



General Assembly

February Session, 2004

Raised Bill No. 5521

LCO No. 1584

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Referred to Committee on Planning and Development

Introduced by:
(PD)

**AN ACT CONCERNING THE DUTIES OF THE OFFICE OF POLICY
AND MANAGEMENT RELATIVE TO CERTAIN GRANT PROGRAMS.**

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

1 Section 1. Section 12-20a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004, and*
3 *applicable to assessment years commencing on or after October 1, 2003*):

4 (a) On or before January first, annually, the Secretary of the Office of
5 Policy and Management shall determine the amount due to each
6 municipality in the state, in accordance with this section, as a state
7 grant in lieu of taxes with respect to real property owned by any
8 private nonprofit institution of higher education or any nonprofit
9 general hospital facility or free standing chronic disease hospital or an
10 urgent care facility that operates for at least twelve hours a day and
11 that had been the location of a nonprofit general hospital for at least a
12 portion of calendar year 1996 to receive payments in lieu of taxes for
13 such property, exclusive of any such facility operated by the federal
14 government or the state of Connecticut or any subdivision thereof. As
15 used in this section "private nonprofit institution of higher education"
16 means any such institution, as defined in subsection (a) of section 10a-

17 34, or any independent college or university, as defined in section 10a-
18 37, that is engaged primarily in education beyond the high school
19 level, and offers courses of instruction for which college or university-
20 level credit may be given or may be received by transfer, the property
21 of which is exempt from property tax under any of the subdivisions of
22 section 12-81, as amended; "nonprofit general hospital facility" means
23 any such facility which is used primarily for the purpose of general
24 medical care and treatment, exclusive of any hospital facility used
25 primarily for the care and treatment of special types of disease or
26 physical or mental conditions; and "free standing chronic disease
27 hospital" means a facility which provides for the care and treatment of
28 chronic diseases, excluding any such facility having an ownership
29 affiliation with and operated in the same location as a chronic and
30 convalescent nursing home.

31 (b) The grant payable to any municipality under the provisions of
32 this section in the state fiscal year commencing July 1, 1999, and in
33 each fiscal year thereafter, shall be equal to seventy-seven per cent of
34 the property taxes which, except for any exemption applicable to any
35 such institution of higher education or general hospital facility under
36 the provisions of section 12-81, as amended, would have been paid
37 with respect to such exempt real property on the assessment list in
38 such municipality for the assessment date two years prior to the
39 commencement of the state fiscal year in which such grant is payable.
40 The amount of the grant payable to each municipality in any year in
41 accordance with this section shall be reduced proportionately in the
42 event that the total of such grants in such year exceeds the amount
43 appropriated for the purposes of this section with respect to such year.

44 (c) As used in this section and section 12-20b, as amended, the word
45 "municipality" means any town, consolidated town and city,
46 consolidated town and borough, borough, district, as defined in
47 section 7-324, and any city not consolidated with a town.

48 Sec. 2. Subsection (d) of section 12-81g of the general statutes is

49 repealed and the following is substituted in lieu thereof (*Effective from*
50 *passage*):

51 (d) The Secretary of the Office of Policy and Management shall
52 adopt regulations, in accordance with the provisions of chapter 54,
53 establishing: (1) A procedure under which a municipality shall
54 determine eligibility for the additional exemption under subsection (a)
55 of this section, provided such procedure shall include a provision that
56 when an applicant has filed for such exemption and received approval
57 for the first time, such applicant shall be required to file for such
58 exemption biennially thereafter, subject to the provisions of subsection
59 (e) of this section; (2) a procedure by which a person may make
60 application to the secretary for an extension of the application period
61 in the case of an extenuating circumstance due to illness or
62 incapacitation, or for other good cause as the secretary may determine,
63 and a procedure by which said secretary may grant such an extension;
64 (3) the manner in which a municipality shall apply for reimbursement
65 from the state for the revenue loss represented by the additional
66 exemptions provided for in subsections (a) and (b) of this section,
67 which shall require, for each person for whom reimbursement is
68 requested, information regarding the provision of section 12-81, as
69 amended, that qualifies such person for an exemption and the amount
70 of the exemption granted to such person under said provision, and
71 which shall provide a penalty for late filing of such application for
72 reimbursement of two hundred fifty dollars but shall also provide that
73 the secretary may waive such forfeiture in accordance with procedures
74 and standards contained in such regulations; and [(3)] (4) the manner
75 in which the Office of Policy and Management may audit and make
76 adjustments to applications for reimbursement from municipalities for
77 a period of not more than one year next succeeding the deadline for
78 such application.

