



Senate

General Assembly

File No. 592

February Session, 2004

Substitute Senate Bill No. 456

Senate, April 15, 2004

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd 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.

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

1 Section 1. Subsection (a) of section 12-62 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2004, and applicable to assessment years commencing on or after*
4 *October 1, 2004*):

5 (a) (1) Commencing October 1, 1997, the assessor or board of
6 assessors of each town shall revalue all of the real estate in their
7 respective municipalities for assessment purposes in accordance with
8 the provisions of subsection (b) of this section. Such revaluation shall
9 provide for a recomputation of the true and actual value of each parcel
10 of land and any improvements thereon to reflect changes in market
11 conditions since the previous revaluation and shall be conducted in
12 accordance with the provisions of sections 9 to 13, inclusive, of this act.

13 Such revaluation shall not require physical inspection of property
 14 except as provided in subdivision (3) of this subsection. The
 15 assessments derived from each such revaluation shall be used for the
 16 purpose of levying property taxes in such municipality in the
 17 assessment year in which such revaluation becomes effective and in
 18 each assessment year thereafter until the next succeeding revaluation
 19 in accordance with the provisions of subsection (b) of this section. In
 20 the performance of these duties, except in any municipality where
 21 there is a single assessor, at least two of the assessors shall act together
 22 and all valuations shall be separately approved by a majority of the
 23 assessors.

24 (2) The assessor or board of assessors of each town shall view by
 25 physical inspection all of the real estate in their respective
 26 municipalities for assessment purposes within the period of time
 27 provided in subdivision (3) of this subsection.

28 (3) An assessor shall have fulfilled the requirement to view by
 29 physical inspection if a physical inspection of a property has been
 30 made at any time from June 27, 1997, to October 1, 2009, inclusive, and
 31 thereafter, the assessor or board of assessors shall view by physical
 32 inspection each parcel of real estate no later than [twelve] ten years
 33 following the preceding inspection.

34 Sec. 2. Subsection (b) of section 12-62 of the general statutes is
 35 repealed and the following is substituted in lieu thereof (*Effective*
 36 *October 1, 2004, and applicable to assessment years commencing on or after*
 37 *October 1, 2004*):

38 (b) (1) The assessor or board of assessors of each town shall revalue
 39 all of the real estate in their respective municipalities in accordance
 40 with the schedule provided in this section. Nothing in this subsection
 41 shall be construed to prohibit a town from effecting more frequent
 42 revaluations between the implementation of each revaluation required
 43 in accordance with the provisions of this section.

T1

Year of Next

Year of Subsequent

T2	Town/City	Revaluation	Revaluation
T3	Andover	[2001] <u>2007</u>	[2005] <u>2012</u>
T4	Ansonia	[2002] <u>2007</u>	[2006] <u>2012</u>
T5	Ashford	[2002] <u>2008</u>	[2006] <u>2013</u>
T6	Avon	[1999] <u>2009</u>	[2003] <u>2014</u>
T7	Barkhamsted	[1999] <u>2009</u>	[2003] <u>2014</u>
T8	Beacon Falls	[2001] <u>2007</u>	[2005] <u>2012</u>
T9	Berlin	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>
T10	Bethany	[1999] <u>2009</u>	[2003] <u>2014</u>
T11	Bethel	[1999] <u>2010</u>	[2003] <u>2015</u>
T12	Bethlehem	[1999] <u>2009</u>	[2003] <u>2014</u>
T13	Bloomfield	[2000] <u>2004</u>	[2004] <u>2009</u>
T14	Bolton	[1999] <u>2009</u>	[2003] <u>2014</u>
T15	Bozrah	[2001] <u>2006</u>	[2005] <u>2011</u>
T16	Branford	[2000] <u>2005</u>	[2004] <u>2010</u>
T17	Bridgeport	[1999] <u>2010</u>	[2003] <u>2015</u>
T18	Bridgewater	[1999] <u>2009</u>	[2003] <u>2014</u>
T19	Bristol	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>
T20	Brookfield	[2001] <u>2006</u>	[2005] <u>2011</u>
T21	Brooklyn	[2000] <u>2004</u>	[2004] <u>2009</u>
T22	Burlington	[1999] <u>2009</u>	[2003] <u>2014</u>
T23	Canaan	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T24	Canterbury	[2000] <u>2004</u>	[2004] <u>2009</u>
T25	Canton	[1999] <u>2009</u>	[2003] <u>2014</u>
T26	Chaplin	[1999] <u>2009</u>	[2003] <u>2014</u>
T27	Cheshire	[1999] <u>2009</u>	[2003] <u>2014</u>
T28	Chester	[1999] <u>2009</u>	[2003] <u>2014</u>
T29	Clinton	[2000] <u>2005</u>	[2004] <u>2010</u>
T30	Colchester	[2001] <u>2006</u>	[2005] <u>2011</u>
T31	Colebrook	[2000] <u>2004</u>	[2004] <u>2009</u>
T32	Columbia	[2001] <u>2007</u>	[2005] <u>2012</u>
T33	Cornwall	[2001] <u>2007</u>	[2005] <u>2012</u>
T34	Coventry	[2000] <u>2004</u>	[2004] <u>2009</u>
T35	Cromwell	[1999] <u>2009</u>	[2003] <u>2014</u>
T36	Danbury	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>

