



**72nd Annual School for
Connecticut Assessors and Boards
of Assessment Appeals**



Connecticut General Assembly

January 2015 Session

“Here’s your General Assembly in the dying days of the 2015 session. House and Senate members are running around like extras in a Marx Brothers movie, searching for ways to keep alive their hopes, dreams and misconceived bills within the gold-domed marble mausoleum known as the state Capitol.”

Ken Dixon, CT Post



Session Overview

- PILOT Programs
- Motor Vehicle Mill Rates
- Municipal Revenue Sharing Grants
- Regional Property Tax Sharing
- Tax Exempt Entities

Session Overview

- Fixed Assessment Provision
- Municipal Taxation
- Special Legislation
- Zoning Notice Requirements
- Extension of Filing Deadlines

HB 7061

- An Act Concerning The State Budget For The Biennium Ending June 30, 2017, And Making Appropriations Therefor And Other Provisions Related To Revenue, Deficiency Appropriations And Tax Fairness And Economic Development
- Section 183 – New
- Effective: July 1, 2016

HB 7061, Cont.

- Restructures the PILOT programs for state-owned real property and that of private colleges and general hospitals
- Creates a consolidated grant program beginning in FY 2016-17
- For purposes of consolidated program:

HB 7061, Cont.

- “State, municipal or tribal property” is all real property described in subsection (a) of CGS §12-19a
- “College and hospital property” is all real property described in subsection (a) of CGS §12-20b,
- “Municipality” means any town, city, borough, consolidated town and city and consolidated town and borough, and
- “District” means any district, as defined in CGS §7-324

HB 7061, Cont.

- New program's initial grant calculations will be handled in the same way as in the current PILOT programs, since the bill maintains
 - Existing statutory payment levels for PILOT eligible real property, and
 - Specified grant amounts for certain properties (Connecticut Hospice, U.S. Coast Guard Academy) and certain municipalities (Voluntown)

HB 7061, Cont.

- The new program also maintains the proration provision if an appropriation is insufficient to pay PILOTs at statutory payment levels
- But it contains a hold harmless provision with respect to PILOTs beginning in FY 2016-17
- Specifies that the PILOT percentage “shall not be lower than the percentage paid to the municipality or district” under CGS §12-19a and CGS § 12-20a in FY 2014-15

HB 7061, Cont.

- Also establishes an additional PILOT grant in FY 2016-17 for 35 municipalities and 7 districts, in amounts the bill specifies
- The total of all additional FY 2016-17 PILOT grants is slightly over \$46,101,000

HB 7061, Cont.

- Beginning in FY 2017-18, there are new minimum reimbursement rates
- Applicable to certain state, municipal or tribal property and college and hospital property
- These rates are dependant on municipal rankings that OPM develops

HB 7061, Cont.

- The minimum reimbursement rates do not apply to two categories of properties
- (1) College and hospitals for which the statutory payment level is 100%
 - i.e., campus of the United States Department of Veterans Affairs Connecticut Healthcare Systems

HB 7061, Cont.

- (2) State, municipal or tribal property for which the statutory payment level is greater than 45%:
 - Correction facilities
 - John Dempsey Hospital permanent medical ward for prisoners
 - Connecticut Valley Hospital

HB 7061, Cont.

- Certain Mashantucket Pequot tribal lands, and
- Land in any town where more than 50% of the land is state-owned (i.e., Voluntown)
- Payments for these properties are still subject to a prorata reduction if the new PILOT's appropriation is insufficient to pay amounts calculated at statutory payment levels

HB 7061, Cont.

- Under the bill, OPM must develop an annual ranking based on
 - (1) a municipality's mill rate, and
 - (2) the percentage of tax-exempt real property on the municipality's 2012 Grand List

HB 7061, Cont.

- Excluded from the calculation of tax exempt real property on the 2012 Grand List:
 - Correctional facilities, and
 - Juvenile detention facilities
- Boroughs and districts have the same ranking as the municipality in which they are located

HB 7061, Cont.

- The bill establishes a three-tiered minimum reimbursement rate for municipalities and districts
- Based on their relative rankings of tax exempt property and mill rates as
- Compared to all municipalities

HB 7061, Cont.

