



General Assembly

Amendment

February Session, 2004

LCO No. 5061

SB0059805061SD0

Offered by:

SEN. SULLIVAN, 5th Dist.
SEN. LOONEY, 11th Dist.
SEN. WILLIAMS, 29th Dist.
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SEN. LEBEAU, 3rd Dist.
SEN. HANDLEY, 4th Dist.
SEN. DEFRONZO, 6th Dist.
SEN. CIOTTO, 9th Dist.
SEN. HARP, 10th Dist.

SEN. GAFFEY, 13th Dist.
SEN. MURPHY, 16th Dist.
SEN. CRISCO, 17th Dist.
SEN. PRAGUE, 19th Dist.
SEN. PETERS, 20th Dist.
SEN. FINCH, 22nd Dist.
SEN. NEWTON, 23rd Dist.
SEN. MCDONALD, 27th Dist.
SEN. COLAPIETRO, 31st Dist.
SEN. DAILY, 33rd Dist.

To: Subst. Senate Bill No. 598

File No. 557

Cal. No. 412

"AN ACT CONCERNING A PROPERTY TAX HOMESTEAD EXEMPTION, A DIFFERENTIAL PROPERTY TAX ON VACANT LAND AND THE PROPERTY TAX CAP AND SURCHARGE PROGRAM."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (Effective October 1, 2003, and applicable to
4 assessment years commencing on or after October 1, 2003) Notwithstanding
5 the provisions of section 12-62 of the general statutes, any municipality
6 required to effect a revaluation of real property under said section 12-

7 62 for the 2003, 2004 or 2005 assessment year may effect such
8 revaluation in the 2006 assessment year provided any subsequent
9 required revaluation shall be effected in accordance with the
10 provisions of said section 12-62.

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 Section 12-62d of the general statutes is repealed and the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

14 (a) [Commencing] For any assessment year commencing on or after
15 October 1, 1989, any municipality which meets the criteria as set forth
16 in this subsection may, upon approval of its legislative body, provide
17 for residential property tax relief in accordance with the provisions of
18 subsection (d) of this section. Such property tax relief may be allowed
19 if the municipality has implemented, [in] with respect to that year, a
20 revaluation of all real property as required in section 12-62. [and the
21 effective tax rate for residential property, as determined in accordance
22 with the provisions of this section, is one and one-half per cent or more
23 of the market value of residential property in such municipality.
24 Effective tax rate, as used in this section, means a ratio in which the
25 numerator shall be the total tax imposed on all residential real
26 property in the year of revaluation and the denominator of which shall
27 be the present true and actual value of such property in such year, as
28 determined in accordance with section 12-63. Not later than three days
29 following final action with respect to the adoption of a mill rate for the
30 year of revaluation the chief executive officer shall determine the
31 effective tax rate as provided in this subsection and shall give notice of
32 his determination to the Secretary of the Office of Policy and
33 Management. Within five business days of receipt of such notice, said
34 secretary shall issue a determination as to the validity of the effective
35 tax rate so determined. If the chief executive officer is aggrieved by the
36 finding of the secretary, he may, within thirty days make application in
37 the nature of an appeal therefrom to the superior court of the judicial
38 district in which the municipality is located. Such citation shall be
39 signed by the chief executive officer, acting on behalf of the
40 municipality, and such appeal shall be returnable at the same time and

41 in the same manner as required in the case of a summons in a civil
42 action and shall be served upon the secretary. Such application shall be
43 a preferred case, to be heard, unless cause appears to the contrary, at
44 the first session by the court or by a committee appointed by the court.
45 Within twenty days of the secretary's notice confirming the validity of
46 the effective tax rate determination, or within ten days of a decision of
47 the court upholding the validity of the effective tax rate determination,
48 the chief executive officer shall submit to the legislative body his
49 recommendation concerning residential property tax relief, and the
50 legislative body shall act upon such recommendation within thirty
51 days.] Whenever used in this section, "municipality" means any town,
52 consolidated town and city or consolidated town and borough.