T37	Darien	[1999] <u>2010</u>	[2003] <u>2015</u>
T38	Deep River	[2001] <u>2007</u>	[2005] <u>2012</u>
T39	Derby	[2000] <u>2005</u>	[2004] <u>2010</u>
T40	Durham	[2000] <u>2005</u>	[2004] <u>2010</u>
T41	Eastford	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>
T42	East Granby	[1999] <u>2009</u>	[2003] <u>2014</u>
T43	East Haddam	[2002] <u>2007</u>	[2006] <u>2012</u>
T44	East Hampton	[2000] <u>2005</u>	[2004] <u>2010</u>
T45	East Hartford	[2001] <u>2006</u>	[2005] <u>2011</u>
T46	East Haven	[2000] <u>2005</u>	[2004] <u>2010</u>
T47	East Lyme	[2001] <u>2006</u>	[2005] <u>2011</u>
T48	Easton	[2002] <u>2008</u>	[2006] <u>2013</u>
T49	East Windsor	[2002] <u>2008</u>	[2006] <u>2013</u>
T50	Ellington	[2000] <u>2005</u>	[2004] <u>2010</u>
T51	Enfield	[2001] <u>2006</u>	[2005] <u>2011</u>
T52	Essex	[1999] <u>2009</u>	[2003] <u>2014</u>
T53	Fairfield	[2001] <u>2006</u>	[2005] <u>2011</u>
T54	Farmington	[2002] <u>2008</u>	[2006] <u>2013</u>
T55	Franklin	[1999] <u>2009</u>	[2003] <u>2014</u>
T56	Glastonbury	[2002] <u>2008</u>	[2006] <u>2013</u>
T57	Goshen	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T58	Granby	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>
T59	Greenwich	[2001] <u>2006</u>	[2005] <u>2011</u>
T60	Griswold	[2001] <u>2006</u>	[2005] <u>2011</u>
T61	Groton	[2001] <u>2006</u>	[2005] <u>2011</u>
T62	Guilford	[2002] <u>2007</u>	[2006] <u>2012</u>
T63	Haddam	[2001] <u>2007</u>	[2005] <u>2012</u>
T64	Hamden	[2000] <u>2004</u>	[2004] <u>2009</u>
T65	Hampton	[1999] <u>2009</u>	[2003] <u>2014</u>
T66	Hartford	[1999] <u>2009</u>	[2003] <u>2014</u>
T67	Hartland	[2001] <u>2006</u>	[2005] <u>2011</u>
T68	Harwinton	[1999] <u>2009</u>	[2003] <u>2014</u>
T69	Hebron	[2001] <u>2007</u>	[2005] <u>2012</u>
T70	Kent	[1999] <u>2009</u>	[2003] <u>2014</u>
T71	Killingly	[2002] <u>2008</u>	[2006] <u>2013</u>

T72	Killingworth	[2001] <u>2007</u>	[2005] <u>2012</u>
T73	Lebanon	[1999] <u>2009</u>	[2003] <u>2014</u>
T74	Ledyard	[2001] <u>2006</u>	[2005] <u>2011</u>
T75	Lisbon	[2001] <u>2006</u>	[2005] <u>2011</u>
T76	Litchfield	[1999] <u>2009</u>	[2003] <u>2014</u>
T77	Lyme	[1999] <u>2009</u>	[2003] <u>2014</u>
T78	Madison	[2000] <u>2007</u>	[2004] <u>2012</u>
T79	Manchester	[2000] <u>2006</u>	[2004] <u>2011</u>
T80	Mansfield	[2000] <u>2004</u>	[2004] <u>2009</u>
T81	Marlborough	[2001] <u>2006</u>	[2005] <u>2011</u>
T82	Meriden	[2001] <u>2007</u>	[2005] <u>2012</u>
T83	Middlebury	[2001] <u>2007</u>	[2005] <u>2012</u>
T84	Middlefield	[2001] <u>2007</u>	[2005] <u>2012</u>
T85	Middletown	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T86	Milford	[2000] <u>2004</u>	[2004] <u>2009</u>
T87	Monroe	[1999] <u>2010</u>	[2003] <u>2015</u>
T88	Montville	[2001] <u>2006</u>	[2005] <u>2011</u>
T89	Morris	[2000] <u>2004</u>	[2004] <u>2009</u>
T90	Naugatuck	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T91	New Britain	[2002] <u>2008</u>	[2006] <u>2013</u>
T92	New Canaan	[1999] <u>2010</u>	[2003] <u>2015</u>
T93	New Fairfield	[2000] <u>2004</u>	[2004] <u>2009</u>
T94	New Hartford	[1999] <u>2009</u>	[2003] <u>2014</u>
T95	New Haven	[2000] <u>2005</u>	[2004] <u>2010</u>
T96	[Newington	2000	2004]
T97	New London	[1999] <u>2009</u>	[2003] <u>2014</u>
T98	New Milford	[2001] <u>2007</u>	[2005] <u>2012</u>
T99	<u>Newington</u>	<u>2006</u>	<u>2011</u>
T100	Newtown	[2002] <u>2008</u>	[2006] <u>2013</u>
T101	Norfolk	[1999] <u>2009</u>	[2003] <u>2014</u>
T102	North Branford	[2001] <u>2007</u>	[2005] <u>2012</u>
T103	North Canaan	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T104	North Haven	[2000] <u>2005</u>	[2004] <u>2010</u>
T105	North Stonington	[2000] <u>2004</u>	[2004] <u>2009</u>
T106	Norwalk	[1999] <u>2010</u>	[2003] <u>2015</u>

