



# Senate

General Assembly

**File No. 390**

*January Session, 2003*

Substitute Senate Bill No. 538

*Senate, April 16, 2003*

The Committee on Planning and Development reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING REVALUATION OF PROPERTY BY MUNICIPALITIES, LAND VALUE TAXATION AND THE CERTIFICATION OF REVALUATION APPRAISERS.***

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

1 Section 1. Subsection (b) of section 12-62 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2003, and applicable to assessment years commencing on or after*  
4 *October 1, 2003*):

5 (b) (1) The assessor or board of assessors of each town shall revalue  
6 all of the real estate in their respective municipalities in accordance  
7 with the schedule provided in this section. Nothing in this subsection  
8 shall be construed to prohibit a town from effecting more frequent  
9 revaluations between the implementation of each revaluation required  
10 in accordance with the provisions of this section.

T1

Year of Next

Year of Subsequent

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T2	Town/City	Revaluation	Revaluation
T3	Andover	2001	2005
T4	Ansonia	2002	2006
T5	Ashford	2002	2006
T6	Avon	1999	2003
T7	Barkhamsted	1999	2003
T8	Beacon Falls	2001	2005
T9	Berlin	1997 or 1998	2002
T10	Bethany	1999	2003
T11	Bethel	1999	2003
T12	Bethlehem	1999	2003
T13	Bloomfield	2000	2004
T14	Bolton	1999	2003
T15	Bozrah	2001	2005
T16	Branford	2000	2004
T17	Bridgeport	1999	2003
T18	Bridgewater	1999	2003
T19	Bristol	1997 or 1998	2002
T20	Brookfield	2001	2005
T21	Brooklyn	2000	2004
T22	Burlington	1999	2003
T23	Canaan	1997 or 1998	2002
T24	Canterbury	2000	2004
T25	Canton	1999	2003
T26	Chaplin	1999	2003
T27	Cheshire	1999	2003
T28	Chester	1999	2003
T29	Clinton	2000	2004
T30	Colchester	2001	2005
T31	Colebrook	2000	2004
T32	Columbia	2001	2005
T33	Cornwall	2001	2005
T34	Coventry	2000	2004
T35	Cromwell	1999	2003
T36	Danbury	1997 or 1998	2002

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T37	Darien	1999	2003
T38	Deep River	2001	2005
T39	Derby	2000	2004
T40	Durham	2000	2004
T41	Eastford	1997 or 1998	2002
T42	East Granby	1999	2003
T43	East Haddam	2002	2006
T44	East Hampton	2000	2004
T45	East Hartford	2001	2005
T46	East Haven	2000	2004
T47	East Lyme	2001	2005
T48	Easton	2002	2006
T49	East Windsor	2002	2006
T50	Ellington	2000	2004
T51	Enfield	2001	2005
T52	Essex	1999	2003
T53	Fairfield	2001	2005
T54	Farmington	2002	2006
T55	Franklin	1999	2003
T56	Glastonbury	2002	2006
T57	Goshen	1997 or 1998	2002
T58	Granby	1997 or 1998	2002
T59	Greenwich	2001	2005
T60	Griswold	2001	2005
T61	Groton	2001	2005
T62	Guilford	2002	2006
T63	Haddam	2001	2005
T64	Hamden	2000	2004
T65	Hampton	1999	2003
T66	Hartford	1999	2003
T67	Hartland	2001	2005
T68	Harwinton	1999	2003
T69	Hebron	2001	2005
T70	Kent	1999	2003
T71	Killingly	2002	2006

T72	Killingworth	2001	2005
T73	Lebanon	1999	2003
T74	Ledyard	2001	2005
T75	Lisbon	2001	2005
T76	Litchfield	1999	2003
T77	Lyme	1999	2003
T78	Madison	2000	2004
T79	Manchester	2000	2004
T80	Mansfield	2000	2004
T81	Marlborough	2001	2005
T82	Meriden	2001	2005
T83	Middlebury	2001	2005
T84	Middlefield	2001	2005
T85	Middletown	1997 or 1998	2002
T86	Milford	2000	2004
T87	Monroe	1999	2003
T88	Montville	2001	2005
T89	Morris	2000	2004
T90	Naugatuck	1997 or 1998	2002
T91	New Britain	2002	2006
T92	New Canaan	1999	2003
T93	New Fairfield	2000	2004
T94	New Hartford	1999	2003
T95	New Haven	2000	2004
T96	Newington	2000	2004
T97	New London	1999	2003
T98	New Milford	2001	2005
T99	Newtown	2002	2006
T100	Norfolk	1999	2003
T101	North Branford	2001	2005
T102	North Canaan	1997 or 1998	2002
T103	North Haven	2000	2004
T104	North Stonington	2000	2004
T105	Norwalk	1999	2003
T106	Norwich	1999	2003