79 Sec. 3. Section 12-81g of the general statutes is amended by adding
80 subsection (f) as follows (*Effective from passage*):

81 (NEW) (f) Notwithstanding the provisions of subsection (a) of this
82 section, the Social Security income of the spouse of a person making
83 application for exemption from property tax under subsection (a) of
84 this section shall not be included in the qualifying income of such
85 person, for purposes of determining eligibility for said exemption, if
86 such spouse is a resident of a health care or nursing home facility in
87 this state receiving payment related to such spouse under the Title XIX
88 Medicaid program.

89 Sec. 4. Section 12-94b of the general statutes, as amended by section
90 184 of public act 03-6 of the June 30 special session, is repealed and the
91 following is substituted in lieu thereof (*Effective from passage*):

92 On or before March fifteenth, annually, commencing March 15,
93 1998, the assessor or board of assessors of each municipality shall
94 certify to the Secretary of the Office of Policy and Management, on a
95 form furnished by said secretary, the amount of exemptions approved
96 under the provisions of subdivisions (72) and (74) of section 12-81, as
97 amended, together with such supporting information as said secretary
98 may require including the number of taxpayers with approved claims
99 under said subdivisions (72) and (74) and the original copy of the
100 applications filed by them. On or after March 1, 2005, any municipality
101 which neglects to transmit to the secretary the amount of exemptions
102 approved under subdivisions (72) and (74) of section 12-81, as
103 amended, shall forfeit two hundred fifty dollars to the state, provided
104 said secretary may waive such forfeiture in accordance with
105 procedures and standards adopted by regulation in accordance with
106 chapter 54. Said secretary shall review each such claim as provided in
107 section 12-120b, as amended by this act. Not later than December [first]
108 fifteenth next succeeding the conclusion of the assessment year for
109 which the assessor approved such exemption, the secretary shall notify
110 each claimant of the modification or denial of the claimant's
111 exemption, in accordance with the procedure set forth in section 12-
112 120b, as amended by this act. Any claimant aggrieved by the results of
113 the secretary's review shall have the rights of appeal as set forth in

114 section 12-120b, as amended by this act. With respect to property first
115 approved for exemption under the provisions of subdivisions (72) and
116 (74) of section 12-81, as amended, for the assessment years
117 commencing on or after October 1, 2000, the grant payable for such
118 property to any municipality under the provisions of this section shall
119 be equal to eighty per cent of the property taxes which, except for the
120 exemption under the provisions of subdivisions (72) and (74) of section
121 12-81, as amended, would have been paid. The secretary shall, on or
122 before December fifteenth, annually, certify to the Comptroller the
123 amount due each municipality under the provisions of this section,
124 including any modification of such claim made prior to December
125 [first] fifteenth, and the Comptroller shall draw an order on the
126 Treasurer on or before the twenty-fourth day of December following
127 and the Treasurer shall pay the amount thereof to such municipality
128 on or before the thirty-first day of December following. If any
129 modification is made as the result of the provisions of this section on
130 or after the December fifteenth following the date on which the
131 assessor has provided the amount of the exemption in question, any
132 adjustments to the amount due to any municipality for the period for
133 which such modification was made shall be made in the next payment
134 the Treasurer shall make to such municipality pursuant to this section.
135 The amount of the grant payable to each municipality in any year in
136 accordance with this section shall be reduced proportionately in the
137 event that the total of such grants in such year exceeds the amount
138 appropriated for the purposes of this section with respect to such year.
139 As used in this section, "municipality" means each town, city, borough,
140 consolidated town and city and consolidated town and borough and
141 each district, as defined in section 7-324, and "next succeeding" means
142 the second such date.