T107	Norwich	[1999] <u>2009</u>	[2003] <u>2014</u>
T108	Old Lyme	[2000] <u>2004</u>	[2004] <u>2009</u>
T109	Old Saybrook	[1999] <u>2009</u>	[2003] <u>2014</u>
T110	Orange	[2000] <u>2005</u>	[2004] <u>2010</u>
T111	Oxford	[2000] <u>2005</u>	[2004] <u>2010</u>
T112	Plainfield	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>
T113	Plainville	[2000] <u>2006</u>	[2004] <u>2011</u>
T114	Plymouth	[2001] <u>2007</u>	[2005] <u>2012</u>
T115	Pomfret	[2000] <u>2004</u>	[2004] <u>2009</u>
T116	Portland	[2001] <u>2007</u>	[2005] <u>2012</u>
T117	Preston	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T118	Prospect	[2000] <u>2005</u>	[2004] <u>2010</u>
T119	Putnam	[1999] <u>2009</u>	[2003] <u>2014</u>
T120	Redding	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>
T121	Ridgefield	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>
T122	Rocky Hill	[1999] <u>2009</u>	[2003] <u>2014</u>
T123	Roxbury	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T124	Salem	[2001] <u>2006</u>	[2005] <u>2011</u>
T125	Salisbury	[2000] <u>2004</u>	[2004] <u>2009</u>
T126	Scotland	[1999] <u>2009</u>	[2003] <u>2014</u>
T127	Seymour	[2001] <u>2007</u>	[2005] <u>2012</u>
T128	Sharon	[1999] <u>2009</u>	[2003] <u>2014</u>
T129	Shelton	[2001] <u>2006</u>	[2005] <u>2011</u>
T130	Sherman	[1999] <u>2010</u>	[2003] <u>2015</u>
T131	Simsbury	[2002] <u>2008</u>	[2006] <u>2013</u>
T132	Somers	[2002] <u>2005</u>	[2006] <u>2010</u>
T133	Southbury	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T134	Southington	[2001] <u>2006</u>	[2005] <u>2011</u>
T135	South Windsor	[2002] <u>2008</u>	[2006] <u>2013</u>
T136	Sprague	[2000] <u>2005</u>	[2004] <u>2010</u>
T137	Stafford	[2000] <u>2005</u>	[2004] <u>2010</u>
T138	Stamford	[2001] <u>2010</u>	[2005] <u>2015</u>
T139	Sterling	[1997 or 1998] <u>2008</u>	[2002] <u>2013</u>
T140	Stonington	[2002] <u>2007</u>	[2006] <u>2012</u>
T141	Stratford	[2000] <u>2005</u>	[2004] <u>2010</u>

T142	Suffield	[1999] <u>2009</u>	[2003] <u>2014</u>
T143	Thomaston	[1999] <u>2009</u>	[2003] <u>2014</u>
T144	Thompson	[2000] <u>2004</u>	[2004] <u>2009</u>
T145	Tolland	[2000] <u>2005</u>	[2004] <u>2010</u>
T146	Torrington	[1999] <u>2009</u>	[2003] <u>2014</u>
T147	Trumbull	[2000] <u>2005</u>	[2004] <u>2010</u>
T148	Union	[1999] <u>2009</u>	[2003] <u>2014</u>
T149	Vernon	[2000] <u>2005</u>	[2004] <u>2010</u>
T150	Voluntown	[2001] <u>2006</u>	[2005] <u>2011</u>
T151	Wallingford	[2000] <u>2004</u>	[2004] <u>2009</u>
T152	Warren	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T153	Washington	[1999] <u>2009</u>	[2003] <u>2014</u>
T154	Waterbury	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T155	Waterford	[1997 or 1998] <u>2007</u>	[2002] <u>2012</u>
T156	Watertown	[1999] <u>2009</u>	[2003] <u>2014</u>
T157	Westbrook	[2001] <u>2007</u>	[2005] <u>2012</u>
T158	West Hartford	[1999] <u>2009</u>	[2003] <u>2014</u>
T159	West Haven	[2000] <u>2005</u>	[2004] <u>2010</u>
T160	Weston	[1999] <u>2010</u>	[2003] <u>2015</u>
T161	Westport	[1999] <u>2005</u>	[2003] <u>2010</u>
T162	Wethersfield	[1999] <u>2009</u>	[2003] <u>2014</u>
T163	Willington	[1999] <u>2009</u>	[2003] <u>2014</u>
T164	Wilton	[2002] <u>2008</u>	[2006] <u>2013</u>
T165	Winchester	[2002] <u>2007</u>	[2006] <u>2012</u>
T166	Windham	[2001] <u>2007</u>	[2005] <u>2012</u>
T167	Windsor	[1999] <u>2009</u>	[2003] <u>2014</u>
T168	Windsor Locks	[1999] <u>2009</u>	[2003] <u>2014</u>
T169	Wolcott	[2000] <u>2005</u>	[2004] <u>2010</u>
T170	Woodbridge	[2000] <u>2005</u>	[2004] <u>2010</u>
T171	Woodbury	[1999] <u>2009</u>	[2003] <u>2014</u>
T172	Woodstock	[2000] <u>2005</u>	[2004] <u>2010</u>

44 (2) For the assessment date [four] five years following the date of
 45 the subsequent revaluation required under subdivision (1) of this
 46 subsection and every [fourth] fifth year thereafter, the assessor or

47 board of assessors shall revalue all of the real estate in their respective
48 municipalities.

49 [(3) Any municipality required to revalue all real property for
50 assessment year 1997 or 1998, which revalued such real property for
51 the assessment year 1996, shall not be required to revalue for
52 assessment year 1997 or 1998 but shall be required to revalue all real
53 property for assessment year 2002.]

54 (3) Any municipality required to revalue all real property for the
55 assessment year 2005 that has completed a revaluation for assessment
56 year 2004 shall not be required to conduct another revaluation for
57 assessment year 2005 but shall be required to revalue all real property
58 again for the assessment year 2010 and every fifth year thereafter.

59 Sec. 3. Section 12-2b of the general statutes, as amended by section
60 146 of public act 03-6 of the June 30 special session, is repealed and the
61 following is substituted in lieu thereof (*Effective July 1, 2004*):

62 The Secretary of the Office of Policy and Management shall: (1) In
63 consultation with the Commissioner of Agriculture and Consumer
64 Protection, develop schedules of unit prices for property classified
65 under sections 12-107a to 12-107e, inclusive, as amended, update such
66 schedules by October 1, 1990, and every five years thereafter, and
67 make such data, studies and schedules available to municipalities and
68 the public; (2) develop regulations setting forth standards and tests for:
69 Certifying revaluation [companies and their employees] appraisers,
70 which regulations shall ensure that a revaluation [company] appraiser
71 is competent in appraising and valuing property [, certifying
72 revaluation companies and their employees, requiring] and require
73 that a [certified employee supervise] revaluation appraiser certified as
74 a supervisor oversee all valuations performed [by a revaluation
75 company] for municipalities, maintaining lists of certified revaluation
76 [companies] appraisers and upon request, [advising municipalities in
77 drafting contracts with revaluation companies, and] conducting
78 investigations and withdrawing the certification of any revaluation
79 [company or employee] appraiser found not to be conforming to such

