



# Senate

General Assembly

**File No. 337**

February Session, 2006

Substitute Senate Bill No. 470

*Senate, April 4, 2006*

The Committee on Environment reported through SEN. FINCH of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT ALLOWING THE ABATEMENT OR WAIVER OF LOCAL PROPERTY TAXES ON HYBRID VEHICLES.***

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

- 1 Section 1. (NEW) (*Effective July 1, 2006*) Any municipality may, upon  
2 approval by its legislative body or in any town in which the legislative  
3 body is a town meeting, by the board of selectmen, abate or waive  
4 property taxes due for any tax year for a motor vehicle utilizing hybrid  
5 technology or alternative fuels.

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

Section 1	<i>July 1, 2006</i>	New section
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**ENV** 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:** None

**Municipal Impact:**

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

**Explanation**

The bill allows municipalities that choose to do so to establish a program to abate property taxes on hybrid motor vehicles. Therefore such municipality could increase its mill rate or modify spending to offset any decrease in property taxes as a result of the abatement.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis  
sSB 470*****AN ACT ALLOWING THE ABATEMENT OR WAIVER OF LOCAL  
PROPERTY TAXES ON HYBRID VEHICLES.*****SUMMARY:**

This bill authorizes a municipality to abate or waive property taxes due in any tax year for a motor vehicle that uses hybrid technology or an alternative fuel. The municipality's legislative body or board of selectmen must approve the waiver. The bill does not define alternative fuel.

EFFECTIVE DATE: July 1, 2006

**BACKGROUND*****Alternative Fuels***

The law provides tax credits for investments in clean alternative fuel vehicles (CGS § 12-217i) and exempts new motor vehicles exclusively powered by clean alternative fuels from the sales tax (CGS § 12-412 (67)). In the former case, clean alternative fuel is compressed natural gas, liquefied petroleum gas, liquefied natural gas, or electricity when used as a motor vehicle fuel. In the latter case, clean alternative fuel is natural gas, hydrogen, or electricity when used as a motor vehicle fuel, or propane when used as a motor vehicle fuel if such a vehicle meets the federal fleet emissions standards under the federal Clean Air Act or any emissions standards adopted by the commissioner of environmental protection as part of the state's implementation plan under the act.

***Hybrid Vehicle***

A vehicle is a hybrid when it combines two or more sources of power. Hybrid cars run off a rechargeable battery and gasoline.

**COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 28 Nay 0 (03/16/2006)