- Tier 1 includes the 10 municipalities and districts with the highest percentages of tax-exempt real property on their 2012 Grand Lists and a mill rate of at least 25 mills
- Minimum reimbursement rates for Tier 1 payees:
 - 42% for colleges and hospitals
 - 32% for state, municipal and tribal property

HB 7061, Cont.

- Tier 2 includes the next 25 municipalities and districts with the highest percentages of tax-exempt real property on their 2012 Grand Lists and a mill rate of at least 25 mills
- Minimum reimbursement rates for Tier 2 payees:
 - 37% for colleges and hospitals
 - 28% for state, municipal and tribal property

HB 7061, Cont.

- Tier 3 includes all other municipalities and districts
- Minimum reimbursement rates for Tier 3 payees:
 - 32% for colleges and hospitals
 - 24% for state, municipal and tribal property

HB 7061, Cont.

- If the total of the grants payable to Tier 1, Tier 2 and Tier 3 municipalities and districts
- Exceeds the amount appropriated for purposes of this portion of the PILOT program, OPM must reduce grants
- Reductions are proportionate but with certain caveats

HB 7061, Cont.

- The grant payable to Tier 1 municipalities and districts must be
 - 10 percentage points more than the grant payable to those in Tier 3 for colleges and hospitals and
 - 8 percentage points more than the grant payable to those in Tier 3 for state, municipal or tribal property

HB 7061, Cont.

- The grant payable to Tier 2 municipalities and districts must be
 - 5 percentage points more than the grant payable to those in Tier 3 for colleges and hospitals and
 - 4 percentage points more than the grant payable to those in Tier 3 for state, municipal or tribal property

HB 7061, Cont.

- Section 184 - New
- Effective: July 1, 2016
- Establishes a separate, nonlapsing account within the General Fund to be known as the “select payment in lieu of taxes account”
- Certain payments under the new PILOT program will be made from this account

HB 7061, Cont.

- Sections 185 and 186 amend CGS §12-19a and §12-20b, respectively
- Effective: July 1, 2015
- These sections of the bill sunset the current PILOT programs for state-owned real property and that of private colleges and general hospitals
- As of FY 2016-17

HB 7061, Cont.

- Sections 187 through 191, and 193 through 205
- Effective: July 1, 2016
- The language in these sections of the bill removes references to CGS §12-19a and §12-20b from various statutes
- The bill's passage makes these references obsolete

HB 7061, Cont.

- Section 192 amends subsections (a) through (d) of CGS §3-55j
- Effective: July 1, 2016
- Removes references to CGS §12-19a and §12-20b from the statute that requires a portion of the proceeds of the Mashantucket Pequot Fund

HB 7061, Cont.

- To finance part of the new, consolidated PILOT program for state, municipal and tribal property and colleges and hospitals
- Also provides that the grant paid under the new PILOT program from the Mashantucket Pequot Fund each year
- Must equal that paid to each municipality in FY 2014-15

HB 7061, Cont.

- Section 206 – New
- Effective: October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015
- Establishes a cap on the mill rate each municipality and district may use to tax motor vehicles

HB 7061, Cont.

- Definitions of the taxing entities subject this mill rate cap include:
- “Municipality,” which means any town, city, borough, consolidated town and city, consolidated town and borough, and
- “District,” which means any district, as defined in CGS §7-148

HB 7061, Cont.

- For the 2015 assessment year, no municipality may impose a motor vehicle mill rate that is greater than 32 mills
- For assessment years commencing on and after October 1, 2016, no municipality may impose a motor vehicle mill rate that is greater than 29.36 mills

HB 7061, Cont.

- Also provides that no district or borough may set a motor vehicle mill rate that
- If combined with the motor vehicle mill rate of the municipality in which the borough or district is located
- Would result in a combined motor vehicle mill rate above 32 mills for the 2015 assessment year, or
- Above 29.36 mills for each subsequent assessment year

HB 7061, Cont.

- Provides that any municipality or district may establish
- A mill rate for motor vehicles that is different from the mill rate used to tax real property
- The provisions in Section 206 of House Bill 7061 supersede any special act, municipal charter, or home rule ordinance

HB 7061, Cont.