80 regulations. The regulations shall provide for the imposition of a fee
81 payable to a testing service designated by the secretary to administer
82 reevaluation appraiser certification examinations and may provide that
83 a designee of the secretary serve as a hearing officer; and (3) [by
84 himself, or by an agent whom he may appoint,] inquire if all property
85 taxes which are due and collectible by each town or city not
86 consolidated with a town, are in fact collected and paid to the treasurer
87 thereof in the manner prescribed by law, and if accounts and records
88 of the tax collectors and treasurers of such entities are adequate and
89 properly kept. The secretary may hold meetings, conferences or
90 schools for assessors, tax collectors or municipal finance officers.

91 Sec. 4. Subdivision (3) of subsection (d) of section 12-62 of the
92 general statutes is repealed and the following is substituted in lieu
93 thereof (*Effective October 1, 2004*):

94 (3) If a municipality is unable to implement a revaluation in the
95 assessment year as required by this section for any reason other than
96 for reasonable cause as described in subparagraphs (A) to (D),
97 inclusive, of subdivision (2) of this subsection, the chief executive
98 officer of the municipality may submit a written request to the
99 Secretary of the Office of Policy and Management to enter into an
100 agreement with the Office of Policy and Management with respect to
101 the implementation of such revaluation. The municipality may request
102 such agreement [no earlier than six months prior to and] no later than
103 the October first assessment date on which the [required] revaluation
104 [would have affected] is required to be implemented. The secretary
105 may enter into no more than one agreement with any municipality and
106 only if such municipality has shown good faith efforts toward
107 implementing such revaluation. Such agreement shall establish
108 conditions to be met by the municipality in order to qualify for a
109 waiver of the penalty imposed under subdivision (1) of this subsection.
110 Such conditions shall include, but not be limited to, (A) dates upon
111 which specific aspects of the revaluation shall be completed, (B) an
112 agreement by the municipality to implement, maintain or update a
113 computer system for the purpose of conducting future revaluations,

114 (C) an agreement that the municipality will not seek an authorization
115 from the Office of Policy and Management to assess all real estate
116 according to the list in effect immediately prior to the list to which
117 such revaluation applies pursuant to subsection (b) of section 12-117,
118 as amended, (D) a date specific by which a contract must be entered
119 into for conducting the next statutorily required revaluation, and (E)
120 [quarterly] periodic updates to the secretary, as set forth in such
121 agreement, on the progress of the revaluation. The dates of such
122 conditions may extend beyond the date of the implementation of the
123 revaluation for which the agreement is requested. Notwithstanding a
124 waiver issued under subdivision (2) of this subsection, the secretary
125 may, upon a review of the totality of the circumstances, cause the
126 municipality to forfeit a percentage of the total amount of state grants-
127 in-aid determined by statutory formula which are included in the
128 estimate prepared by the Secretary of the Office of Policy and
129 Management pursuant to section 4-71b. If one condition of the
130 agreement is not met by a municipality, the amount forfeited shall be
131 one per cent of the total amount of such state grants-in-aid as of the
132 date the condition was not met. If more than one condition of the
133 agreement is not met by a municipality, the amount forfeited may be
134 up to ten per cent of [the] such state grants-in-aid as determined by the
135 secretary.

136 Sec. 5. Subdivision (2) of subsection (k) of section 12-62 of the
137 general statutes is repealed and the following is substituted in lieu
138 thereof (*Effective from passage and applicable to certifications of exemption*
139 *from the requirement to implement a revaluation made on or after April 1,*
140 *2004*):

141 (2) Notwithstanding the provisions of this section, a town shall be
142 exempt from performing its next scheduled revaluation if, as of the
143 date that calculations pursuant to this subsection are performed using
144 a sample containing a minimum of thirty market sales: (A) The overall
145 level of assessment for all property classes is within plus or minus ten
146 per cent of the seventy per cent assessment ratio required under
147 subsection (b) of section 12-62a, as measured by the overall median

148 ratio; (B) the level of assessment for each property class for which there
149 are fifteen or more market sales is within plus or minus five per cent of
150 the median overall level of assessment for [each such property class]
151 all property classes combined; (C) the coefficient of dispersion for all
152 property classes combined is equal to or less than fifteen per cent and,
153 for each property class for which there are fifteen or more market sales,
154 the coefficient of dispersion is equal to or less than (i) [fifteen per cent
155 for all property; (ii)] fifteen per cent for residential property; [(iii)] (ii)
156 twenty per cent for commercial property; and [(iv)] (iii) twenty per
157 cent for vacant land; and (D) the price related differential for all
158 property classes combined and for each property class for which there
159 are fifteen or more market sales is within 0.98 and 1.03. The provisions
160 of this subsection shall terminate on October 1, 2007, and shall not
161 apply to any revaluation scheduled to be implemented on or after said
162 date.

