

75th
C.A.A.O School - 2018

Legislative Update

THE BUDGET BILL

P.A. 18-81

Signed 5/15/2018

SECTION 23

Specifies grant amounts for Fiscal year ending June 30, 2019 for:
Bridgeport; East Hartford; Hamden; Hartford; Naugatuck;
New Britain; Torrington; Waterbury; Norwich – CCD;
Windham #2; West Haven 1st Center; Allingtown.

Question: Where IS Allingtown?

Grants payable by August 1, 2018. Based on difference between tax at 39 mills and the 2013 levy.

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* Motor Vehicles & their Mill Rates

- * Sec. 24. Subsection (c) of section 4-66l of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2018*):
- * (c) (1) For the fiscal year ending June 30, 2018, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 39 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 39 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 39 mills.
- * (2) For the fiscal year ending June 30, [2019] 2020, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, [2013] 2016, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 45 mills.

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(3) For the fiscal year ending June 30, 2018, [and each fiscal year thereafter,] any municipality that imposed a mill rate for real and personal property of more than 39 mills during the fiscal year ending June 30, 2017, and effected a revaluation of real property for the 2014 or 2015 assessment year that resulted in an increase of 4 or more mills over the prior mill rate, may apply to the Office of Policy and Management for a supplemental motor vehicle property tax grant. The Office of Policy and Management may approve such an application, within available funds, provided such supplemental grant does not reduce any amount payable to any other municipality.

(4) Not later than fifteen calendar days after receiving a property tax grant pursuant to this section, the municipality shall disburse to any district located within the municipality the amount of any such property tax grant that is attributable to the district.

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Section 34

[(d) The secretary shall (1) select one or more grants of state financial assistance provided to a municipality pursuant to any provision of the general statutes to withhold or reduce for purposes of this section, (2) not later than June 30, 2018, and each fiscal year thereafter, withhold or reduce such state financial assistance provided to a municipality in an amount equal to fifty per cent of any grant payments made pursuant to this section to renters in such municipality for the most recent application period, provided the aggregate amount withheld or reduced shall not exceed two hundred fifty thousand dollars per municipality for any fiscal year, and (3) transfer such amounts withheld or reduced to the Office of Policy and Management for purposes of making grant payments pursuant to this section. For purposes of this subsection "state financial assistance" means any grant funded by an appropriation authorized by public or special act of the General Assembly, but excluding any grant or loan financed from the proceeds of the state's general obligation bond issued pursuant to any authorization, allocation or approval of the State Bond Commission.]

Bills That DIDN'T Pass

SB 274 AN ACT CONCERNING THE ASSESSMENT OF MUNICIPAL TAXES ON CERTAIN RESIDENTIAL DWELLINGS.

- * The Homes under Construction Bill. This bill would have exempted partially completed residential structures from property tax. The bill passed out of the Planning and Development Committee (22-0) and was then soundly defeated in the appropriations Committee (10-37). The language of this bill came up two days before the last day of session as an amendment on [SB 182](#) the municipal tax appeals and contingency agreement bill that CAAO supported.
- * The strike all amendment was offered by Sens. Cassano & Fasano as a “compromise” because it reduced from two years to one year after the final building permit is issued. The amendment and final bill passed the Senate 29-7. Heavy lobbying in the House blocked the bill. Many Reps. opposed it because the fiscal note on municipalities, others objected to the fact the bill died in committee, but was back up for a vote in front of the full legislature.

Bills That DIDN'T Pass

- * SB 182 AN ACT CONCERNING MUNICIPAL TAX APPEALS AND CONTINGENCY AGREEMENTS.
- * CAAO supported this bill. The underlying bill sought to prohibit real estate appraisers from entering into contingency fee agreements with clients pursuing assessment appeals.
- * *AS NOTED ABOVE IN SB 274, the underlying contingency fee language was struck and the homes under construction language was added. Both bills failed adoption by the full legislature, thus the original language in this bill and in the homes under language died.

Bills That DIDN'T Pass

- * [HB 5286 AN ACT ESTABLISHING A MUNICIPAL OPTION TO PROVIDE PROPERTY TAX RELIEF TO CERTAIN RESIDENTS WITH HOMES DAMAGED BY NATURAL DISASTERS.](#)
- * This bill would have provided a municipal option to allow property tax relief for residents with homes damaged by natural disasters. This bill was offered by legislators from Fairfield County whose districts were affected by Hurricane Sandy.
- * [HB 5287 AN ACT CONCERNING A MUNICIPAL OPTION FOR PROPERTY TAX ABATEMENTS FOR ARTS AND CULTURE.](#)
- * This bill proposed to allow municipalities to provide property tax abatements to support and encourage arts and culture. There wasn't a strong desire by the legislature to act on this bill. Tax burden shift by municipalities onto other property owners was too great. The fiscal note on this bill killed it.