T107	Old Lyme	2000	2004
T108	Old Saybrook	1999	2003
T109	Orange	2000	2004
T110	Oxford	2000	2004
T111	Plainfield	1997 or 1998	2002
T112	Plainville	2000	2004
T113	Plymouth	2001	2005
T114	Pomfret	2000	2004
T115	Portland	2001	2005
T116	Preston	1997 or 1998	2002
T117	Prospect	2000	2004
T118	Putnam	1999	2003
T119	Redding	1997 or 1998	2002
T120	Ridgefield	1997 or 1998	2002
T121	Rocky Hill	1999	2003
T122	Roxbury	1997 or 1998	2002
T123	Salem	2001	2005
T124	Salisbury	2000	2004
T125	Scotland	1999	2003
T126	Seymour	2001	2005
T127	Sharon	1999	2003
T128	Shelton	2001	2005
T129	Sherman	1999	2003
T130	Simsbury	2002	2006
T131	Somers	2002	2006
T132	Southbury	1997 or 1998	2002
T133	Southington	2001	2005
T134	South Windsor	2002	2006
T135	Sprague	2000	2004
T136	Stafford	2000	2004
T137	Stamford	2001	2005
T138	Sterling	1997 or 1998	2002
T139	Stonington	2002	2006
T140	Stratford	2000	2004
T141	Suffield	1999	2003

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T142	Thomaston	1999	2003
T143	Thompson	2000	2004
T144	Tolland	2000	2004
T145	Torrington	1999	2003
T146	Trumbull	2000	2004
T147	Union	1999	2003
T148	Vernon	2000	2004
T149	Voluntown	2001	2005
T150	Wallingford	2000	2004
T151	Warren	1997 or 1998	2002
T152	Washington	1999	2003
T153	Waterbury	1997 or 1998	2002
T154	Waterford	1997 or 1998	2002
T155	Watertown	1999	2003
T156	Westbrook	2001	2005
T157	West Hartford	1999	2003
T158	West Haven	2000	2004
T159	Weston	1999	2003
T160	Westport	1999	2003
T161	Wethersfield	1999	2003
T162	Willington	1999	2003
T163	Wilton	2002	2006
T164	Winchester	2002	2006
T165	Windham	2001	2005
T166	Windsor	1999	2003
T167	Windsor Locks	1999	2003
T168	Wolcott	2000	2004
T169	Woodbridge	2000	2004
T170	Woodbury	1999	2003
T171	Woodstock	2000	2004

11       (2) Notwithstanding the provisions of subdivision (1) of this  
12 subsection establishing the date of subsequent revaluation, such date  
13 shall be two years after the date established in said subdivision (1) in  
14 the case of each municipality required to revalue in assessment years

15 2003, 2004, 2005 and 2006. For the assessment date [four] six years  
16 following the date of the subsequent revaluation required under  
17 subdivision (1) of this subsection and every [fourth] sixth year  
18 thereafter, the assessor or board of assessors shall revalue all of the real  
19 estate in their respective municipalities.

20 (3) Any municipality required to revalue all real property for  
21 assessment year 1997 or 1998, which revalued such real property for  
22 the assessment year 1996, shall not be required to revalue for  
23 assessment year 1997 or 1998 but shall be required to revalue all real  
24 property for assessment year 2002.

25 Sec. 2. Section 12-62a of the general statutes is repealed and the  
26 following is substituted in lieu thereof (*Effective October 1, 2003, and*  
27 *applicable to assessment years commencing on or after October 1, 2003*):

28 (a) Each municipality, as defined in section 7-381, shall establish a  
29 uniform assessment date of October first.

30 (b) Each such municipality shall assess all property for purposes of  
31 the local property tax at a uniform rate of seventy per cent of present  
32 true and actual value, as determined under section 12-63. For  
33 assessment years commencing on and after October 1, 2003, any  
34 municipality with a population of more than one hundred thousand,  
35 as amended by ordinance adopted by its legislative body, may (1)  
36 classify real estate as (A) land or land exclusive of buildings, or (B)  
37 buildings on land, and (2) establish a different rate of property tax for  
38 each class, provided the higher rate shall apply to land or land  
39 exclusive of buildings.

40 (c) Repealed by P.A. 96-171, S. 15, 16.

41 (d) Repealed by P.A. 96-171, S. 15, 16.