163 Sec. 6. Subdivision (4) of subsection (k) of section 12-62 of the
164 general statutes is repealed and the following is substituted in lieu
165 thereof (*Effective from passage and applicable to certifications of exemption*
166 *from the requirement to implement a revaluation made on or after April 1,*
167 *2004*):

168 (4) Any town that meets the criteria set forth in this subsection shall,
169 not later than five days after the calculations required by this
170 subsection are performed, certify its exemption from the requirement
171 to implement its next scheduled revaluation pursuant to subsection (b)
172 of this section to the Secretary of the Office of Policy and Management,
173 on a form prescribed by the committee established pursuant to
174 subsection (a) of section 12-62k, as amended, and approved by said
175 secretary. Such certification shall be signed by the chief executive
176 officer and the assessor and filed in their respective offices and shall
177 specify the assessment date to which such exemption applies. The
178 certification submitted to the secretary shall be accompanied by
179 documentation of the town's compliance with the criteria delineated in
180 this subsection, in such form and manner as the committee and the
181 secretary may require. Failure to complete and submit the form and

182 documentation in the time period set forth shall be deemed a waiver of
183 the right to such exemption. Such documentation shall include, but not
184 be limited to: (A) Information concerning all sales of real property for
185 each property class that occurred during the time period encompassed
186 by the town's analyses, provided the sales price is equal to or greater
187 than two thousand dollars; (B) information concerning the market
188 sales used in the analysis for each property class during such time
189 period; (C) documentation concerning the reason used by the assessor
190 to adjust the sales price of each property and the dollar amount of the
191 adjustment; (D) documentation of the reason for not including a real
192 property sale in the analysis of any property class; and (E) the results
193 of each of the applicable calculations described in subdivision (2) of
194 this subsection. Each town that certifies an exemption from the
195 requirement to implement a revaluation pursuant to this subsection
196 shall cooperate with the secretary or the committee established
197 pursuant to subsection (a) of section 12-62k, as amended, in promptly
198 providing any information the secretary or the committee may require.
199 A copy of the certification of a town's exemption from the requirement
200 to implement its next scheduled revaluation, as submitted to the
201 secretary, shall be provided to the town clerk of the town, who shall
202 record such certification on the land records. In the event the secretary
203 rescinds such exemption, the secretary's notice rescinding the town's
204 revaluation exemption certification shall be recorded on the land
205 records not later than five business days after the date the notice is
206 received.

207 Sec. 7. Subsection (a) of section 12-53 of the general statutes is
208 repealed and the following is substituted in lieu thereof (*Effective July*
209 *1, 2004*):

210 (a) For purposes of this section: (1) "Omitted property" means
211 property for which complete information is not included in the
212 declaration required to be filed by law with respect to either the total
213 number and type of all items subject to taxation or the true original
214 cost and year acquired of all such items, (2) "books", "papers",
215 "documents" and "other records" includes, but is not limited to, federal

216 tax forms relating to the acquisition and cost of fixed assets, general
217 ledgers, balance sheets, disbursement ledgers, fixed asset and
218 depreciation schedules, financial statements, invoices, operating
219 expense reports, capital and operating leases, conditional sales
220 agreements and building or leasehold ledgers, and (3) "designee of an
221 assessor" means a Connecticut municipal assessor certified in
222 accordance with subsection (b) of section 12-40a, a certified public
223 accountant [, a revaluation company certified in accordance with
224 section 12-2c for the valuation of personal property,] or an individual
225 certified as a revaluation [company employee] appraiser in accordance
226 with section 12-2b, as amended by this act, for the valuation of
227 personal property.

228 Sec. 8. (*Effective from passage*) The Office of Policy and Management
229 shall study the feasibility of establishing a new source of revenue to
230 augment municipal finances. On or before February 1, 2005, the
231 Secretary of the Office of Policy and Management shall report to the
232 joint standing committee of the General Assembly having cognizance
233 of matters relating to finance, revenue and bonding, in accordance
234 with the provisions of section 11-4a of the general statutes, as to any
235 finding or recommendations resulting from such study.

236 Sec. 9. (NEW) (*Effective October 1, 2004, and applicable to assessment*
237 *years commencing on or after October 1, 2004*) As used in sections 9 to 13,
238 inclusive, of this act:

239 (1) "Aggregate mean ratio" means the ratio of the sum of the
240 assessments to the sum of the sales prices;

241 (2) "Apartment property" means an improved parcel of land
242 devoted to use as a domicile of five or more dwelling units, including
243 cooperative ownership by the tenants, and includes the lot or land that
244 is occupied by an apartment building and other improvements to or on
245 the land;

246 (3) "Assessor" means the assessor or board of assessors of any town;

247 (4) "Cadastral map" means a map drawn to scale displaying for each
248 parcel of real property within a town, dimensions, survey lines,
249 ownership boundaries and a unique identifier;

250 (5) "Coefficient of dispersion" means the average absolute deviation
251 of assessment or sales ratios from the median assessment or sales ratio,
252 expressed as a percentage of the median;

253 (6) "Commercial property" means an improved parcel of land used
254 for the sale of goods or services including, but not limited to, dining
255 establishments, motor vehicle services facilities, warehouse and
256 distribution facilities, retail services facilities, banks, office buildings,
257 multipurpose buildings that house more than one occupation,
258 commercial condominiums for retail or wholesale use, nonresidential
259 living accommodations, recreation facilities, entertainment facilities,
260 hotels and motels. "Commercial property" includes the lot or land on
261 which the building is situated and accessory improvements located on
262 a commercial lot such as paving and storage buildings;

263 (7) "Company" means any person, firm, association, corporation,
264 limited liability company or other entity, other than a municipal
265 assessor or assistant assessor, which performs property valuations for
266 a municipality for assessment purposes;

267 (8) "Industrial property" means an improved parcel of land used for
268 the production or fabrication of durable and nondurable man-made
269 goods from raw materials or compounded parts, including, but not
270 limited to, manufacturing and processing facilities, industrial
271 condominiums and mining and quarrying operations. "Industrial
272 property" includes the lot or land on which the building is situated and
273 accessory improvements located on an industrial lot such as paving,
274 storage buildings and tanks;

275 (9) "Market sale" means a sale for the most probable price in cash, in
276 terms equivalent to cash, or in other precisely revealed terms, for
277 which the real property will sell in a competitive and open market
278 under all conditions requisite to a fair sale with the buyer and seller

279 each acting prudently, knowledgeably and assuming the price is not
280 affected by undue stimulus. "Market sale" includes the consummation
281 of a sale as of a specified date and the passing of title from seller to
282 buyer under conditions whereby: (A) The buyer and seller are
283 typically motivated, (B) both parties are well informed or well advised
284 and acting in what they consider their best interest, (C) a reasonable
285 time is allowed for exposure in the open market, (D) payment is made
286 in United States currency or in terms of financial arrangements
287 comparable thereto, and (E) the price represents the normal
288 consideration for the real property sold which is unaffected by special
289 or creative financing or sales concessions granted by anyone associated
290 with the sale;

