



# Senate

General Assembly

**File No. 527**

February Session, 2006

Substitute Senate Bill No. 668

*Senate, April 18, 2006*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT CONCERNING PROPERTY REVALUATIONS.***

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

1 Section 1. Section 12-62 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage and*  
3 *applicable to assessment years commencing on or after October 1, 2006*):

4 [(a) (1) Commencing October 1, 1997, the assessor or board of  
5 assessors of each town shall revalue all of the real estate in their  
6 respective municipalities for assessment purposes in accordance with  
7 the provisions of subsection (b) of this section. The assessments  
8 derived from each such revaluation shall be used for the purpose of  
9 levying property taxes in such municipality in the assessment year in  
10 which such revaluation becomes effective and in each assessment year  
11 thereafter until the next succeeding revaluation in accordance with the  
12 provisions of subsection (b) of this section. In the performance of these  
13 duties, except in any municipality where there is a single assessor, at  
14 least two of the assessors shall act together and all valuations shall be

15 separately approved by a majority of the assessors.

16 (2) The assessor or board of assessors of each town shall view by  
17 physical inspection all of the real estate in their respective  
18 municipalities for assessment purposes within the period of time  
19 provided in subdivision (3) of this subsection.

20 (3) An assessor shall have fulfilled the requirement to view by  
21 physical inspection if a physical inspection of a property has been  
22 made at any time from June 27, 1997, to October 1, 2009, inclusive, and  
23 thereafter, the assessor or board of assessors shall view by physical  
24 inspection each parcel of real estate no later than ten years following  
25 the preceding inspection.

26 (b) The assessor or board of assessors of each town shall revalue all  
27 of the real estate in their respective municipalities not later than five  
28 years after the last revaluation conducted in each municipality, except  
29 as provided in section 12-62*l*. In carrying out the provisions of this  
30 subsection, any municipality which last effected revaluation by  
31 statistical means shall effect its next revaluation by physical inspection  
32 provided in no case shall a physical inspection be required more than  
33 once every ten years. In carrying out the provisions of this subsection,  
34 any municipality which last effected revaluation by physical inspection  
35 may effect its next revaluation by statistical means.

36 (c) During the conduct of any revaluation in accordance with this  
37 section in any municipality and during a period of not less than twelve  
38 months immediately following the date on which such revaluation  
39 becomes effective, any criteria, guidelines, price schedules or statement  
40 of procedures used in such revaluation by the assessors or any  
41 revaluation company shall be available for public inspection in the  
42 assessor's office in such municipality in the manner provided for  
43 public records in subsection (a) of section 1-210. Any such criteria,  
44 guidelines, price schedules or statement of procedures shall continue  
45 to be available for public inspection until the next revaluation of real  
46 property becomes effective. The provisions of this subsection shall be  
47 applicable to any such criteria, guidelines, price schedules or statement

48 of procedures placed on file in such assessor's office on or after  
49 October 1, 1996.

50 (d) (1) Written notice of the implementation of a revaluation shall be  
51 filed by the chief executive officer of the municipality with the  
52 Secretary of the Office of Policy and Management. Such notice shall be  
53 filed not later than five business days following the date on which final  
54 action with respect to the establishment of a mill rate for the revalued  
55 grand list is taken. Any municipality which fails to comply with the  
56 provisions of this section shall forfeit ten per cent of the total amount  
57 of state grants-in-aid determined by statutory formula, as of the date  
58 certification of payment is required to be made to such municipality,  
59 for the fiscal year next following the October first assessment date on  
60 which the required revaluation was not implemented. Such forfeit  
61 shall be based upon the state grants-in-aid which are included in the  
62 estimate prepared by the Secretary of the Office of Policy and  
63 Management pursuant to section 4-71b. For each succeeding  
64 assessment year in which the provisions of this section are not met,  
65 such municipality shall forfeit ten per cent of such state grants-in-aid.  
66 If the secretary determines that such a forfeit is required, he shall cause  
67 the certification made to the State Comptroller for each such grant-in-  
68 aid to the municipality, to reflect the amount of reduction in such  
69 grant-in-aid.