53 (b) In any municipality in which the legislative body provides for
54 residential property tax relief pursuant to this section, a property tax
55 surcharge of no more than the lesser of (1) fifteen per cent of the
56 property tax payable for the assessment year in which such relief is
57 granted, or (2) the portion of the total tax credit which may be
58 provided under subsection (d) of this section allocable to the
59 surcharged property, shall be charged for all real and personal
60 property subject to property tax imposed by such municipality
61 classified, for purposes of assessment, as commercial, industrial or
62 public utility, or a combination thereof, excepting (A) motor vehicles,
63 (B) multiple-dwelling structures which are more than fifty per cent
64 residential in use and which contain more than three units, and (C)
65 lodging houses, provided the surcharge shall be calculated and
66 surcharged against each individual parcel or item of property on a
67 basis which includes multiple-dwelling structures which are more
68 than fifty per cent residential in use and which contain more than three
69 units and lodging houses as surcharged property. Such property tax
70 surcharge shall be payable and collectible as other property taxes and
71 subject to the same liens and processes of collection, provided such
72 surcharge shall be due and payable not sooner than thirty days after
73 the installment of the property tax for the assessment year on which
74 residential property tax credits are applied. The amount of property

75 tax surcharge made payable in the year in which revaluation becomes
76 effective in such municipality shall remain unchanged in each of the
77 four succeeding years. Any new construction in such municipality
78 which would have been subject to the property tax surcharge payable
79 under this subsection if completed in the year in which such surcharge
80 first becomes effective shall be subject to such surcharge for the year in
81 which such structure is approved for use and in each of the succeeding
82 years in which such surcharge is applicable.

83 (c) Property which shall be eligible for tax relief under the
84 provisions of this section shall be defined as any single parcel of
85 residential property used exclusively for residential purposes,
86 including a single-family residence and a multiple-dwelling structure
87 containing not more than three units, used by the occupants as a place
88 of permanent residence.

89 (d) The amount derived from the property tax surcharge allowed
90 under subsection (b) of this section, in any municipality eligible to
91 provide residential property tax relief under the provisions of this
92 section, may be used for purposes of granting property tax credits to
93 residential property eligible for such credits under subsection (c) of
94 this section, in accordance with either of the following alternative
95 plans for such relief, as decided by the legislative body of such
96 municipality:

97 (1) A plan in which the property tax credit applicable to each
98 eligible parcel of residential property shall be determined as follows:
99 The credit for each eligible parcel of residential property shall be the
100 amount derived from the property tax surcharge as provided by
101 subsection (b) of this section, divided by the number of such parcels of
102 residential property, except that the maximum credit for each such
103 parcel shall not exceed seven hundred fifty dollars. The amount of
104 property tax credit applicable to each eligible parcel of residential
105 property in the year such plan becomes effective shall remain
106 unchanged in each of the four succeeding years of such plan.

107 (2) A plan in which the property tax credit applicable to each
108 eligible parcel of residential property shall be determined as the
109 amount by which the property tax applicable to such parcel of
110 residential property exceeds one and one-half per cent of the present
111 true and actual value of such property, as determined in accordance
112 with section 12-63, provided no such property tax credit for any
113 eligible parcel shall exceed two hundred fifty per cent of mean
114 property tax credit, as determined in accordance with this subdivision,
115 to the extent that revenue in accordance with subsection (b) of this
116 section will allow. The amount of property tax credit applicable to each
117 eligible parcel of residential property in the year such plan becomes
118 effective shall remain unchanged in each of the four succeeding years
119 of such plan.

120 (e) Any municipality which has elected to allow tax credits with
121 respect to certain residential property in accordance with subsection
122 (d) of this section [(1)] may not adopt a plan to be effective in the same
123 assessment year under section 12-62c or section 3 of this act. [and (2)
124 shall establish, for purposes of the plan of tax credits adopted, a
125 dedicated fund which shall be subject to annual budget procedures
126 and be included as part of the annual audit of such municipality.]

127 (f) Not later than thirty days preceding the date on which any
128 property tax credits allowed in accordance with this section are to be
129 applied, the assessor shall certify to the tax collector (1) a listing of all
130 properties eligible for such property tax credit, and (2) a listing of all
131 properties against which a fifteen per cent property tax surcharge is to
132 be charged. The tax collector shall cause the applicable property tax
133 credit or surcharge to be applied to the rate bill for each such parcel of
134 property. [Residential property tax credits shall be credited not earlier
135 than the second installment of the tax for the assessment year in which
136 such relief is granted, and not later than the last installment of such
137 tax.] In the event that a tax bill is paid in full prior to the application of
138 a property tax credit under the provisions of this section, the owner or
139 owners of such property shall be eligible for a refund of the amount of
140 the credit in a manner to be determined by the municipality. The

141 residential property tax relief allowed by this section shall be
142 applicable in the year in which revaluation becomes effective and in
143 each of the four succeeding assessment years.