42 (e) Commencing October 1, 1996, any such municipality may, with  
43 respect to the assessment list in such municipality in a year in which a  
44 revaluation becomes effective, as required under section 12-62, by vote  
45 of its legislative body and in the manner provided in this subsection,

46 defer all or any part of the amount of any increase in the assessed  
47 value of real property included in the assessment list in the year such  
48 revaluation becomes effective, provided in the year such revaluation  
49 becomes effective and in any succeeding year in which such deferment  
50 is allowed by such municipality, the assessed value of any real  
51 property in the year immediately preceding revaluation shall be  
52 increased in such equal amounts in each of such years that the assessed  
53 value of such real property in the last year of such deferment, but in no  
54 event later than the third year following the year of such revaluation,  
55 shall be no less than the assessed value applicable to such property in  
56 the year of revaluation except for deferment of such increased  
57 assessment in accordance with this subsection. In any municipality  
58 with such a revaluation becoming effective and electing to defer all or  
59 any part of the amount of such increase in the assessed value of real  
60 property over the period of three years immediately following, as  
61 provided in this subsection, subject to approval by the legislative body  
62 as provided above with respect to real property included in the  
63 assessment list in the year of such revaluation, new real estate  
64 construction in such municipality which is completed and determined  
65 to be subject to property tax as provided in section 12-53a after the  
66 assessment date in the year of such revaluation and prior to the  
67 assessment date in the third year following the year of such  
68 revaluation, may be assessed during such period in a manner similar  
69 to that provided in this subsection for real property included in the  
70 assessment list in the year of such revaluation, deferring a portion of  
71 the actual assessed value of such new construction as of the date  
72 liability for property tax is established and adding such portion in  
73 equal increments to an assessed value for such new construction  
74 estimated as that which would have been applicable if it had been  
75 completed immediately prior to the assessment date in the year of such  
76 revaluation, such increments to be added in each assessment year  
77 commencing with the year in which liability for property tax is so  
78 established and ending not later than the third year following the year  
79 of such revaluation. The assessed value for purposes of this subsection  
80 in each of said years shall be determined as the sum of (1) such

81 estimated assessed value, (2) any of the equal increments already  
82 added to such estimated value for purposes of determining the  
83 assessed value in accordance with this subsection, and (3) the  
84 increment for the year with respect to which such assessed value is  
85 being determined. The portion of the actual assessed value of such  
86 new construction as of the date of such liability which is to be deferred  
87 and added in increments to such estimated assessed value shall be the  
88 amount by which the actual assessed value of such new construction  
89 on the date tax liability is so established exceeds the estimated assessed  
90 value for such new construction as described in this subsection.

91 (f) Any municipality which has elected to defer all or any part of the  
92 amount of increase in the assessed value of real property as provided  
93 in subsection (e) of this section may (1) continue the plan of such  
94 deferment as approved by the legislative body of such municipality  
95 until the third year following the year of such revaluation as provided  
96 in [said] subsection (e) of this section, or (2) at any time, subject to  
97 approval by the legislative body in such municipality, discontinue the  
98 plan of such deferment as adopted and notwithstanding the provisions  
99 of section 7-344 and any other public or special act or charter, lay such  
100 rate of property tax on the assessment list for the assessment year in  
101 which such discontinuance occurs, as completed and placed in the  
102 town clerk's office in accordance with section 12-55, without any  
103 deferment of amounts of increase in assessed values in accordance  
104 with [said] subsection (e) of this section, in the amount that would  
105 have been applicable with respect to said assessment list if such plan of  
106 deferment had not been adopted. In the event any such tax in  
107 accordance with [said] subsection (e) of this section has been levied  
108 and become due and payable in such assessment year prior to the date  
109 of such discontinuance as provided in this subsection, the amount of  
110 tax due and payable under this subsection shall be that portion of such  
111 tax in excess of the amount of tax due and payable prior to the date of  
112 such discontinuance and which amount, notwithstanding  
113 discontinuance of such plan of deferment, shall continue to be  
114 collectible by the tax collector. Within a period not exceeding thirty  
115 days following the date on which such plan of deferment is

116 discontinued, the assessor in such municipality shall notify the tax  
117 collector as to the additional amounts of such tax due with respect to  
118 the assessment list for the assessment year in which such  
119 discontinuance occurs and the tax collector shall within ten days  
120 thereafter mail a bill to the owner of each parcel of real property  
121 subject to such additional tax. Such tax shall be due and payable and  
122 collectible as other municipal property taxes, provided such tax shall  
123 be due and payable in an initial or single installment not sooner than  
124 thirty days following the date such bill is mailed to the owner and in  
125 any remaining installments of equal amounts as the same are  
126 determined to be due and payable by the legislative body.

127 (g) Repealed by P.A. 83-465, S. 3, 4.