- Section 207 amends CGS §4-66/
- Effective: October 1, 2015
- Changes the distribution and recipients of grants paid from the Municipal Revenue Sharing Account (MRSA)

HB 7061, Cont.

- Eliminates Manufacturing Transition Assistance Grants
 - These were fixed payments based on a municipality's PILOTs for Manufacturing Machinery and Equipment under CGS §12-81(72) and (76)
- Instead, OPM must use MRSA Funds for specified purposes, among which are:

HB 7061, Cont.

- Beginning in FY 2016-17
 - Paying certain grants under the new, consolidated PILOT program,
 - Issuing motor vehicle property tax grants to municipalities to mitigate the revenue loss attributed to the motor vehicle mill rate cap,
 - Distributing municipal revenue sharing grants to municipalities, and

HB 7061, Cont.

– Distributing regional services grant to COGs for

(1) planning purposes, and

(2) to achieve efficiencies in delivering municipal services on a regional basis, including consolidating services

The bill specifies that the efficiencies must not diminish the quality of services

HB 7061, Cont.

- Regional services grant amounts are based on a per capita distribution
- In FY 2016-17, each COG will receive a regional services grant
- Beginning in FY 2017-18, COGs must submit a spending plan to OPM and obtain OPM's approval of the plan, in order to receive regional services grants

HB 7061, Cont.

- Motor vehicle property tax grants in FY 2016-17 will be equal to
- The difference between the amount of property taxes a municipality levied on motor vehicles for the 2013 assessment year and
- The amount of the levy for that year calculated at 32 mills

HB 7061, Cont.

- In FY 2017-18 (and each subsequent fiscal year), motor vehicle property tax grants will be equal to
- The difference between the amount of property taxes a municipality levied on motor vehicles for the 2013 assessment year, and
- The amount of the levy for that year at 29.36 mills

HB 7061, Cont.

- In FY 2016-17, OPM must begin distributing municipal revenue sharing grants to municipalities
- The bill allows a municipality to disburse any municipal revenue sharing grant funds to a district located within the municipality
- The amount of the FY 2016-17 municipal revenue sharing grant each municipality will receive is specified in the bill

HB 7061, Cont.

- Beginning in FY 2017-18, OPM must use a formula the bill establishes to calculate municipal revenue sharing grant amounts
- Municipalities with a motor vehicle mill rate below 25 mills will receive a per capita distribution
- Grants to New Haven, Bridgeport, Stamford and Hartford are capped at specified percentages of the total appropriation

HB 7061, Cont.

- After determining grants for these cities, OPM must redistribute remaining funds to all other municipalities with motor vehicle mill rates at or above 25 mills
- These municipalities will receive either a per capita distribution or a pro rata distribution of remaining funds, whichever is greater

HB 7061, Cont.

- OPM must prorate all municipal revenue sharing grants if an annual appropriation is insufficient to make statutory payments
- Also, beginning in FY 2017-18, OPM must reduce a municipality's revenue sharing grant if the municipality increases its general fund expenditures for any fiscal year over the previous fiscal year
- Above a cap equal to the greater of 2.5% or the rate of inflation

HB 7061, Cont.

- Items excluded from the municipal spending cap:
 - Debt service
 - Special education costs
 - Cost of implementing court orders or arbitration awards;
 - Costs associated with a major disaster or emergency declaration by the President or the Governor and

HB 7061, Cont.

- For any municipal revenue sharing grant the municipality disburses to a taxing district:

Up to the difference between the district's motor vehicle levy in the 2013 assessment year and the amount that would have been levied

Had the motor vehicle mill rate been 32 mills (for FY 2016-17 disbursements) or 29.36 mills (for disbursements made in fiscal years commencing on and after July 1, 2017)

HB 7061, Cont.

- For each dollar over the spending cap a municipality expends, OPM must reduce its grant by 50 cents
- There is an exception for municipalities with a motor vehicle mill rate of more than 32 mills for the 2013 assessment year
- Such municipalities cannot have their grants reduced by more than the difference between the property tax they levied on motor vehicles for the assessment year commencing October 1, 2013 and

HB 7061, Cont.