291 (10) "Mass appraisal" means the process of valuing a universe of
292 properties as of a given date using standard methodology, employing
293 common data and allowing for statistical testing. Methodology that is
294 acceptable includes, but is not limited to, automated valuation models,
295 adaptive estimation procedure, multiple regression analysis, statistical
296 analysis and other generally accepted techniques;

297 (11) "Mean ratio" means the arithmetic average of the ratios;

298 (12) "Median ratio" means the value of the middle ratio in an
299 uneven number of ratios arranged or arrayed according to size or the
300 arithmetic average of the two central ratios in an even number of ratios
301 similarly arranged;

302 (13) "Neighborhood" means a geographic area of complementary
303 real property parcels that share similar locational and market value
304 characteristics, and may be defined by natural, man-made or political
305 boundaries;

306 (14) "Price related differential" means the ratio of the mean ratio to
307 the aggregate mean;

308 (15) "Property class" means any one of the following three major
309 classifications of real property: (A) Residential; (B) commercial,

310 including apartments, industrial and public utility; and (C) vacant
311 land;

312 (16) "Public utility" means an improved parcel of land used to
313 provide services to the general public that are typically provided by a
314 public service company, as defined in section 16-1 of the general
315 statutes, and includes the lot or land on which the building is situated
316 and accessory improvements located on the public utility lot such as
317 paving, storage buildings and tanks;

318 (17) "Ratio" means the property's assessed valuation divided by the
319 property's sales price;

320 (18) "Residential property" means an improved parcel of land
321 devoted to human habitation for use as a domicile of less than five
322 dwelling units. Property used for human habitation includes, but is not
323 limited to, year round residences, rural residences, condominiums,
324 estates, seasonal residences and individually owned mobile
325 manufactured homes. "Residential property" includes the lot or land
326 on which the dwelling is situated and accessory buildings located on
327 the parcel such as garages, sheds, pools and tennis courts;

328 (19) "Revaluation" means the mass appraisal of property to
329 determine the true and actual value of all real property in a town for
330 assessment purposes in accordance with section 12-62 of the general
331 statutes;

332 (20) "Sales time period" means the twelve-month period beginning
333 twelve months before the assessment date which is the effective date of
334 a revaluation, provided, if the total number of market sales occurring
335 in said period is less than thirty, the time period prior to said
336 assessment date shall be extended in three-month increments until the
337 number of market sales having taken place is equal to or greater than
338 thirty, but shall not be extended more than thirty months prior to said
339 assessment date;

340 (21) "Secretary" means the Secretary of the Office of Policy and

341 Management, or the secretary's designee;

342 (22) "Sold" means properties that were transferred during the sales
343 time period, provided such transfers were market sales;

344 (23) "Unsold" means properties that were not transferred during the
345 sales time period or were not market sales;

346 (24) "Unsold property test" means the ratio of (A) the market value
347 of sold properties, to (B) the market value of unsold properties where
348 the ratio of the market value of sold properties is the total market value
349 of all sold properties after revaluation to the total market value of all
350 sold properties before revaluation, and the ratio of the market value of
351 unsold properties is the total market value of all unsold properties
352 after revaluation to the total market value of all unsold properties
353 before revaluation; and

354 (25) "Vacant land" means land that is not developed or land lacking
355 in essential appurtenant improvements above and below water, that
356 are required in order for the land to serve a useful purpose. "Vacant
357 land" includes land that may be an approved subdivision but is not
358 presently being physically improved or sold as lots.

359 Sec. 10. (NEW) (*Effective October 1, 2004, and applicable to assessment*
360 *years commencing on or after October 1, 2004*) Performance-based
361 revaluation standards shall consist of two acceptable methods as set
362 forth in sections 11 and 12 of this act. The assessor shall utilize one of
363 the methods so described.

364 Sec. 11. (NEW) (*Effective October 1, 2004, and applicable to assessment*
365 *years commencing on or after October 1, 2004*) (a) A file of all real
366 property sales transactions for the sales time period used shall be
367 established by the assessor. For each such transaction the following
368 information shall be included in the file: Parcel identification number,
369 property location, United States Census Bureau census tract number,
370 date of sale, sales price, property assessment as of the date of the sale,
371 property class and any other salient property characteristics as of the

372 date of the sale. The sales price of the property and its condition as of
373 the date of the sale shall be verified, if possible, with the buyer or
374 seller. If the sale property is not considered a market sale, the file shall
375 contain the reason for such determination. The file may reflect an
376 adjustment to the property sales price. Any reason for the adjustment
377 shall be documented. Reasons for such an adjustment may include, but
378 are not be limited to: The fact that personal property is included in the
379 transaction; the existence of a lease that does not represent market rent,
380 as defined in section 12-63b of the general statutes, and the effects of
381 price changes reflected in the real estate market between the date of
382 sale and the assessment date that is the effective date of a revaluation.

383 (b) Prior to finalizing a revaluation, the assessor shall conduct the
384 following tests regarding the assessments derived from such
385 revaluation. The assessments resulting from the revaluation shall be
386 deemed sufficient, provided the following criteria are met:

387 (1) The overall level of assessment for all property classes shall be
388 within plus or minus ten per cent of the required seventy per cent
389 assessment ratio, as measured by the overall median ratio;

390 (2) The level of assessment for each property class with fifteen or
391 more market sales shall be within plus or minus five per cent of the
392 median overall level of assessment for each property class;

393 (3) The coefficient of dispersion for each property class with fifteen
394 or more market sales shall be equal to or less than fifteen per cent for
395 all property, equal to or less than fifteen per cent for residential
396 property, equal to or less than twenty per cent for commercial
397 property, and equal to or less than twenty per cent for vacant land;

398 (4) The price related differential for all properties and for each
399 property class for which there are fifteen or more market sales shall be
400 within 0.98 and 1.03; and

401 (5) The unsold property test result shall be between 0.95 and 1.05.