128 Sec. 3. Section 12-2b of the general statutes is repealed and the  
129 following is substituted in lieu thereof (*Effective July 1, 2003*):

130 The Secretary of the Office of Policy and Management shall: (1) In  
131 consultation with the Commissioner of Agriculture, develop schedules  
132 of unit prices for property classified under sections 12-107a to 12-107e,  
133 inclusive, update such schedules by October 1, 1990, and every five  
134 years thereafter, and make such data, studies and schedules available  
135 to municipalities and the public; (2) develop regulations setting forth  
136 standards and tests for: Certifying revaluation [companies and their  
137 employees] appraisers, which regulations shall ensure that a  
138 revaluation [company] appraiser is competent in appraising and  
139 valuing property [, certifying revaluation companies and their  
140 employees, requiring] and require that a [certified employee supervise]  
141 revaluation appraiser certified as a supervisor oversee all valuations  
142 performed [by a revaluation company] for municipalities, maintaining  
143 lists of certified revaluation [companies] appraisers and upon request,  
144 [advising municipalities in drafting contracts with revaluation  
145 companies, and] conducting investigations and withdrawing the  
146 certification of any revaluation [company or employee] appraiser  
147 found not to be conforming to such regulations. The regulations shall  
148 provide for the imposition of a fee payable to a testing service

149 designated by the secretary to administer revaluation appraiser  
150 certification examinations and may provide that a designee of the  
151 secretary serve as a hearing officer; and (3) [by himself, or by an agent  
152 whom he may appoint,] inquire if all property taxes which are due and  
153 collectible by each town or city not consolidated with a town, are in  
154 fact collected and paid to the treasurer thereof in the manner  
155 prescribed by law, and if accounts and records of the tax collectors and  
156 treasurers of such entities are adequate and properly kept. The  
157 secretary may hold meetings, conferences or schools for assessors, tax  
158 collectors or municipal finance officers.

159 Sec. 4. Subdivision (3) of subsection (d) of section 12-62 of the  
160 general statutes is repealed and the following is substituted in lieu  
161 thereof (*Effective October 1, 2003*):

162 (3) If a municipality is unable to implement a revaluation in the  
163 assessment year as required by this section for any reason other than  
164 for reasonable cause as described in subparagraphs (A) to (D),  
165 inclusive, of subdivision (2) of this subsection, the chief executive  
166 officer of the municipality may submit a written request to the  
167 Secretary of the Office of Policy and Management to enter into an  
168 agreement with the Office of Policy and Management with respect to  
169 the implementation of such revaluation. The municipality may request  
170 such agreement [no earlier than six months prior to and] no later than  
171 the October first assessment date on which the [required] revaluation  
172 [would have affected] is required to be implemented. The secretary  
173 may enter into no more than one agreement with any municipality and  
174 only if such municipality has shown good faith efforts toward  
175 implementing such revaluation. Such agreement shall establish  
176 conditions to be met by the municipality in order to qualify for a  
177 waiver of the penalty imposed under subdivision (1) of this subsection.  
178 Such conditions shall include, but not be limited to, (A) dates upon  
179 which specific aspects of the revaluation shall be completed, (B) an  
180 agreement by the municipality to implement, maintain or update a  
181 computer system for the purpose of conducting future revaluations,  
182 (C) an agreement that the municipality will not seek an authorization

183 from the Office of Policy and Management to assess all real estate  
184 according to the list in effect immediately prior to the list to which  
185 such revaluation applies pursuant to subsection (b) of section 12-117,  
186 (D) a date specific by which a contract must be entered into for  
187 conducting the next statutorily required revaluation, and (E)  
188 [quarterly] periodic updates to the secretary, as set forth in such  
189 agreement, on the progress of the revaluation. The dates of such  
190 conditions may extend beyond the date of the implementation of the  
191 revaluation for which the agreement is requested. Notwithstanding a  
192 waiver issued under subdivision (2) of this subsection, the secretary  
193 may, upon a review of the totality of the circumstances, cause the  
194 municipality to forfeit a percentage of the total amount of state grants-  
195 in-aid determined by statutory formula which are included in the  
196 estimate prepared by the Secretary of the Office of Policy and  
197 Management pursuant to section 4-71b. If one condition of the  
198 agreement is not met by a municipality, the amount forfeited shall be  
199 one per cent of the total amount of such state grants-in-aid as of the  
200 date the condition was not met. If more than one condition of the  
201 agreement is not met by a municipality, the amount forfeited may be  
202 up to ten per cent of [the] such state grants-in-aid as determined by the  
203 secretary.

