation permits the interim revaluation at issue.

The court stresses that it does not decide whether, absent the parties' stipulation, a change in ownership structure of real property would be grounds for an interim revaluation under § 12-55 (b). The court resolves the motion before it solely as a matter of contract interpretation. "A contract must be construed to effectuate the intent of the parties." *Falcigno v. Falcigno*, 199 Conn. App. 663, 691, 238 A.3d 60 (2020).

For the foregoing reasons, the plaintiff's motion for contempt is denied. However, the court determines that the City's interim revaluation of the subject property based on the change in ownership structure is not permitted under the terms of the stipulation.

SO ORDERED.

Dated: January 28, 2021



Daniel J. Klau, Judge