Bills That DIDN'T Pass

[HB 5288 AAC ATTORNEYS FEES IN WRONGFUL PROPERTY TAX ASSESSMENT ACTIONS.](#)

As originally drafted, this bill would have made it mandatory that courts award attorneys fees in cases where there was a wrongful assessment. CAAO testified in opposition to this bill.

As the bill sat on the House calendar awaiting action, the non-profit community was trying to amend the bill to significantly expand the property tax exemptions for non-profit organizations - including colleges, hospitals and group homes. This proposal was in reaction to the Geer situation in North Canaan and to non-profits in Norwich. If adopted it would have resulted in significant revenue loss to municipalities. CAAO and CCM teamed up to defeat this possible amendment. The non-profit community will not sit down on this issue as they have indicated they will propose language next session.

Bills That DIDN'T Pass

HB 5585 An Act Concerning Enterprise Zones.

To (1) require the Commissioner of Economic and Community Development to develop specific benchmarks to assess enterprise zone benefits recipients, and (2) allow said commissioner to negotiate certain property tax exemptions with a business seeking enterprise zone benefits and the chief elected official of the municipality in which such enterprise zone is located.

HB 5143 An Act Lowering The Age Of Eligibility For Property Tax Relief For Elderly Persons.

To lower the age an elderly person must be to obtain available property tax relief. (Would have affected local Freeze programs – reduced age to 65)

Bills That DIDN'T Pass

HB 5172 An Act Concerning State Agency Data Management And Processes, The Transmittal Of Town Property Assessment Information And The Suspension Of Certain Regulatory Requirements.

To increase access to data by executive branch agencies by codifying the provisions of Executive Order 39, to require the Office of Policy and Management to establish and oversee a state-wide process improvement initiative, to require towns to transmit certain property assessment information to their regional council of governments or the Office of Policy and Management and to permit state agencies to suspend regulatory requirements for paper or facsimile submission of documents or data.

Bills That DIDN'T Pass

HB 5180 An Act Concerning The Appraisal Of Certain Rental Income-producing Real Property.

To remove the requirement that an assessor or board of assessors consider the capitalization of net income based on market rent for a similar property when appraising certain real property used primarily for the purpose of producing rental income in order to determine the present true and actual value of such property.

HB 5573 An Act Concerning Municipal Participation In The Circuit Breaker Tax Relief Program.

To allow a municipality to elect not to participate in the tax relief program under section 12-170aa of the general statutes following a reduction in reimbursement or a lack of funds for grants payable to municipalities under said section.

Bills That DIDN'T Pass

SB 420 An Act Repealing The Commercial Solar Tax Exemption.

To repeal a commercial solar tax exemption.

SB 530 An Act Concerning Contributions To State-wide And Municipal Community Supporting Organizations.

To provide for tax credits for cash donations made by taxpayers to approved state-wide and municipal community supporting organizations.

Bills That DID Pass

Remember, this is just a summary.

Read the entire Bill (Public Act) on the Legislation Tracker.

There's a link on the CAAO home page.

House Bill 5312

P.A. 18-164 **Not signed yet**

* HB 5312 AN ACT CONCERNING RECOMMENDATIONS BY THE DEPARTMENT OF MOTOR VEHICLES REGARDING THE MOTOR VEHICLE STATUTES.

* Section 14 of this bill eliminates the procedure by which assessors could receive information about motor vehicles registered in other states in order to add those vehicles to local municipal grand lists. CAAO fought for this language last session and it was included in last year's budget bill (SB 1502) at Section 556.

Apparently, the DMV does not have the staff, the time, or the inclination to follow up on out-of-state registered vehicles, even though the State is also losing registration fees, emissions fees, and possibly sales tax on these vehicles.

* EFFECTIVE UPON PASSAGE (We opposed this Bill)

House Bill 5175

P.A. 18-95 **Not signed yet**

AN ACT CONCERNING APPEALS UNDER THE FREEDOM OF INFORMATION ACT AND PETITIONS FOR RELIEF FROM VEXATIOUS REQUESTERS.

Notwithstanding any provision of this subsection, a public agency may petition the commission for relief from a requester that the public agency alleges is a vexatious requester.