204 Sec. 5. Subdivision (2) of subsection (k) of section 12-62 of the  
205 general statutes is repealed and the following is substituted in lieu  
206 thereof (*Effective from passage and applicable to certifications of exemption*  
207 *from the requirement to implement a revaluation made on or after April 1,*  
208 *2003*):

209 (2) Notwithstanding the provisions of this section, as amended by  
210 this act, a town shall be exempt from performing its next scheduled  
211 revaluation if, as of the date that calculations pursuant to this  
212 subsection are performed using a sample containing a minimum of  
213 thirty market sales: (A) The overall level of assessment for all property  
214 classes is within plus or minus ten per cent of the seventy per cent  
215 assessment ratio required under subsection (b) of section 12-62a, as  
216 measured by the overall median ratio; (B) the level of assessment for

217 each property class for which there are fifteen or more market sales is  
218 within plus or minus five per cent of the median overall level of  
219 assessment for [each such property class] all property classes  
220 combined; (C) the coefficient of dispersion for all property classes  
221 combined is equal to or less than fifteen per cent and, for each property  
222 class for which there are fifteen or more market sales, the coefficient of  
223 dispersion is equal to or less than (i) [fifteen per cent for all property;  
224 (ii)] fifteen per cent for residential property; [(iii)] (ii) twenty per cent  
225 for commercial property; and [(iv)] (iii) twenty per cent for vacant  
226 land; and (D) the price related differential for all property classes  
227 combined and for each property class for which there are fifteen or  
228 more market sales is within 0.98 and 1.03. The provisions of this  
229 subsection shall terminate on October 1, 2007, and shall not apply to  
230 any revaluation scheduled to be implemented on or after said date.

231 Sec. 6. Subdivision (4) of subsection (k) of section 12-62 of the  
232 general statutes is repealed and the following is substituted in lieu  
233 thereof (*Effective from passage and applicable to certifications of exemption*  
234 *from the requirement to implement a revaluation made on or after April 1,*  
235 *2003*):

236 (4) Any town that meets the criteria set forth in this subsection shall,  
237 not later than five days after the calculations required by this  
238 subsection are performed, certify its exemption from the requirement  
239 to implement its next scheduled revaluation pursuant to subsection (b)  
240 of this section to the Secretary of the Office of Policy and Management,  
241 on a form prescribed by the committee established pursuant to  
242 subsection (a) of section 12-62k, as amended by this act, and approved  
243 by said secretary. Such certification shall be signed by the chief  
244 executive officer and the assessor and filed in their respective offices  
245 and shall specify the assessment date to which such exemption applies.  
246 The certification submitted to the secretary shall be accompanied by  
247 documentation of the town's compliance with the criteria delineated in  
248 this subsection, in such form and manner as the committee and the  
249 secretary may require. Failure to complete and submit the form and  
250 documentation in the time period set forth shall be deemed a waiver of

251 the right to such exemption. Such documentation shall include, but not  
252 be limited to: (A) Information concerning all sales of real property for  
253 each property class that occurred during the time period encompassed  
254 by the town's analyses, provided the sales price is equal to or greater  
255 than two thousand dollars; (B) information concerning the market  
256 sales used in the analysis for each property class during such time  
257 period; (C) documentation concerning the reason used by the assessor  
258 to adjust the sales price of each property and the dollar amount of the  
259 adjustment; (D) documentation of the reason for not including a real  
260 property sale in the analysis of any property class; and (E) the results  
261 of each of the applicable calculations described in subdivision (2) of  
262 this subsection. Each town that certifies an exemption from the  
263 requirement to implement a revaluation pursuant to this subsection  
264 shall cooperate with the secretary or the committee established  
265 pursuant to subsection (a) of section 12-62k, as amended by this act, in  
266 promptly providing any information the secretary or the committee  
267 may require. A copy of the certification of a town's exemption from the  
268 requirement to implement its next scheduled revaluation, as submitted  
269 to the secretary, shall be provided to the town clerk of the town, who  
270 shall record such certification on the land records. In the event the  
271 secretary rescinds such exemption, the secretary's notice rescinding the  
272 town's revaluation exemption certification shall be recorded on the  
273 land records not later than five business days after the date the notice  
274 is received.

275 Sec. 7. Subsection (a) of section 12-62k of the general statutes is  
276 repealed and the following is substituted in lieu thereof (*Effective from*  
277 *passage and applicable to certifications of exemption from the requirement to*  
278 *implement a revaluation made on or after April 1, 2003*):

279 (a) There shall be a committee for the purpose of analyzing the data  
280 upon which a town bases its certification of exemption from the  
281 requirement to implement a scheduled revaluation on and after  
282 October 1, 2003, pursuant to section 12-62, as amended by this act,  
283 together with all data that was [or should have been] considered in  
284 completing the calculations on which such exemption certification is

285 based, and any other data the committee deems necessary. Not later  
286 than three months after the date on which the Secretary of the Office of  
287 Policy and Management receives a town's certification of exemption  
288 from such requirement, the committee shall complete its analysis and  
289 shall submit a written report of its findings to the secretary. Such  
290 report shall include the committee's opinion of the validity of the  
291 exemption certification made by the town and a recommendation  
292 regarding the secretary's action concerning such certification. Not later  
293 than five days after receiving a report of the committee's findings, the  
294 secretary shall send a written notice to the town, by certified or  
295 registered mail, validating or rescinding the town's revaluation  
296 exemption certification. The secretary shall validate the town's  
297 exemption from the requirement to implement a revaluation as of the  
298 October first of the calendar year next following, unless the committee  
299 recommends that the secretary rescind such exemption.

