



General Assembly

February Session, 2002

**Raised Bill No. 74**

LCO No. 183

Referred to Committee on Planning and Development

Introduced by:

(PD)

**AN ACT CONCERNING PERIODIC REVALUATION OF REAL PROPERTY BY TOWNS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (h) of section 12-62 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (h) (1) Nothing in this section shall be construed as prohibiting a  
5 town from electing to effect a revaluation of real estate earlier than the  
6 year of next revaluation, as designated in subsection (b) of this section.

7 (2) [A] On and after October 1, 2002, a town electing to effect its next  
8 revaluation earlier than required pursuant to subsection (b) of this  
9 section shall effect its next subsequent revaluation [for the assessment  
10 date commencing four years following the effective date of the  
11 revaluation so implemented] in accordance with the schedule set forth  
12 in said subsection (b). The provisions of this section shall not be  
13 construed to allow a town implementing a revaluation earlier than  
14 required under subsection (b) of this section to implement the next  
15 subsequent revaluation for the assessment date commencing four

16 years after the effective date of the revaluation implement earlier than  
17 required.

18 Sec. 2. Section 12-62 of the general statutes is amended by adding  
19 subsection (k) as follows (*Effective from passage*):

20 (NEW) (k) (1) As used in this subsection:

21 (A) "Coefficient of dispersion" means the average absolute deviation  
22 of assessment to sales ratios from the median assessment to sales ratio,  
23 expressed as a percentage of the median.

24 (B) "Commercial property" means an improved parcel of land used  
25 for the sale of goods or services including, but not limited to, dining  
26 establishments, motor vehicle services, warehouse and distribution  
27 facilities, retail services, banks, office buildings, multi-purpose  
28 buildings that house more than one occupation, commercial  
29 condominiums for retail or wholesale use, nonresidential living  
30 accommodations, recreation facilities, entertainment facilities, hotels  
31 and motels, and includes the lot or land on which the building is  
32 situated and accessory improvements located on a commercial lot such  
33 as paving and storage buildings.

34 (C) "Industrial property" means an improved parcel of land used for  
35 the production or fabrication of durable and nondurable man-made  
36 goods from raw materials or compounded parts including, but not  
37 limited to, manufacturing and processing facilities, industrial  
38 condominiums and mining and quarrying operations, and includes the  
39 lot or land on which the building is situated and accessory  
40 improvements located on an industrial lot such as paving, storage  
41 buildings and tanks.

42 (D) "Market sale" means a sale for the most probable price in cash,  
43 terms equivalent to cash, or in other precisely revealed terms, for  
44 which the real property will sell in a competitive and open market  
45 under all conditions requisite to a fair sale with the buyer and seller

46 each acting prudently, knowledgeably and assuming the price is not  
47 affected by undue stimulus. It includes the consummation of a sale as  
48 of a specified date and the passing of title from seller to buyer under  
49 conditions whereby: (i) The buyer and seller are typically motivated,  
50 (ii) both parties are well informed or well advised and acting in what  
51 they consider their best interest, (iii) a reasonable time is allowed for  
52 exposure in the open market, (iv) payment is made in United States'  
53 currency or in terms of financial arrangements comparable thereto,  
54 and (v) the price represents the normal consideration for the real  
55 property sold which is unaffected by special or creative financing or  
56 sales concessions granted by anyone associated with the sale.

57 (E) "Median sales to assessment ratio" means the middle ratio when  
58 ratios are arrayed in ascending or descending order.

59 (F) "Property class" means any one of the following major  
60 classifications of real property: (i) Residential, (ii) commercial, (iii)  
61 industrial or public utility, (iv) agricultural, and (v) vacant land,  
62 subject to the provisions of subdivision (2) of this subsection.

63 (G) "Public utility" means an improved parcel of land used to  
64 provide services to the general public that are typically provided by a  
65 public service company, as defined in section 16-1 of the general  
66 statutes, as amended, and includes the lot or land on which the  
67 building is situated and accessory improvements located on the public  
68 utility lot such as paving, storage buildings and tanks.

69 (H) "Residential property" means an improved parcel of land  
70 devoted to human habitation for use as a domicile of less than five  
71 dwelling units. Property used for human habitation includes, but is not  
72 limited to, year-round residences, rural residences, condominiums,  
73 estates, seasonal residences and individually owned mobile  
74 manufactured homes and includes the lot or land on which the  
75 dwelling is situated and accessory buildings located on the parcel such  
76 as garages, sheds, pools and tennis courts.

77 (I) (i) "Vacant land" means land that is not developed or land  
78 lacking in essential appurtenant improvements above and below  
79 water, that are required in order for the land to serve a useful purpose.  
80 It is land that may be an approved subdivision but is not presently  
81 being physically improved or sold as lots; (ii) "median sales to  
82 assessment ratio" means the middle ratio when ratios are arrayed in  
83 ascending or descending order; and (iii) "property class" means any  
84 one of the following major classifications of real property, residential,  
85 commercial, industrial or public utility, agricultural and vacant land.