402 (c) In the event that the criteria described in subsection (b) of this

403 section are not met, the assessor shall, prior to the implementation of
404 the revaluation, further analyze and refine the data elements or
405 methods used in the revaluation. The assessor shall revalue the parcels
406 of real property for which a deficiency in either the level of assessment
407 or the uniformity of assessments has been identified.

408 Sec. 12. (NEW) (*Effective October 1, 2004, and applicable to assessment*
409 *years commencing on or after October 1, 2004*) (a) Prior to finalizing a
410 revaluation, the assessor and the company, if any, employed by the
411 town, shall conduct the procedures during the revaluation program
412 described in this section.

413 (b) A written revaluation project plan shall be developed prior to
414 the commencement of the revaluation and updated as necessary
415 during the course thereof. The project plan shall include, but is not
416 limited to, a list of project activities, person responsible for each
417 activity and the time frame of each activity. Periodic reports on the
418 progress of the revaluation project plan shall be completed by the
419 assessor and shall be filed in the assessor's office. Each such report
420 shall chronicle the work completed and the work remaining for each
421 activity.

422 (c) The cadastral maps shall be up to date. Each real estate parcel
423 shall have a property record file, which shall be computerized. Each
424 property record file shall contain the following data, as applicable: (1)
425 Parcel size, (2) current land use, (3) zoning classification of parcel, (4)
426 site characteristics that contribute to the value of the land, (5)
427 neighborhood code, (6) building size, (7) construction quality or grade
428 classification, (8) year built, (9) condition of the building, (10)
429 significant building characteristics, such as number of stories, height,
430 construction type and wall type, (11) other characteristics that
431 contribute to the value of the building, and (12) other structures or
432 improvements that may exist on the parcel, such as a swimming pool,
433 fencing, garage or shed.

434 (d) Each land or building characteristic having a qualitative
435 attribute shall have an alphanumeric code. A property inspection

436 system shall be maintained. A building permit monitoring system shall
437 be maintained. A quality assurance program consisting of: (1) A data
438 collection manual that explains how to measure structures and how to
439 select the most appropriate property characteristics of those available;
440 (2) a data review program to ensure all essential property
441 characteristics are entered into the property record file; and (3) an
442 audit trail for either manual systems or computer systems that tracks
443 changes in property records, who made the change, when the change
444 was made and the value previous to each change.

445 (e) A file of all real property sales transactions for the sales time
446 period used shall be established. For each such transaction, the
447 following information shall be included in the file: Parcel identification
448 number, property location, United State Census Bureau census tract
449 number, date of sale, sales price, property assessment as of the date of
450 the sale, property class and any other salient property characteristics as
451 of the date of the sale. The sales price of the property and its condition
452 as of the date of the sale shall be verified, if possible, with the buyer or
453 seller. If the sale property is not considered a market sale, the file shall
454 contain the reason for such determination. The file may reflect an
455 adjustment to the property sales price. The reason for the adjustment
456 shall be documented. Reasons for such an adjustment shall include,
457 but are not limited to, the fact that personal property is included in the
458 transaction, the existence of a lease that does not represent market rent,
459 as defined in section 12-63b of the general statutes and the effects of
460 price changes reflected in the real estate market between the date of
461 sale and the assessment date that is the effective date of a revaluation.

462 (f) A file of income and expense statements submitted in accordance
463 with section 12-63c of the general statutes for the two-year period prior
464 to the assessment date that is the effective date of a revaluation shall be
465 maintained.

466 (g) If the cost approach to valuation is utilized for the revaluation,
467 all building cost schedules, which shall reflect local construction costs
468 as of the effective date of the revaluation, shall be maintained in the

469 assessor's office.

470 (h) All parcels shall be stratified according to property class and
471 neighborhood. Market sales analysis for market value trends and price
472 level changes during the sales time period shall be conducted. If the
473 cost approach method of valuation is utilized, market sales data shall
474 be used to develop schedules of depreciation. Criteria for the
475 identification of comparable properties shall be established,
476 documented and used.

477 (i) For each parcel of property, more than one acceptable appraisal
478 methodology shall be used, if possible, to determine its market value.
479 For each vacant land parcel, the direct sales comparison appraisal
480 methodology shall be used for revaluation purposes. Neighborhoods
481 shall be delineated on maps that display unit values for land valuation
482 or are indexed to land value tables.

483 (j) For each residential property, the direct sales comparison
484 appraisal methodology shall be used for revaluation purposes. The
485 cost approach may be used if, in the judgment of the assessor,
486 insufficient comparable market sales data exist for valuation purposes.

487 (k) For each commercial or special use property, the income or
488 direct sales comparison appraisal methodology shall be used for
489 valuation purposes. The cost approach may be used if, in the judgment
490 of the assessor, insufficient comparable market sales or income data
491 exist for revaluation purposes.

492 (l) A review of all real property values derived from the revaluation
493 program shall be conducted. The process by which the review was
494 conducted shall be in writing and all changes in valuations effected
495 during the review shall be documented.

496 (m) Documentation of the methodology used in the revaluation
497 process shall be in writing and available for public inspection.

498 (n) Any departure from the requirements of this section shall be
499 reasonable and the reasons shall be documented in writing and

500 available for public inspection.

501 Sec. 13. (NEW) (*Effective October 1, 2004, and applicable to assessment*
 502 *years commencing on or after October 1, 2004*) On a form prescribed by
 503 the Secretary of the Office of Policy and Management, the assessor
 504 shall certify that all real property located within the town has been
 505 revalued and that the revaluation meets the performance-based
 506 revaluation standards of section 11 or 12 of this act. Such form shall be
 507 signed and filed in the office of the assessor on or before the date the
 508 grand list that reflects real property assessments based on the
 509 revaluation is signed and filed pursuant to section 12-55 of the general
 510 statutes. A copy of such form shall also be submitted to the town clerk,
 511 who shall record such form on the land records, and to the chief
 512 executive officer of the town and the secretary, not later than ten days
 513 after the date it is signed by the assessor. If the revaluation was
 514 conducted in whole or in part by one or more companies, the form
 515 shall be cosigned by a person employed by each such company who is
 516 certified by the secretary as a revaluation company supervisor.