300 Sec. 8. Subsections (c) and (d) of section 12-62k of the general  
301 statutes are repealed and the following is substituted in lieu thereof  
302 (*Effective from passage and applicable to certifications of exemption from the*  
303 *requirement to implement a revaluation made on or after April 1, 2003*):

304 (c) The committee shall establish whether or not a town complied  
305 with the requirements of section 12-62, as amended by this act, in  
306 effecting the required calculations, and whether or not the result of  
307 such calculations supports the town's certification of exemption. The  
308 committee shall determine whether or not the assessor in performing  
309 the analyses for each property class and for all real property: (1)  
310 Excluded market sales that should have been included, (2) made  
311 adjustments to the sales prices of property that were not based on  
312 objective criteria, not documented, or not substantiated in terms of the  
313 reasons therefor, or (3) included sales that were not market sales, [or  
314 (4)] and the committee may determine if the assessor did not make  
315 necessary and appropriate adjustments to the sales prices of real  
316 property included as market sales. If the committee finds that the town  
317 or the assessor did not conform to the requirements of subsection (k) of  
318 section 12-62, as amended by this act, and that such nonconformance

319 materially affected the calculations on which the town based its  
320 certification of exemption from the requirement to implement a  
321 scheduled revaluation, the committee shall recommend that the  
322 secretary rescind such exemption. If the committee finds that the town  
323 or the assessor conformed to such requirements, or did not conform to  
324 such requirements but that such nonconformance did not materially  
325 affect the calculations on which such certification was based, the  
326 committee shall recommend that the secretary validate such  
327 exemption.

328 (d) (1) In the event the Secretary of the Office of Policy and  
329 Management rescinds a town's revaluation exemption certification, the  
330 town shall implement a revaluation of all real property [as soon as is]  
331 on the assessment date for which the secretary rescinded such  
332 exemption, if practicable, but in no event later than the October first  
333 next following [the] said date, [on which it was scheduled to  
334 implement the revaluation for which the secretary rescinded the  
335 exemption certification. Any] Not later than ninety days after receiving  
336 the secretary's notice rescinding the certification, the town's chief  
337 executive officer shall send a written notice to the secretary specifying  
338 the date on which the town will implement revaluation. If such date is  
339 other than the October first date for which the certification was  
340 rescinded, the secretary or the secretary's designee shall promptly  
341 schedule a hearing at which the chief executive officer and the assessor  
342 shall appear to explain (A) the town's good faith efforts to implement a  
343 revaluation on the assessment date required, (B) the reason for the  
344 town's inability to do so despite such efforts, and (C) the steps the  
345 town is taking to implement revaluation as of the October first next  
346 following said assessment date.

347 (2) Notwithstanding the effective date of a revaluation implemented  
348 by a town following receipt of the secretary's notice rescinding the  
349 town's revaluation certification exemption, such town shall be required  
350 to implement its next subsequent revaluation for the assessment date  
351 that is four years after the assessment date for which such exemption  
352 certification [is] was rescinded and thereafter such town shall

353 implement a revaluation in accordance with the provisions of  
354 subsection (b) of section 12-62, as amended by this act. Any such town  
355 shall not be eligible to certify an exemption from the requirement to  
356 implement a revaluation, pursuant to section 12-62, as amended by  
357 this act, any earlier than the date that is five years after the date on  
358 which the town certified the exemption from the requirement to  
359 implement a revaluation that the secretary rescinded.

360 (3) If the secretary determines that [such] a town's revaluation  
361 exemption certification could not have been made unless the town  
362 [intentionally] disregarded the provisions of section 12-62, as amended  
363 by this act, [in order to subvert the requirement to implement a  
364 scheduled revaluation] or if the secretary determines that a town did  
365 not make timely and good faith efforts toward implementing a  
366 revaluation on the assessment date for which such exemption  
367 certification was rescinded, the secretary may impose a penalty against  
368 such town. A town shall be deemed to have disregarded the provisions  
369 of said section 12-62, as amended by this act, if (A) the town submits a  
370 certification of revaluation exemption containing calculations that do  
371 not satisfy the criteria for such exemption, or (B) the data upon which a  
372 town bases such certification do not support the calculations submitted  
373 in substantiation thereof. The secretary shall determine the amount of  
374 such penalty and the method by which it shall be paid, which may  
375 include subtracting such amount from any grant the payment of which  
376 the secretary certifies to the Comptroller in the fiscal year in which the  
377 penalty is imposed, or in the fiscal year next following. Prior to  
378 imposing any such penalty, the secretary, or the secretary's designee,  
379 shall hold a hearing and shall send a written notice to the town of the  
380 date, time and place thereof not later than ten business days before  
381 such hearing is scheduled. Not later than thirty days following the  
382 conclusion of such hearing, the secretary shall determine if imposition  
383 of a penalty is warranted and shall send a written notice of such  
384 determination to the town. In the event the secretary imposes a  
385 penalty, such notice shall state the amount of such penalty and the  
386 method by which it shall be paid. The secretary shall send any notice  
387 required by this [section] subdivision, by certified or registered mail.