144 [(g) (1) Any municipality electing to provide residential property tax
145 relief in accordance with this section shall conduct a management
146 study of its municipal government within one year following
147 implementation of such program. Such study shall include, but not be
148 limited to, a program review of expenditure, organization,
149 management of finances and assessment practices. The study shall
150 include input from the local business community and residential
151 property taxpayers.

152 (2) The study results shall be reported to the legislative body of the
153 municipality for consideration. The legislative body shall hold at least
154 two public hearings and shall consider the recommendations of the
155 study and public input thereon. Following such public hearings, the
156 legislative body shall develop a plan of implementation and shall file
157 such plan with the Secretary of the Office of Policy and Management
158 and with the General Assembly.

159 (3) Any municipality which fails to comply with the provisions of
160 this subsection shall be subject to the penalty provisions of subsection
161 (e) of section 12-62.]

162 Sec. 3. (NEW) (*Effective October 1, 2003, and applicable to assessment*
163 *years commencing on or after October 1, 2003*) (a) For any assessment year
164 commencing on or after October 1, 2004, any municipality which meets
165 the criteria as set forth in this subsection may, upon approval of its
166 legislative body, provide for residential property tax relief in
167 accordance with the provisions of subsection (d) of this section. Such
168 property tax relief may be allowed if (1) the municipality has
169 implemented, with respect to that year, a revaluation of all real
170 property as required in section 12-62 of the general statutes, and (2) the
171 effective tax rate for residential property, as determined in accordance
172 with the provisions of this section, is one and one-half per cent or more

173 of the market value of residential property in such municipality.
174 Effective tax rate, as used in this section, means a ratio in which the
175 numerator shall be the total tax imposed on all residential real
176 property in the year of revaluation and the denominator of which shall
177 be the present true and actual value of such property in such year, as
178 determined in accordance with section 12-63 of the general statutes.
179 Not later than three days following final action with respect to the
180 adoption of a mill rate for the year of revaluation the chief executive
181 officer shall determine the effective tax rate as provided in this
182 subsection and shall give notice of his or her determination to the
183 Secretary of the Office of Policy and Management. Within five business
184 days of receipt of such notice, said secretary shall issue a
185 determination as to the validity of the effective tax rate so determined.
186 If the chief executive officer is aggrieved by the finding of the
187 secretary, he or she may, within thirty days, make application in the
188 nature of an appeal therefrom to the superior court of the judicial
189 district in which the municipality is located. Such citation shall be
190 signed by the chief executive officer, acting on behalf of the
191 municipality, and such appeal shall be returnable at the same time and
192 in the same manner as required in the case of a summons in a civil
193 action and shall be served upon the secretary. Such application shall be
194 a preferred case, to be heard, unless cause appears to the contrary, at
195 the first session by the court or by a committee appointed by the court.
196 Within twenty days of the secretary's notice confirming the validity of
197 the effective tax rate determination, or within ten days of a decision of
198 the court upholding the validity of the effective tax rate determination,
199 the chief executive officer shall submit to the legislative body his or her
200 recommendation concerning residential property tax relief, and the
201 legislative body shall act upon such recommendation within thirty
202 days. Whenever used in this section, "municipality" means any town,
203 consolidated town and city or consolidated town and borough.

204 (b) In any municipality in which the legislative body provides for
205 residential property tax relief pursuant to this section, a property tax
206 surcharge of no more than the lesser of (1) forty per cent of the

207 property tax payable for the assessment year in which such relief is
208 granted, or (2) the portion of the total tax credit which may be
209 provided under subsection (d) of this section allocable to the
210 surcharged property, shall be charged for all real and personal
211 property subject to property tax imposed by such municipality
212 classified, for purposes of assessment, as commercial, industrial or
213 public utility, or a combination thereof, excepting (A) motor vehicles,
214 (B) multiple-dwelling structures which are more than fifty per cent
215 residential in use and which contain more than three units, and (C)
216 lodging houses, provided the surcharge shall be calculated and
217 surcharged against each individual parcel or item of property on a
218 basis which includes multiple-dwelling structures which are more
219 than fifty per cent residential in use and which contain more than three
220 units and lodging houses as surcharged property. Such property tax
221 surcharge shall be payable and collectible as other property taxes and
222 subject to the same liens and processes of collection, provided such
223 surcharge shall be due and payable not sooner than thirty days after
224 the installment of the property tax for the assessment year on which
225 residential property tax credits are applied. The amount of property
226 tax surcharge made payable in the year in which revaluation becomes
227 effective in such municipality shall remain unchanged in each of the
228 four succeeding years. Any new construction in such municipality
229 which would have been subject to the property tax surcharge payable
230 under this subsection if completed in the year in which such surcharge
231 first becomes effective shall be subject to such surcharge for the year in
232 which such structure is approved for use and in each of the succeeding
233 years in which such surcharge is applicable.

