

**IMPLEMENTATION  
OF PUBLIC ACT  
22-118  
SECTIONS 497-509  
AND  
SB 1208**

**MOTOR VEHICLE  
ASSESSMENT AND TAXATION**





## **PUBLIC ACT 22-118 /SECTIONS 497-509**

### **RECAP OF ORIGINAL LANGUAGE**

- Creates a fair and equitable system
- Provides for a more efficient administration of the motor vehicle tax on the local level
- Creates transparency for all taxpayers by giving predictable valuations that more accurately reflect the market for all vehicles
- Creates substantial labor and time savings as vehicles will only be priced in their initial year on the Grand List
- Moves the Supplemental Motor Vehicle Lists from annual to monthly reporting
- Commercial vehicles (including non-passenger vehicles, construction equipment and the like) moved from the Motor Vehicle Grand List and added to the business's existing Personal Property Declaration.



# IMPLEMENTATION REVIEW

- OPM has worked diligently with stakeholders on the implementation process.
- This includes working collectively with the Department of Motor Vehicles (DMV), Assessors, Tax Collectors, vendors and key stakeholders.
- Additionally, OPM has and continues to have discussions and presentations to these key stakeholders as well as the Connecticut Conference of Municipalities (CCM) and the Connecticut Council of Small Towns (COST) and we will maintain these informational discussions.
- Working with all we have favorable language before the legislature to amend SB 1208



# DELAY VS CLARIFICATION

- SB 1208 was passed out of committee and only delays the original implementation language by one year
- Amendment of SB 1208 is needed to implement the changes needed whether the implementation happens for the October 1, 2023 Grand List or the October 1, 2024 Grand List.



# **PROPOSED SB 1208 AMENDMENT – AAC THE ASSESSMENT OF MOTOR VEHICLES FOR PROPERTY TAXATION**

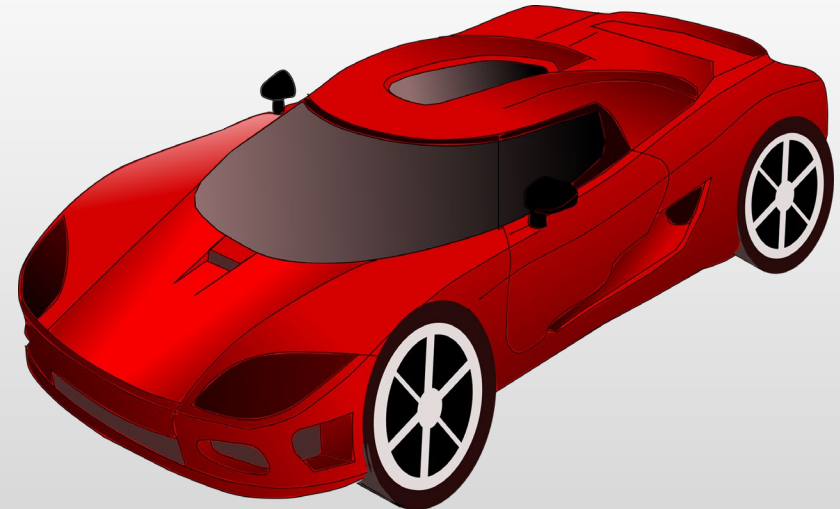
- Clarifies the valuation methodology
- Depreciation schedule updated to reflect market
- Unregistered and Out of State remain on Personal Property Declaration
- Removes language moving motor vehicles to the Personal Property Declaration
- Removes provisions that taxes on supplemental and replacement vehicles be payable only on two specific dates per year
- Addresses process for listing vehicles that move intrastate during the assessment year codifying that the vehicle be maintained in the town where the vehicle was first registered during that assessment year
- Reinforces the Board of Assessment Appeals process for motor vehicles



# MSRP WITH DEPRECIATION

## CGS 12-63

(7) For assessment years commencing on or after October 1, 2023, the following schedule of depreciation shall be applicable with respect to motor vehicles based on the manufacturer's suggested retail price of such motor vehicles, provided no motor vehicle shall be assessed at an amount less than five hundred dollars.





# MSRP WITH DEPRECIATION

AGE OF VEHICLE	PERCENTAGE OF MSRP
Up to year one	90%
Year two	85%
Year three	80%
Year four	75%
Year five	70%
Year six	65%
Year seven	60%
Year eight	55%
Year nine	50%
Year ten	45%
Year eleven	40%
Year twelve	35%
Year thirteen	30%
Year fourteen	25%
Years fifteen to nineteen	20%
Years twenty and beyond	15%



# GRAND LIST CHANGES

- According to CAAO's analysis of the 2022 MV Grand List, changing the valuation methodology from Average Retail Price to MSRP Less Depreciation, indicated the following results:
  - 2018 motor vehicle values - 1% average reduction
  - 2022 motor vehicle values - 7% average reduction
- Change needed in mill rate to adjust for reduction:

CAAO's analysis of the 2022 MV Grand List, in relationship to each municipality's entire Grand List, using 2021 data (mill rates and grand list) indicates an average mill rate shift of .226.



# GRAND LIST CHANGES

Town Name	% Change	Difference of Mill Rate
Ansonia	-5.23%	0.258
Ashford	-9.49%	0.408
Avon	-3.04%	0.098
Berlin	-7.57%	0.325
Bloomfield	-2.44%	0.076
Bridgeport	-3.71%	0.119
Cromwell	-5.91%	0.203
Danbury	-7.47%	0.231
East Hartford	-4.66%	0.208
Enfield	-6.87%	0.224
Essex	-5.40%	0.093
Fairfield	-4.84%	0.084
Greenwich	-4.59%	0.016
Groton	-6.22%	0.092

# GRAND LIST CHANGES

Town Name	% Change	Difference of Mill Rate
Hartford	-2.37%	0.088
Harwinton	-9.21%	0.409
Killingly	-7.69%	0.253
Litchfield	-7.59%	0.225
Manchester	-5.61%	0.185
Mansfield	-7.18%	0.217
Middletown	-6.93%	0.267
Milford	-6.63%	0.136
New Britain	-3.79%	0.206
New Haven	-4.24%	0.104
Newington	-6.72%	0.149
New London	-4.30%	0.242
Norwich	-5.83%	0.273
Old Saybrook	-6.33%	0.097
Ridgefield	-4.53%	0.09
Stafford	-9.49%	0.502
Stamford	-6.60%	0.113
Waterbury	-2.47%	0.132



# SUPPLEMENTAL LIST CHANGES

- Removes provisions that assessors only add supplemental and replacement vehicles twice per year
- Monthly supplemental reports allow for a more moderated workload for assessors
- Removes provisions that taxes on supplemental and replacement vehicles be payable only on two specific dates per year
- Motor Vehicle lists will be provided from the Department of Motor Vehicles monthly
- Assessors and Tax Collectors can determine supplemental billing process based on their municipal needs – i.e.: monthly, quarterly, annual

# QUESTIONS