388 Any town aggrieved by the action of the secretary following such  
 389 hearing or by the amount of the penalty imposed may appeal to the  
 390 superior court for the judicial district wherein such town is located.  
 391 Such appeal shall be taken not later than ten business days after the  
 392 date on which the town receives the secretary's notice concerning such  
 393 penalty. Any such appeal shall be privileged.

394 Sec. 9. Subsection (a) of section 12-53 of the general statutes is  
 395 repealed and the following is substituted in lieu thereof (*Effective July*  
 396 *1, 2003*):

397 (a) For purposes of this section: (1) "Omitted property" means  
 398 property for which complete information is not included in the  
 399 declaration required to be filed by law with respect to either the total  
 400 number and type of all items subject to taxation or the true original  
 401 cost and year acquired of all such items, (2) "books", "papers",  
 402 "documents" and "other records" includes, but is not limited to, federal  
 403 tax forms relating to the acquisition and cost of fixed assets, general  
 404 ledgers, balance sheets, disbursement ledgers, fixed asset and  
 405 depreciation schedules, financial statements, invoices, operating  
 406 expense reports, capital and operating leases, conditional sales  
 407 agreements and building or leasehold ledgers, and (3) "designee of an  
 408 assessor" means a Connecticut municipal assessor certified in  
 409 accordance with subsection (b) of section 12-40a, a certified public  
 410 accountant [, a revaluation company certified in accordance with  
 411 section 12-2c for the valuation of personal property,] or an individual  
 412 certified as a revaluation [company employee] appraiser in accordance  
 413 with section 12-2b, as amended by this act, for the valuation of  
 414 personal property.

415 Sec. 10. (*Effective July 1, 2003*) Section 12-2c of the general statutes is  
 416 repealed.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003, and applicable to assessment years commencing on or after October 1, 2003</i>

Sec. 2	<i>October 1, 2003, and applicable to assessment years commencing on or after October 1, 2003</i>
Sec. 3	<i>July 1, 2003</i>
Sec. 4	<i>October 1, 2003</i>
Sec. 5	<i>from passage and applicable to certifications of exemption from the requirement to implement a revaluation made on or after April 1, 2003</i>
Sec. 6	<i>from passage and applicable to certifications of exemption from the requirement to implement a revaluation made on or after April 1, 2003</i>
Sec. 7	<i>from passage and applicable to certifications of exemption from the requirement to implement a revaluation made on or after April 1, 2003</i>
Sec. 8	<i>from passage and applicable to certifications of exemption from the requirement to implement a revaluation made on or after April 1, 2003</i>
Sec. 9	<i>July 1, 2003</i>
Sec. 10	<i>July 1, 2003</i>

**PD**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Policy & Mgmt., Off.	GF - Cost	Minimal	Minimal
Policy & Mgmt., Off.	GF - Savings	Minimal	Minimal

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect
Various Municipalities	See Below

**Explanation**

The bill eliminates a variety of requirements on the Office of Policy and Management (OPM) that will result in a minimal cost savings. Additionally, the bill requires OPM to adopt regulations that will result in a minimal cost to the agency.

**Municipal Impact**

There is a cost savings to municipalities affected by the bill delaying their next property tax revaluation schedule by two years. There would also be a cost savings to municipalities that qualify for an exemption to forego their next schedule revaluation. The estimated costs to conduct a revaluation are \$25 to \$50 per parcel. Costs vary among municipalities based on how diverse a municipality is and what portion of their grand list is residential.

The bill also allows targeted investment community municipalities to adopt two separate real property classes: (a) one for land or land exclusive of buildings, and (b) a second for building on land provided the higher rate applies to land or land exclusive of buildings. There is a cost in reprogramming computers and other administrative costs in

those targeted investment community municipalities that choose to adopt two separate real property classes.

Targeted Investment Communities include: Bridgeport, Bristol, East Hartford, Groton, Hamden, Hartford, Meriden, Middletown, New Britain, New Haven, New London, Norwalk, Norwich, Southington, Stamford, Waterbury, and Windham.

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**OLR Bill Analysis**

sSB 538

**AN ACT CONCERNING REVALUATION OF PROPERTY BY MUNICIPALITIES, LAND VALUE TAXATION AND THE CERTIFICATION OF REVALUATION APPRAISERS****SUMMARY:**

This bill delays by two years next required municipal property tax revaluation and increases the period between future revaluations from four to six years. By law, a municipality may revalue property before its deadline. The bill does not change a requirement that such municipalities conduct their next revaluation four years thereafter.