- The amount such levy would have been if the mill rate on motor vehicles for that assessment year was 32 mills
- Each municipality must annually certify to OPM whether the municipality has exceeded the cap and if so
- The amount by which the cap was exceeded

HB 7061, Cont.

- Section 208 amends CGS §12-122
- Effective: October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015
- Modifies the statute allowing a municipality with more than one taxing district to establish a city-wide mill rate for motor vehicles

HB 7061, Cont.

- Prohibits the city-wide rate from exceeding 32 mills for the 2015 assessment year, and
- Prohibits the city-wide rate from exceeding 29.36 mills for assessment years commencing on and after October 1, 2016

HB 7061, Cont.

- Section 209 amends CGS §12-130
- Effective: October 1, 2017, and applicable to assessment years commencing on or after October 1, 2017
- Requires each property tax bill issued for assessment years commencing on and after October 1, 2017, to include a statement regarding the potential for a reduction in state aid to municipalities that overspend

HB 7061, Cont.

- The statement must be in the following form:
- "The state will reduce grants to your town if local spending increases by more than 2.5 per cent from the previous fiscal year."

HB 7061, Cont.

- Section 210 - New
- Effective: From passage (the date the Governor signs the bill)
- Requires OPM to issue a report, on or before January 1, 2016
- To the General Assembly's Finance, Revenue and Bonding and Planning and Development Committees

HB 7061, Cont.

- Regarding the PILOT provisions of Sections 183 to 205, inclusive, and
- The municipal revenue sharing grant in Section 207 of House Bill 7061
- The report must include recommendations for:

HB 7061, Cont.

- (1) Further legislative action concerning the PILOT and the municipal revenue sharing grant;
- (2) any statutory changes that would facilitate the implementation of such provisions;
- (3) adjustments to the grant amounts or grant formulas set forth in such provisions; and
- (4) improvement and enhancement of such provisions

HB 7061, Cont.

- Sections 211 through 215 - New
- Effective: October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015 (except for Section 214, which is effective October 1, 2015)
- Authorizes COGs to establish a property tax base revenue sharing program, provided their member municipalities vote unanimously to do so

HB 7061, Cont.

- A COG may implement the program as early as the 2015 assessment year
- If the program is established, municipalities that have experienced an increase in their commercial and industrial tax base from the 2013 base year
- Must tax commercial and industrial property (other than real property in an Enterprise Zone) at a “municipal commercial industrial mill rate,” rather than at their local mill rates

HB 7061, Cont.

- The municipal commercial industrial mill rate is calculated using a statutory formula that
- Incorporates the average mill rate in the municipality's planning region and a revenue sharing percentage for each of the COG's member municipalities
- Each COG determines the revenue sharing percentages (which cannot exceed 20% and may be less) according to a statutory formula

HB 7061, Cont.

- Municipalities with no change or a decrease in their commercial and industrial tax based since the 2013 base year
- Continue to tax commercial and industrial property using their local mill rates
- “Administrative auditor” (chosen by the COG or appointed by OPM) administers the program property tax base revenue sharing program



HB 6967

- An Act Establishing Cedar Hills Infrastructure Improvement District Within The Town Of North Haven
- Section 1 – New
- Effective: July 1, 2015
- Allows for the creation of an improvement district in North Haven

HB 6967, Cont.

- Describes district's boundaries and process by which it may be formed
- Also sets forth district's powers, including the power to levy property taxes
- Any property the Cedar Hills Infrastructure Improvement District owns is tax exempt
- North Haven assessor must provide separate grand list for the district, per CGS §7-328

PA 15-57 (SB 677)

- An Act Establishing Tax Increment Financing Districts
- Sections 1 through 9 – New
- Effective: October 1, 2015
- SB 667 allows a municipality to establish a Tax Increment Financing (TIF) District to finance economic development projects in an eligible area

PA 15-57 (SB 677), Cont.

- A TIF District must encompass property that is
 - (1) blighted
 - (2) in need of rehabilitation or conservation or
 - 3) suitable for certain types of development, including downtown or transit-oriented development

PA 15-57 (SB 677), Cont.