143 Sec. 5. Subdivision (4) of subsection (d) of section 12-120b of the
144 general statutes is repealed and the following is substituted in lieu
145 thereof (*Effective July 1, 2004, and applicable to certifications by the*
146 *Secretary of the Office of Policy and Management on and after July 1, 2001*):

147 (4) [Not later than the date by which the secretary is required to
148 certify to the Comptroller the amount of payment with respect to any
149 such program, the] The secretary shall notify each claimant of the final
150 modification or denial of financial assistance as claimed, in accordance
151 with the procedure set forth in this subsection. A copy of the notice of
152 final modification or denial shall be sent concurrently to the assessor or
153 municipal official who approved such financial assistance. With
154 respect to property tax exemptions under section 12-81g, as amended
155 by this act, or subdivision (55), (59), (60) or (70) of section 12-81, and
156 tax relief pursuant to section 12-129d or 12-170aa, as amended, the
157 notice pursuant to this subdivision shall be sent not later than one year
158 after the date claims for financial assistance for each such program are
159 filed with the secretary. For property tax exemptions under
160 subdivision (72) or (74) of section 12-81, as amended, such notice shall
161 be sent not later than the date by which a final modification to the
162 payment for such program must be reflected in the certification of the
163 secretary to the Comptroller. For the program of rebates under section
164 12-170d, such notice shall be sent not later than the date by which the
165 secretary certifies the amounts of payment to the Comptroller.

166 Sec. 6. Section 12-170aa of the general statutes, as amended by
167 section 183 of public act 03-6 of the June 30 special session, is amended
168 by adding subsection (k) as follows (*Effective July 1, 2004, and applicable*
169 *to claims for reimbursement filed on and after July 1, 2001*):

170 (NEW) (k) If the Secretary of the Office of Policy and Management
171 makes any adjustments to the grants for tax reductions or assumed
172 amounts of property tax liability claimed under this section
173 subsequent to certifying to the Comptroller the payment of said grants
174 in any year, the amount of such adjustment shall be reflected in the
175 next payment the Treasurer shall make to such municipality pursuant
176 to this section.

This act shall take effect as follows:

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| Section 1 | <i>July 1, 2004, and applicable to assessment years commencing on or after October 1, 2003</i> |
| Sec. 2 | <i>from passage</i> |
| Sec. 3 | <i>from passage</i> |
| Sec. 4 | <i>from passage</i> |
| Sec. 5 | <i>July 1, 2004, and applicable to certifications by the Secretary of the Office of Policy and Management on and after July 1, 2001</i> |
| Sec. 6 | <i>July 1, 2004, and applicable to claims for reimbursement filed on and after July 1, 2001</i> |

Statement of Purpose:

To (1) redefine private nonprofit institutions of higher education for state grant purposes to include only accredited institutions that offer courses of instruction for which college or university-level credit may be given or received by transfer, (2) allow veterans an extension of the filing date for the state-reimbursed property tax exemption for cause, and require the inclusion of additional information in municipal claims for reimbursement, (3) provide that the Social Security income of a person's spouse is not included in qualifying income, for purposes the state-reimbursed program providing an additional exemption to certain veterans, if the spouse is a resident of a Connecticut health care or nursing home facility receiving payment related to such spouse under the Title XIX Medicaid program, (4) impose a late filing fee of two hundred fifty dollars with respect to data required to determine state reimbursements for exempt manufacturing machinery and equipment and commercial vehicles, and allow for a waiver of such fee, (5) extend the time period by which the Office of Policy and Management must complete a review of certain property tax relief related applications for financial assistance, and (6) provide that adjustments to reimbursements claimed for the tax relief program for elderly and totally disabled homeowners made after a payment certification date, be reflected in the next payment to the municipality.

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