By law, municipalities can seek an extension of their revaluation deadline from the Office of Policy and Management (OPM). This bill allows municipalities to apply for an extension more than six months before the deadline. By law, municipalities must enter into an agreement with OPM to be granted an extension. The bill requires that municipalities provide updates to OPM periodically, as set forth in the agreement, rather than quarterly.

The bill makes several changes in the law that allows OPM to grant an exemption from the revaluation requirement to towns that have experienced very little variation in property value trends in and among classes of property.

The bill allows the legislative bodies of municipalities with a population over 100,000 (Bridgeport, Hartford, New Haven, Stamford, and Waterbury) to adopt an ordinance classifying property as (1) buildings and (2) land. It requires that municipalities that adopt such ordinances impose a higher property tax rate on land (including land that has been built upon) than on buildings.

The bill eliminates a requirement that revaluation companies be certified by OPM. It requires OPM to adopt regulations (1) for certifying revaluation appraisers, rather than revaluation companies and their employees, and (2) requiring that an appraiser certified as a supervisor, instead of any certified employee, oversee all valuations.

The bill (1) eliminates a requirement that OPM, upon request, advise municipalities in drafting contracts with revaluation companies; (2) allows the OPM secretary to designate another person to serve as a hearing officer; (3) eliminates his authority to appoint an agent to determine whether all property taxes due to towns and unconsolidated cities are paid and that records are properly kept; and (4) also makes minor related changes.

EFFECTIVE DATE: Upon passage and applies to applications made on or after April 1, 2003 for the revaluation exemption provisions; October 1, 2003 and applicable to assessment years starting on or after this date for the remaining revaluation provisions; July 1, 2003 for the provisions on appraisers and revaluation companies.

### **REVALUATION EXEMPTION**

By law, OPM can exempt a town from having to conduct its next revaluation if the town demonstrates that the trend in property values has been uniform within and between classes of property. To be eligible, the town must meet a series of statistical tests. A committee appointed by the OPM secretary determines whether the town has met these tests.

The bill requires that:

1. the statistical tests be based on at least 30 market sales;
2. the assessment level (the relationship between assessed and market value) for each property class for which there are at least 15 market sales be within 5% of the median assessment level for all property classes combined, rather than for each property class;
3. the price related differential (which determines whether high-and low-valued properties are assessed at the same level) for all property classes is between 0.98 and 1.03.

By law, a committee appointed by the secretary reviews the applications for exemptions. The bill (1) requires that applications be made on a form developed by the committee and approved by the secretary; (2) requires that the documentation submitted with the application meet the criteria set by the committee, as well as the secretary; (3) limits the sales information submitted as part of the

documentation to sales of \$2,000 or more; and (4) specifies that failure to complete and submit the form and documentation by the statutory deadline constitutes a waiver of the application.

By law, the committee must consider the data that was considered in completing the calculations underlying the application. The bill allows it to consider any other data it considers necessary, rather than just the data the town should have considered but did not. It requires the committee to consider whether the calculations support the town's application, rather than just specific issues it must currently consider, for example, whether the assessor excluded sales that should have been included in the calculations.

By law, the secretary can rescind an exemption under certain circumstances. The bill requires the affected town to conduct its revaluation on the assessment date that would have applied in the absence of the exemption if this is practicable, rather than as soon as practicable.

The bill requires that the secretary's rescission notice be recorded on the land records within five business days after it is received. Within 90 days of receiving the notice, the town's chief elected official must send a notice to the secretary specifying when it will conduct the revaluation. If this date is other than the original revaluation date, the secretary or his designee must promptly schedule where the chief elected official and assessor must appear. They must explain the town's good faith effort to implement the revaluation by the original deadline, why it is unable to do so, and the steps the town is taking to implement the revaluation by the following October 1.

The bill appears to require that a town whose exemption is rescinded conduct its next revaluation four years after the original deadline. Thereafter, it would be on the six-year cycle. For example, if a town was initially granted an exemption for a 2004 revaluation but this exemption was rescinded, it would have to conduct a revaluation in 2004 (except as provided under the bill), 2008, and 2014.

The bill broadens the circumstances under which the secretary can fine a town whose exemption has been rescinded. Under current law, the secretary can impose a fine if he finds that the town intentionally disregarded the law to avoid a revaluation. The bill (1) eliminates the requirement that the town's action be intentional and (2) allows the

secretary to impose a fine if he determines that the town did not make timely and good faith efforts to conduct the revaluation on the original date. The town is considered to have met the latter criterion if it (1) submitted an application containing calculations that did not meet the criteria for an exemption or (2) the underlying data do not support these calculations.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute  
Yea 16    Nay 0