- The bill limits the total original assessed value of the TIF Districts a municipality may create
- To no more than 10% of the total value of its taxable property as of October first of the year immediately preceding a district's establishment
- Excluded from the calculation is any TIF District established under the bill consisting entirely of contiguous property owned by a single taxpayer

PA 15-57 (SB 677), Cont.

- A TIF District's duration cannot exceed 50 tax years
- Board of Selectmen, town council, or other governing body
- May enter into written agreements to fix real property assessments in a TIF District
- For up to 15 years

HB 6571

- An Act Concerning Municipal Tax Collection Statutes
- Section 1 amends CGS §12-144b
- Effective: October 1, 2015
- Requires tax collectors to follow written instructions from a party liable for taxes on more than one property concerning the property or properties to which a specific tax payment is to be applied

HB 6571, Cont.

- Section 2 amends CGS §12-146
- Effective: October 1, 2015
- Specifies that a tax payment is not late if it was paid through a municipal electronic payment service within the time allowed by statute

HB 6571, Cont.

- Section 3 amends CGS §12-146a
- Effective: October 1, 2015
- Allows a municipality to withhold or revoke any business license or permit the municipality or a district health department issues, if the property owner is delinquent in paying water, sewer or sanitation charges
- Consistent with the power that already exists with respect to delinquent property taxes

HB 6571, Cont.

- Sections 4, 5 and 6 amend CGS §12-155, §12-157 and §12-158, respectively
- Effective: October 1, 2015
- The changes in these sections clarify provisions related to the validity of a tax sale, retention of escrow account interest earnings by municipalities and lien priority

PA 15-68 (HB 6942)

- An Act Validating The Action Of A Municipal Assessor, Extending The Filing Deadline For Certain Property Tax Appeals And Concerning The Notice Requirements For Zoning Applicants
- Section 1 – New
- Effective: From passage (the date the Governor signs the legislation)
- Validates Naugatuck's 2014 Grand List

PA 15-68 (HB 6942), Cont.

- Which (according to the act) the Naugatuck Assessor signed March 31, 2015
- Allows the Naugatuck BAA to hold appeal hearings with respect to assessments on the 2014 Grand List
- Provided a written hearing request is submitted to the BAA not later than 30 days after the bill's passage
- The BAA must send notification to anyone who files a request of the time and date of an appeal hearing

PA 15-68 (HB 6942), Cont.

- Notification must be sent at least 7 calendar days preceding the hearing date, but not later than 60 days after the date of the bill's passage
- If the BAA elects not to conduct a hearing for any commercial, industrial, utility or apartment property with an assessed value greater than \$1,000,000
- It must notify the taxpayer of such decision not later than 60 days after the passage of the bill

PA 15-68 (HB 6942), Cont.

- Allows BAA hearings to be held in the months of May, June, July and August of 2015
- Requires the BAA to complete its duties with respect to 2014 Grand List appeals
- Not later than August 31, 2015

PA 15-68 (HB 6942), Cont.

- Section 2 amends CGS §8-7d
- Effective: From passage (the date the Governor signs the legislation)
- When providing notice to abutting land owners of a public hearing regarding land use matters
- Specifies that municipalities do not have to conduct a title search or engage in additional identification methods

PA 15-68 (HB 6942), Cont.

- For purposes of giving such notice, municipalities may identify property owners
- Using the property tax map or the most recently completed grand list, as per current law

PA 15-68 (HB 6942), Cont.

- Sections 3 and 5 – New
- Effective: From passage (the date the Governor signs the legislation)
- These sections extend filing deadlines for applications for manufacturing machinery and equipment (MM&E) exemptions under CGS §12-81(72)

PA 15-68 (HB 6942), Cont.

- Filing extension is applicable in Durham and Windsor for the 2014 Grand List only
- Application must be filed not later than 30 days after the effective date of these sections
- Applicants must pay the late filing fee under CGS §12-81k
- Towns must reimburse property owners for taxes paid on property when MM&E exemptions are approved due to these filing extensions

PA 15-68 (HB 6942), Cont.

