



# House of Representatives

General Assembly

**File No. 369**

January Session, 2005

Substitute House Bill No. 6703

*House of Representatives, April 14, 2005*

The Committee on Planning and Development reported through REP. WALLACE of the 109th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING PLANNING FOR COMMUNITY PRESERVATION.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) There is established a  
2 Geographic Information Systems Council consisting of the following  
3 members or their designees: (1) The Secretary of the Office of Policy  
4 and Management; (2) the Commissioners of Environmental Protection,  
5 Economic and Community Development, Transportation, Public  
6 Safety and Public Health; (3) the Chief Information Officer of the  
7 Department of Information Technology; (4) one member appointed by  
8 the president pro tempore of the Senate representing a municipality  
9 with a population of more than sixty thousand; (5) one member  
10 appointed by the minority leader of the Senate representing a regional  
11 planning agency; (6) one member appointed by the Governor  
12 representing a municipality with a population of less than sixty  
13 thousand but more than thirty thousand; (7) one member appointed by

14 the speaker of the House of Representatives representing a  
15 municipality with a population of less than thirty thousand; and (8)  
16 one member appointed by the minority leader of the House of  
17 Representatives who is a user of geographic information systems.  
18 Within available appropriations, the Secretary of the Office of Policy  
19 and Management, or a designee, shall serve as chairperson of the  
20 council and shall administer the affairs of the council. The Governor  
21 shall fill any vacancy by appointment for the unexpired portion of the  
22 term vacated. Members shall receive no compensation for their  
23 services on said council, but shall be reimbursed for necessary  
24 expenses incurred in the performance of their duties. Said council shall  
25 hold one meeting each month and such additional meetings as may be  
26 prescribed by council rules. In addition, special meetings may be called  
27 by the chairperson or by any three members upon delivery of forty-  
28 eight hours written notice to each member.

29 (b) The council, within available appropriations, shall coordinate a  
30 uniform geographic information system capacity for the state and  
31 municipalities which shall include provisions for application, policy  
32 and standards for government information system implementation. In  
33 establishing such capacity, the council shall consult with state agencies,  
34 municipalities and other users of geographic information system  
35 technology.

36 (c) The council shall administer a program of technical assistance to  
37 regional planning agencies and municipalities to develop geographic  
38 information systems.

39 (d) On or before January 1, 2006, and annually thereafter, the  
40 council shall submit, in accordance with section 11-4a of the general  
41 statutes, a report on activities under this section to the joint standing  
42 committee of the General Assembly having cognizance of matters  
43 relating to planning and development.

44 Sec. 2. Subsection (b) of section 12-62a of the general statutes is  
45 repealed and the following is substituted in lieu thereof (*Effective*  
46 *October 1, 2005, and applicable to assessment years commencing on or after*

47 October 1, 2005):

48 (b) Each such municipality shall assess all property for purposes of  
49 the local property tax at a uniform rate of seventy per cent of present  
50 true and actual value, as determined under section 12-63. For  
51 assessment years commencing on and after October 1, 2006, any  
52 municipality with a population of more than one hundred thousand,  
53 by ordinance adopted by its legislative body, may (1) designate real  
54 estate as (A) land or land exclusive of buildings, or (B) buildings on  
55 land, and (2) establish a separate rate of property tax for each  
56 designation, provided the higher rate shall apply to land or land  
57 exclusive of buildings. As used in this subsection, the term "real estate"  
58 does not include farm land, forest land and open space land as such  
59 terms are defined in section 12-107b.

60 Sec. 3. (NEW) (*Effective from passage*) The Secretary of the Office of  
61 Policy and Management, within available appropriations, shall  
62 conduct a tax burden study. The study shall include an analysis of  
63 federal, state and local tax burdens of state taxpayers with different  
64 income levels in each municipality and evaluate how changes in local  
65 and state taxes would effect different income levels. The study shall be  
66 submitted to the General Assembly on or before July 1, 2006, and every  
67 two years thereafter.

68 Sec. 4. (*Effective from passage*) On or before January 15, 2006, the  
69 Secretary of the Office of Policy and Management, in consultation with  
70 the Commissioner of Environmental Protection, the Council on Soil  
71 and Water Conservation District, regional planning agencies organized  
72 under the provisions of chapter 127 of the general statutes, regional  
73 councils of governments and regional councils of elected officials  
74 organized under the provisions of chapter 50 of the general statutes,  
75 the Agricultural Extension Services of The University of Connecticut,  
76 the Connecticut Chapter of the American Planning Association, the  
77 Center of Land Use Education and Research at The University of  
78 Connecticut and the Rural Development Council, shall prepare a  
79 report on land use training and education available to members of

80 local land uses agencies. Such report shall include a survey of existing  
81 programs and their utilization and recommendations, if any, for  
82 enhancements and additions to such programs including changes in  
83 state law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2005, and applicable to assessment years commencing on or after October 1, 2005</i>	12-62a(b)
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section

**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-Effect
Policy & Mgmt., Off.; Department of Environmental Protection; Department of Economic & Community Development; Public Health, Dept.; Department of Information Technology; Public Safety, Dept.	GF - See Below

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 06 \$	FY 07 \$
Various Municipalities	Revenue Gain	Potential	Potential

**Explanation**

Section 1 establishes a Geographic Information System and appoints the following members or their designees: the Secretary of the Office of Policy and Management; the Commissioners of Environmental Protection, Economic Development, Transportation, Public Safety, and Public Health; the Chief Information Officer of the Department of Information Technology. It is anticipated that each commissioner or their designee can serve within the normal budgetary resources of each agency. Additionally, the bill appoints representatives from municipalities, which results in no municipal fiscal impact. The bill requires all members to be reimbursed for necessary expenses within available appropriations, but no such funds are provided.

