



Senate

General Assembly

File No. 293

February Session, 2006

Senate Bill No. 222

Senate, April 3, 2006

The Committee on Planning and Development reported through SEN. COLEMAN of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING DELINQUENT MOTOR VEHICLE PROPERTY TAXES.

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

1 Section 1. Subsection (e) of section 14-33 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2006*):

4 (e) On and after July 1, 2004, each city and town shall make an
5 annual payment to the Commissioner of Motor Vehicles, in an amount
6 determined by the Secretary of the Office of Policy and Management,
7 in order to participate in the program administered by the Department
8 of Motor Vehicles pursuant to subsection (a) of this section. Such
9 amount shall be each city or town's proportionate cost of the
10 administration of said program, to be determined as follows: The
11 number obtained by multiplying said program's administrative cost by
12 a fraction the numerator of which shall be the city or town's population
13 and the denominator of which shall be the population of the state. As
14 used in this section, "population" means the number of persons in the

15 city or town according to the most recent estimate made, pursuant to
16 section 19a-2a, by the Department of Public Health. The commissioner
17 shall, on or before [~~July~~] January fifteenth, annually, certify to said
18 secretary the commissioner's cost to administer said program for the
19 next fiscal year. The secretary shall, on or before [~~August~~] March first,
20 annually, notify the chief executive officer of each city and town of the
21 amount such city or town is required to pay to the commissioner and
22 such amount shall be payable not later than [~~September~~] August first
23 following said notification date. All amounts received by the
24 commissioner pursuant to this subsection shall be deposited into the
25 General Fund. If a city or town fails to annually pay its proportionate
26 share of said program's administrative cost, the commissioner shall not
27 be required to deny the issuance of a registration, pursuant to
28 subsection (a) of this section, to the person against whom such tax has
29 been assessed by said city or town, or by a borough or other taxing
30 district located therein.

31 Sec. 2. Section 14-33a of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective July 1, 2006*):

33 When a taxpayer who was reported to the Commissioner of Motor
34 Vehicles as delinquent in taxes by a tax collector in accordance with
35 section 14-33 is no longer delinquent, the tax collector shall
36 immediately notify the Commissioner of Motor Vehicles, on forms
37 prescribed and furnished by him, specifying the name, address and
38 registration number to be removed from the motor vehicle delinquent
39 tax list. The tax collector shall receive from a taxpayer a fee of one
40 dollar for each motor vehicle that the tax collector included on a
41 delinquent tax list reported to said commissioner. Said fee shall be in
42 addition to the amount of the delinquent tax together with interest that
43 has accrued as of the date of payment. A municipality shall use the
44 revenue from such fees to pay the amount required under subsection
45 (e) of section 14-33, as amended by this act, to said commissioner.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2006</i>	14-33(e)
Sec. 2	<i>July 1, 2006</i>	14-33a

PD *Joint Favorable*

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	FY 07 \$	FY 08 \$
Department of Motor Vehicles	TF - See Below	See Below	See Below

Note: TF=Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 07 \$	FY 08 \$
All Municipalities	See Below	See Below	See Below

Explanation

State Impact:

The Department of Motor Vehicles will be able to accommodate any additional administrative functions resulting from passage of this bill within its anticipated budgetary resources.

Municipal Impact:

There is a revenue gain to municipalities from the \$1 surcharge levied on each delinquent motor vehicle tax bill. In past practice, municipalities submitted their complete motor vehicle lists to DMV and subsequently remove taxpayer information as tax bills were paid. The latest data available is from FY 04 shows that municipalities submitted 506,046 tax bill records to the DMV. Therefore the magnitude of the revenue gain cannot be determined since it is unknowable how many of the 506,046 records were actual delinquent tax bills.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation.

OLR Bill Analysis**SB 222*****AN ACT CONCERNING DELINQUENT MOTOR VEHICLE PROPERTY TAXES.*****SUMMARY:**

This bill pushes up several notice dates in the Motor Vehicle Property Tax Delinquency Enforcement Program and establishes a \$1 fee that delinquent motor vehicle taxpayers must pay to support towns' participation in the program. This program bars people from registering motor vehicles and snowmobiles when taxes on them are delinquent.

It pushes up, from July 15 to January 15, the date by which the motor vehicle commissioner must certify to the Office of Policy and Management secretary how much it will cost to run the program in the next fiscal year. It requires the secretary to notify towns' chief executive officers by March 1, rather than August 1, of the towns' assessments. And it requires the towns to pay by August 1, rather than September 1.

The bill requires taxpayers who are delinquent on their motor vehicle (but not snowmobile) taxes to pay a \$1 fee for each vehicle in addition to the delinquent tax and interest. Towns must use this revenue to pay their assessment for the program's administration.

EFFECTIVE DATE: July 1, 2006

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 16 Nay 0 (03/17/2006)