- Section 4 – New
- Effective: From passage (the date the Governor signs the legislation)
- Extends the filing deadline for a nonprofit organization with property in North Branford to file for a 2013 Grand List real property exemption pursuant to CGS §12-81(7)
- Nonprofit must pay the late filing fee pursuant to CGS §12-87a and

PA 15-68 (HB 6942), Cont.

- Must submit the exemption application not later than 30 days after the effective date of PA 15-68
- North Branford must reimburse the nonprofit for taxes it paid for the 2013 Grand List
- For property for which the exemption is approved as a result of the filing extension under the act

HB 6943

- An Act Delaying A Municipal Revaluation Deadline
- Section 1 – New
- Effective: From passage (the date the Governor signs the legislation)
- Allows North Stonington to delay its 2015 revaluation until October 1, 2016

HB 6943, Cont.

- Sections 2, 3 and 4 amend CGS §7-360, §7-364 and §7-366, respectively
- Effective: October 1, 2015
- Changes in these sections allow costs associated with a revaluation
- To be included in municipal budget reserve funds for capital and nonrecurring expenditures

HB 7060

- An Act Concerning The Failure To File For Certain Tax Exemptions And The Extension Of Certain Tax Credits And Development Programs
- Sections 1, 3, 4, 5 and 6 – New
- Effective: July 1, 2015
- These sections extend filing deadlines for applications

HB 7060

- For MM&E exemptions under subdivisions (72) and (76) of CGS §12-81, and
- For the exemption for commercial vehicles under CGS §12-81(74)
- Filing extension is applicable in certain municipalities and for certain assessment years only
- Exemption applicants must pay the late filing fee under CGS §12-81k

HB 7060, Cont.

- Application must be filed not later than July 31, 2015
 - i.e., not later than 30 days after the July 1, 2015 effective date of the sections of the bill granting these extensions)
- Municipalities must reimburse property owners for taxes paid on property when exemptions under applicable subdivisions are approved due to these filing extensions

HB 7060, Cont.

- Filing extensions for MM&E under CGS §12-81(72):

Sec. 1 Durham 2014 Grand List

Sec. 3 Windsor 2014 Grand List

Sec. 4 New Haven 2013 or 2014 Grand List

HB 7060, Cont.

- Filing extension for MM&E under CGS §12-81(76):

Sec. 5 New Haven 2013 Grand List

- Filing extension for commercial vehicles under CGS §12-81(74):

Sec. 6 Hartford 2014 Grand List

HB 7060, Cont.

- Section 2 – New
- Effective: July 1, 2015
- Extends the filing deadline for a nonprofit organization with property in North Branford to file for a 2013 Grand List real property exemption pursuant to CGS §12-81(7)
- Nonprofit must pay the late filing fee pursuant to CGS §12-87a and

HB 7060, Cont.

- Must submit the exemption application not later than July 31, 2015
 - i.e. not later than 30 days after the effective date of Section 2 of House Bill 7060
- North Branford must reimburse the nonprofit for taxes it paid for the 2013 Grand List for the property for which an exemption is approved as a result of the filing extension under the bill

HB 7060, Cont.

- Section 7 amends CGS §12-63h
- Effective: From passage (the date the Governor signs the legislation)
- Extends, to December 31, 2015, the deadline for a municipality that OPM chooses to participate in the land value taxation pilot program under CGS §12-63h

HB 7060, Cont.

- To obtain approval of its land value taxation implementation plan from the municipality's legislative body and
- Submit the plan to the General Assembly's committees of cognizance:
 - Planning and Development Committee
 - Finance, Revenue and Bonding Committee and
 - Commerce Committee

HB 7060, Cont.

- Also prohibits OPM from selecting a municipality to participate in the pilot land value taxation program
- If the municipality previously applied for and participated in it

HB 7060, Cont.

- Section 8 amends subsection (o) of Section 2 of Public Act 05-289, as amended by Section 2 of Public Act 12-144
- Effective: From passage (the date the Governor signs the legislation)
- Allows the Steel Point Special Taxing District to continue its existence separate from the City of Bridgeport for an additional 5 years (i.e., until 2020)

“I've had a perfectly wonderful evening.
But this wasn't it.”

Groucho Marx