517 Sec. 14. (*Effective July 1, 2004*) Section 12-2c of the general statutes is
 518 repealed.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004, and applicable to assessment years commencing on or after October 1, 2004</i>
Sec. 2	<i>October 1, 2004, and applicable to assessment years commencing on or after October 1, 2004</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>October 1, 2004</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, 2004</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, 2004</i>
Sec. 7	<i>July 1, 2004</i>
Sec. 8	<i>from passage</i>

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: None

Municipal Impact:

Municipalities	Effect	FY 05 \$	FY 06 \$
All Municipalities	See Below	See Below	See Below

Explanation

The bill requires property revaluations to take place every five years rather than every four years, which will have the effect of delaying changes to a town’s grand list that occur as a result of revaluation.

The bill will also delay, by one year, the costs associated with conducting property revaluations. The average cost to a town to conduct a revaluation is approximately \$25 per parcel but can range from \$14 to \$70 per parcel.

OLR BILL ANALYSIS

sSB 456

AN ACT CONCERNING REVALUATION OF PROPERTY BY MUNICIPALITIES**SUMMARY:**

This bill requires towns to revalue property every five, rather than every four, years. It specifies that each revaluation provide for the recomputation of the true and actual value of each parcel of land and any improvements to reflect changes in market conditions since the last revaluation. It requires that assessors physically inspect each parcel at least once every 10, rather than every 12, years.

The bill delays when most towns must conduct their next property tax revaluation by one to six years, depending on the town. It requires a town that completed its revaluation for the assessment year 2005 and a year early (in 2004) to next revalue for the assessment year 2010. Under current law, these towns would still have to revalue property in 2005 and then again in 2009.

It eliminates the requirement that the Office of Policy and Management (OPM) certify revaluation companies and makes related changes.

The bill also makes minor changes in the laws that (1) authorize delays in conducting revaluations and (2) exempt towns from the revaluation requirements when changes in property values have been uniform across property classes.

The bill places in statute existing regulatory procedural requirements and statistical standards for revaluation (Conn. Agencies. Regs. § 12-62i-1 *et seq*).

Finally, the bill requires OPM to study the feasibility of establishing a new source of revenue to augment municipal finances. By February 1, 2005, the OPM secretary must submit his findings and recommendations to the Finance, Revenue and Bonding Committee.

EFFECTIVE DATE: October 1, 2004 and applicable to assessment

years commencing on or after October 1, 2004, except that the (1) provisions on revaluation company certification are effective July 1, 2004, (2) provisions on revaluation exemptions are effective upon passage and applicable to exemption certificates filed on or after April 1, 2004, and (3) study is effective upon passage.

DELAY IN REVALUATION

By law, a municipality that is unable to implement revaluation on time for reasons other than reasonable causes can ask the OPM secretary to enter into an agreement for a delayed revaluation. The bill allows a municipality to make this request more than six months before the revaluation was otherwise required to be implemented. It requires that the agreement provide for periodic updates as the agreement specifies, rather than quarterly. By law, if the delay is approved the municipality is not subject to a penalty.

CERTIFICATION OF APPRAISERS

The bill repeals a provision requiring OPM to certify revaluation companies performing any valuation for a town for assessment purposes. It requires OPM to develop regulations setting standards and tests for certifying revaluation appraisers, rather than revaluation companies and their employees. It requires that an appraiser certified as a supervisor, rather than just a certified employee, supervise all revaluations. It requires that the regulations list certified appraisers, rather than companies. It also eliminates requirements that the regulations set standards for advising municipalities in drafting contracts with the companies.

The bill allows the OPM secretary to name a designee as a hearing officer. On the other hand, it eliminates his ability to appoint an agent to certify that all taxes have been collected and records properly kept. It also makes several conforming changes.

EXEMPTION FROM REVALUATION

By law, a town is exempt from the revaluation requirement if has experienced uniform changes in property values across classes of property and meets other conditions. The bill requires that the calculations used to determine whether the town meets these conditions be based on a sample of at least 30 market sales.

To qualify for an exemption, the law requires towns to compare changes in the assessed values for specifications of properties (i.e., classes). Under current law, one of the exemption conditions is that the level of assessment for each property class for which there were at least 15 sales be within 5% of the median overall level for each such property class. (The level is the ratio between the appraised value and market value.) The bill instead requires that the level for each class be within 5% of the median level for all property classes combined.

Under current law, the coefficient of dispersion (a measure of the uniformity of prices) for all property classes combined must be no more than 15% only if there are at least 15 market sales. The bill eliminates the latter condition. It also requires that the price related differential (another measure of price trend uniformity) for all classes combined be within 0.98 and 1.03. This requirement already applies to each property class for which there is at least 15 market sales.

By law, if a town meets the exemption requirements, it must certify its exemption to the OPM secretary. The bill specifies that the certification must be made on a form (1) prescribed by the committee established under current law to review applications for exemption and (2) approved by the secretary. By law, documentation of the town's compliance with the exemption criteria must accompany the certification. The bill requires that the documentation be in the form and manner that the committee, as well as the secretary, requires. It requires that the documentation currently required regarding the sales prices encompassed be limited to transactions where the sales price was at least \$2,000.

The bill specifies that failure to complete and submit the form and documentation by the deadline is considered a waiver of the right to the exemption. By law, the secretary can revoke the exemption, and the revocation must be recorded on the land records. The bill specifies that this take place within five days after the secretary's revocation notice is received.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute Change of Reference

Yea 19 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 32 Nay 11