234 (c) Property which shall be eligible for tax relief under the
235 provisions of this section shall be defined as any single parcel of
236 residential property used exclusively for residential purposes,
237 including a single-family residence and a multiple-dwelling structure
238 containing not more than three units, used by the occupants as a place
239 of permanent residence.

240 (d) The amount derived from the property tax surcharge allowed

241 under subsection (b) of this section, in any municipality eligible to
242 provide residential property tax relief under the provisions of this
243 section, may be used for purposes of granting property tax credits to
244 residential property eligible for such credits under subsection (c) of
245 this section, in accordance with either of the following alternative
246 plans for such relief, as decided by the legislative body of such
247 municipality:

248 (1) A plan in which the property tax credit applicable to each
249 eligible parcel of residential property shall be determined as follows:
250 The credit for each eligible parcel of residential property shall be the
251 amount derived from the property tax surcharge as provided by
252 subsection (b) of this section, divided by the number of such parcels of
253 residential property, except that the maximum credit for each such
254 parcel shall not exceed one thousand dollars. The amount of property
255 tax credit applicable to each eligible parcel of residential property in
256 the year such plan becomes effective shall remain unchanged in each
257 of the four succeeding years of such plan.

258 (2) A plan in which the property tax credit applicable to each
259 eligible parcel of residential property shall be determined as the
260 amount by which the property tax applicable to such parcel of
261 residential property exceeds one and one-half per cent of the present
262 true and actual value of such property, as determined in accordance
263 with section 12-63 of the general statutes, provided no such property
264 tax credit for any eligible parcel shall exceed two hundred fifty per
265 cent of mean property tax credit, as determined in accordance with this
266 subdivision, to the extent that revenue in accordance with subsection
267 (b) of this section will allow. The amount of property tax credit
268 applicable to each eligible parcel of residential property in the year
269 such plan becomes effective shall remain unchanged in each of the four
270 succeeding years of such plan.

271 (e) Any municipality which has elected to allow tax credits with
272 respect to certain residential property in accordance with subsection
273 (d) of this section may not adopt a plan to be effective in the same

274 assessment year under section 12-62c or 12-62d of the general statutes,
275 as amended by this act.

276 (f) Not later than thirty days preceding the date on which any
277 property tax credits allowed in accordance with this section are to be
278 applied, the assessor shall certify to the tax collector (1) a listing of all
279 properties eligible for such property tax credit, and (2) a listing of all
280 properties against which a forty per cent property tax surcharge is to
281 be charged. The tax collector shall cause the applicable property tax
282 credit or surcharge to be applied to the rate bill for each such parcel of
283 property. In the event that a tax bill is paid in full prior to the
284 application of a property tax credit under the provisions of this section,
285 the owner or owners of such property shall be eligible for a refund of
286 the amount of the credit in a manner to be determined by the
287 municipality. The residential property tax relief allowed by this section
288 shall be applicable in the year in which revaluation becomes effective
289 and in each of the four succeeding assessment years.

290 Sec. 4. (NEW) (*Effective October 1, 2003, and applicable to assessment*
291 *years commencing on or after October 1, 2003*) Notwithstanding any
292 provision of the general statutes or any municipal charter, the rate
293 maker, as defined in section 12-131 of the general statutes, in any
294 municipality whose legislative body has adopted the program
295 established under section 12-62d of the general statutes, as amended
296 by this act, or the program established under section 3 of this act, may
297 prepare new rate bills under the provisions of chapter 204 of the
298 general statutes in order to carry out the provisions of such program."

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>October 1, 2003, and applicable to assessment years commencing on or after October 1, 2003</i>

Sec. 4	<i>October 1, 2003, and applicable to assessment years commencing on or after October 1, 2003</i>
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