House Bill 5181

Special Act 18-10 **Not signed yet**

AN ACT EXTENDING THE MUNICIPAL REVALUATION DEADLINE FOR THE TOWN OF WILTON BY ONE YEAR

Section 1. (*Effective from passage*) Notwithstanding the provisions of section 12-62 of the general statutes or any other provision of the general statutes, any municipal charter, special act or home rule ordinance, the town of Wilton shall not be required to implement a revaluation prior to the assessment year commencing on October 1, 2018, provided any decision not to implement a revaluation pursuant to this section is approved by the legislative body of such town. The rate maker, as defined in section 12-131 of the general statutes, in such town may prepare new rate bills pursuant to the provisions of chapter 204 of the general statutes in order to carry out the provisions of this section. Any required revaluation subsequent to any delayed implementation of a revaluation pursuant to this section shall be implemented in accordance with the provisions of section 12-62 of the general statutes. Such subsequent revaluation shall recommence at the point in the schedule required pursuant to section 12-62 of the general statutes where such town was prior to such delay.

House Bill 5574

P.A. 18-42 Signed 5/31/2018

- * An Act Concerning The Failure To File For Certain Grand List Exemptions
- * Validates taxpayer applications for exemptions under 12-81 (76)
- * For New Britain (2016 List) and Bristol (2016 & 2017 Lists);
- * Under 12-81 (74) For Wallingford (2016 List)
- * And under 12-81 (7) for Norwich (2016 & 2017 Lists).
- * Subject to the usual deadlines and late filing fees.

House Bill 5184

P.A. 18-12

Signed 5/25/2018

- * **AN ACT PERMITTING THE AMENDMENT OF MUNICIPAL CHARTERS FOR THE PURPOSE OF MODIFYING BUDGET ADOPTION DATES.**
- * Allows a municipality, upon a two-thirds vote of its legislative body, to amend its charter for the sole purpose of modifying its budget adoption dates.
- * Of interest to us because adoption dates may cause difficulty with certain applications or processes that we perform.

House Bill 5487

P.A. 18-132

Not signed yet

AN ACT CONCERNING THE CONTINUANCE OF A NONCONFORMING USE, BUILDING OR STRUCTURE.

Amends zoning regulations:

..... Such regulations shall not prohibit the continuance of any nonconforming use, building or structure existing at the time of the adoption of such regulations or require a special permit or special exception for any such continuance.

House Bill 5239

P.A. 18-102

Not signed yet

AN ACT CONCERNING ELIGIBILITY FOR CERTAIN VETERANS' PROPERTY TAX EXEMPTIONS.

Amends subsections (a) to (c), inclusive, of section 12-81f and subsection (a) of section 12-81jj (Local Option, Low income veteran's exemptions) to remove the \$25,000 limit in excess of the State income limit.

Specifies that the local income limit cannot be **less** than the State limit, but otherwise, the sky's the limit.

And Now, a Bill we wanted House Bill 5591

P.A. 18-136

Not signed yet

Sec. 2. Subdivision (78) of section 12-81 of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2018):

(78) Machinery and equipment (A) used in the process of coloring or mixing paint, including, but not limited to, spectrographic color matching machines, automatic colorant dispensers, paint shakers, and computer equipment related to such machinery and equipment, and (B) used by retailers that offer paint for sale at retail in this state.

Any person claiming the exemption provided under this subdivision shall, not later than November first, file a request with the assessor on a form prescribed by such assessor.

And two we didn't House Bill 5534

P.A. 18-176

Not signed yet

- * AN ACT CONCERNING THE CLASSIFICATION OF FARM LAND.
- * The assessor shall not deny the application of an owner of land for classification of such land as farm land if such land meets the criteria for classification as farm land pursuant to this subsection.
- * At first this seemed innocuous enough, as it is what we already do.
- * Then came the amendment.....
- * The assessor shall not deny the application for any portion of such land on account of any minimum acreage requirement for residential parcels or agricultural use established under municipal zoning regulations.
- * This means that you cannot insist on assessing a zoned building lot. The farmer can grow crops or graze his animals right up to the building walls, and it can be classified as farm land.

Senate Bill 271

P.A. 18-79

Signed 6/4/2018

AN ACT EXEMPTING CERTAIN TANGIBLE PERSONAL PROPERTY OWNED BY A BUSINESS FROM THE PROPERTY TAX.

Section 12-81 of the 2018 supplement to the general statutes is amended by adding subdivision (79) as follows:

(NEW) (79) Tangible personal property with an original value of not more than two hundred fifty dollars that is owned by a business organization, provided this exemption shall not apply for the first ten full assessment years following the assessment year in which the property was acquired.

Seriously, how much could the tax be on these items.

$250 \times 30\% \times 70\% \times 30 \text{ mills} = \underline{\$ 1.58}$

Well, that's a Wrap.



See you next year!