86 (2) Notwithstanding the provisions of this section, a town shall be  
87 exempt from performing its next scheduled revaluation provided as of  
88 the date that calculations pursuant to this subsection are performed:  
89 (A) The overall level of assessment for all property classes is within  
90 plus or minus ten per cent of the seventy per cent assessment ratio  
91 required by section 12-62a of the general statutes, as measured by the  
92 overall median sales to assessment ratio, and (B) the coefficient of  
93 dispersion is equal to or less than: (i) Fifteen per cent for all property  
94 classes; (ii) fifteen per cent for all residential property; (iii) twenty per  
95 cent for commercial property; (iv) twenty per cent for industrial  
96 property; (v) twenty per cent for public utility property; and (vi)  
97 twenty per cent for vacant land. For purposes of this subsection,  
98 commercial property, industrial property and public utility property  
99 may be treated as one property class.

100 (3) Not later than April fifteenth of the calendar year preceding the  
101 October first assessment date on which a revaluation pursuant to  
102 subsection (b) of this section is required to be effective, a town  
103 intending to claim exemption from the requirement to implement said  
104 revaluation shall perform the calculations required by this subsection.  
105 Such calculations shall be based on market sales that occurred between  
106 the October first of the previous calendar year and the first day of  
107 April of the calendar year in which said calculations are performed,  
108 provided, if the total number of market sales occurring in said period  
109 is less than thirty, the time period prior to said October first shall be

110 extended in three-month increments until the number of market sales  
111 is equal to or greater than thirty, but in no event shall such time period  
112 be extended for more than twelve months prior to said October first. If  
113 the time period is extended under the provision of this subsection, the  
114 assessor may adjust the sales price of any property to reflect: (A) The  
115 effect of a price change in the real estate market between the date of  
116 sale and the date said calculations are performed; (B) the fact that the  
117 property sold is subject to a lease that does not represent market rent,  
118 as defined in section 12-63b of the general statutes; or (C) the inclusion  
119 of personal property in the price paid for real property that was sold.  
120 The assessor may also adjust the sales price of any property for any  
121 other reason the assessor deems appropriate, provided such assessor  
122 can document the need for the adjustment. Information concerning  
123 such market sales and the statistical analyses of such sales shall be  
124 available for public inspection until the fifteenth day of April  
125 preceding the October first date on which a town's next revaluation  
126 pursuant to subdivision (5) of this subsection is required to be  
127 effective.

128 (4) Any town that meets the criteria set forth in this subsection shall  
129 certify its exemption from the requirement to implement its next  
130 scheduled revaluation pursuant to subsection (b) of this section to the  
131 Secretary of the Office of Policy and Management. Such certification  
132 shall be signed by the chief executive officer and the assessor and filed  
133 in their respective offices and shall specify the assessment date to  
134 which such exemption applies. A copy of said certification shall also be  
135 submitted to the town clerk, who shall record such certification on the  
136 land records.

137 (5) Any town that certifies its exemption from the requirement to  
138 implement a required revaluation pursuant to this subsection shall be  
139 required to implement its next revaluation for the assessment date  
140 commencing four years following the assessment date of the  
141 revaluation that was not implemented due to such exemption. The  
142 provisions of this subsection shall not be construed as prohibiting a

143 town from certifying an exemption from the requirement to implement  
144 a revaluation, pursuant to subsection (b) of this section, more than  
145 once.

146 Sec. 3. (*Effective from passage*) Notwithstanding the provisions of  
147 section 12-62 of the general statutes, as amended by this act, any town  
148 that is scheduled to implement a revaluation for the October 1, 2003,  
149 assessment date may, not later than thirty days after the effective date  
150 of this act, perform the calculations required by subsection (k) of  
151 section 12-62, as amended by this act, and certify its exemption from  
152 the requirement to effect its next scheduled revaluation as of said  
153 assessment date.

154 Sec. 4. Subsection (c) of section 9-199 of the general statutes is  
155 repealed and the following is substituted in lieu thereof (*Effective from*  
156 *passage*):

157 (c) Notwithstanding the provisions of subsection (a) of this section  
158 or of any special act, municipal charter or home rule ordinance, a  
159 municipality may, by ordinance, authorize its legislative body to  
160 appoint additional members to the board of assessment appeals for  
161 any assessment year. [in which a revaluation becomes effective, for the  
162 assessment year prior to such year of revaluation and for the  
163 assessment year following such year of revaluation.]

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>

**Statement of Purpose:**

To revise property tax procedures by (1) requiring a town implementing a revaluation earlier than required to comply with the statutory schedule with respect to the implementation of its next revaluation, (2) allowing a town to forego conducting its next

scheduled revaluation if the town can show that the fair market values of its real property have remained relatively stable since the implementation of its last revaluation, and (3) allowing additional members to be appointed to the board of assessment appeals in any year.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*