Section 2 permits certain towns to tax non-residential real property at a different, presumably higher mill rate than residential property. These towns may choose to do this if their legislative bodies adopt an authorizing ordinance. Municipalities electing to impose a higher mill rate on non-residential real property may experience a revenue gain which will be shared between the towns. It is anticipated that towns

electing to impose a higher mill rate on non-residential real property will cause the state to incur increased costs for state property tax reimbursement programs. To the extent that higher mill rates are applied to state owned property, these municipalities will receive increased payment in lieu of taxes for state owned property. Under current law, if appropriations are insufficient to fully fund these PILOT payments, all other payments are reduced proportionately, thus towns would experience a revenue loss.

Section 3 requires OPM, within available appropriations, to perform a tax incidence study. This would result in one time costs of \$600,000 to \$700,000<sup>1</sup> for a consultant to develop, install, and train staff in the operation of the system, plus on-going costs of \$50,000 per year to update the system to incorporate new tax data. There are no available appropriations for this purpose.

Section 4 requires OPM to report on the land use training and education programs available to members of local land use agencies , the extent to which members participate in them and to recommend how the programs can be improved. It is anticipated that OPM can accomplish this within their normal budgetary resources

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<sup>1</sup> Based on Maine and Alabama's tax incidence experience

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**OLR Bill Analysis**

sHB 6703

**AN ACT CONCERNING PLANNING FOR COMMUNITY PRESERVATION****SUMMARY:**

This bill allows:

1. the five largest cities to tax land at a higher rate than buildings and other improvements made to the land (i.e., split-rate property tax),
2. creates a 12-member council to coordinate the development of a statewide geographic information system (GIS),
3. requires the Office of Policy and Management (OPM) secretary to biennially assess how state and local taxes affect different income groups (i.e., tax incidence), and
4. requires him to determine land use education and training courses available to local land use commissioners.

**EFFECTIVE DATE:** Upon passage, except for the authorization to tax land at a higher rate than buildings, which takes effect October 1, 2005 and is applicable to assessment years beginning on or after October 1, 2006.

**SPLIT-RATE PROPERTY TAX**

The bill allows cities with populations over 100,000 to tax land at a higher rate than buildings and other improvements on the land. The cities are Bridgeport, Hartford, New Haven, Stamford, and Waterbury. These cities may tax most property in this manner on or after the October 1, 2006 assessment year if their legislative bodies adopt implementing ordinances. (The bill's effective date section specifies the October 1, 2005 assessment year.) But they cannot do so with respect to farms, forests, and open spaces receiving tax benefits under the 490 program.

## GIS COUNCIL

The bill establishes a 12-member council to coordinate, within available appropriations, the way the state and towns develop their capacity to create and maintain a GIS, which is a database that provides different types of data on specific parcels and can display the data on a map. The council must develop policies and standards for applying the system, which it must do in consultation with state agencies, towns, and other GIS users. It must also help towns and regional planning agencies develop GIS.

The OPM secretary, or his designee, must chair the council and administer its affairs. As Table 1 shows, the council consists of state officials, municipal representatives, and a GIS user.

**Table 1: Geographic Information System Council Membership**

<i>Appointee</i>	<i>Appointing Authority</i>
OPM Secretary	Statutory
Environmental Protection Commissioner	Statutory
Economic and Community Development Commissioner	Statutory
Transportation Commissioner	Statutory
Public Safety Commissioner	Statutory
Public Health Commissioner	Statutory
Department of Information Technology Chief Information Officer	Statutory
Representative of town with population over 60,000	Senate President Pro Tempore
Regional planning agency representative	Senate Minority Leader
Representative of town with population between 30,000 and 60,000	Governor
Representative of town with population under 30,000	House Speaker
GIS user	House Minority Leader

The governor must fill any vacancies for the unexpired term, including those initially appointed by the legislative leaders. Members are not paid for their services but are reimbursed for necessary expenses they incur while working on the council.

The council must meet at least once a month and may hold additional meetings as its rules require. The OPM secretary or any three council members can call special meetings if they notify the other members in

writing at least 48 hours before the meeting. Beginning January 1, 2006, the council must report annually on its activities to the Planning and Development Committee.

### **TAX INCIDENCE STUDY**

The bill requires the secretary, within available appropriations, to periodically study how federal, state, and local taxes burden different income groups in each town and how changes to state and local taxes could affect them. He must submit this tax incidence study to the legislature by July 1, 2006 and every two years thereafter.

### **LAND USE EDUCATION**

The bill requires the secretary to report on the land use training and education programs available to members of local land use agencies and the extent to which members participate in them and recommend how the programs can be improved. He must do this in consultation with:

1. environmental protection commissioner,
2. Council on Soil and Water Conservation District,
3. regional planning agencies,
4. regional councils of governments,
5. regional councils of elected officials,
6. UConn's Agricultural Extension Service,
7. Connecticut Chapter of the American Planning Association,
8. UConn's Center of Land Use Education and Research, and
9. Rural Development Council.

He must complete the report by January 15, 2006.

### **COMMITTEE ACTION**

Planning and Development Committee

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Joint Favorable Substitute  
Yea 18 Nay 0