70 (2) The secretary may waive such forfeit if, in his opinion, there  
71 appears to be reasonable cause for the municipality not having  
72 implemented a revaluation as required, provided the chief executive  
73 officer of the municipality submits a written request for such waiver.  
74 Such request shall include the reason for the failure of the municipality  
75 to comply with the provisions of this section. The secretary shall  
76 promptly consider such request and shall, within fifteen business days,  
77 notify the municipality of his decision to grant or deny a waiver of the  
78 forfeit. Reasonable cause shall include, (A) a postponement of a  
79 revaluation in any town or city, provided such postponement is  
80 allowed by the secretary in accordance with the provisions of section  
81 12-117, or is ordered by the superior court for the judicial district in

82 which the municipality is located, (B) a postponement of a revaluation  
83 in any town or city as the result of the existence of extraordinary  
84 circumstances or an act of God, (C) failure on the part of any person or  
85 organization performing such revaluation under contract to complete  
86 contractual duties to the satisfaction of the municipality, (D) the death  
87 or serious illness of the assessor during the conduct of a revaluation,  
88 which results in a delay of its implementation, or (E) an agreement  
89 entered into pursuant to subdivision (3) of this subsection. No more  
90 than one waiver shall be granted pursuant to subparagraph (E) of this  
91 subdivision.

92 (3) If a municipality is unable to implement a revaluation in the  
93 assessment year as required by this section for any reason other than  
94 for reasonable cause as described in subparagraphs (A) to (D),  
95 inclusive, of subdivision (2) of this subsection, the chief executive  
96 officer of the municipality may submit a written request to the  
97 Secretary of the Office of Policy and Management to enter into an  
98 agreement with the Office of Policy and Management with respect to  
99 the implementation of such revaluation. The municipality may request  
100 such agreement no earlier than six months prior to and no later than  
101 the October first assessment date which the required revaluation  
102 would have affected. The secretary may enter into no more than one  
103 agreement with any municipality and only if such municipality has  
104 shown good faith efforts toward implementing such revaluation. Such  
105 agreement shall establish conditions to be met by the municipality in  
106 order to qualify for a waiver of the penalty imposed under subdivision  
107 (1) of this subsection. Such conditions shall include, but not be limited  
108 to, (A) dates upon which specific aspects of the revaluation shall be  
109 completed, (B) an agreement by the municipality to implement,  
110 maintain or update a computer system for the purpose of conducting  
111 future revaluations, (C) an agreement that the municipality will not  
112 seek an authorization from the Office of Policy and Management to  
113 assess all real estate according to the list in effect immediately prior to  
114 the list to which such revaluation applies pursuant to subsection (b) of  
115 section 12-117, (D) a date specific by which a contract must be entered  
116 into for conducting the next statutorily required revaluation, and (E)

117 quarterly updates to the secretary on the progress of the revaluation.  
118 The dates of such conditions may extend beyond the date of the  
119 implementation of the revaluation for which the agreement is  
120 requested. Notwithstanding a waiver issued under subdivision (2) of  
121 this subsection, the secretary may, upon a review of the totality of the  
122 circumstances, cause the municipality to forfeit a percentage of the  
123 total amount of state grants-in-aid determined by statutory formula  
124 which are included in the estimate prepared by the Secretary of the  
125 Office of Policy and Management pursuant to section 4-71b. If one  
126 condition of the agreement is not met by a municipality, the amount  
127 forfeited shall be one per cent of the total amount of such state grants-  
128 in-aid as of the date the condition was not met. If more than one  
129 condition of the agreement is not met by a municipality, the amount  
130 forfeited may be up to ten per cent of the such state grants-in-aid as  
131 determined by the secretary.

132 (e) Any assessor required to view by physical observation or to  
133 revalue all real estate in a municipality by the provisions of this section  
134 may designate a revaluation company certified in accordance with  
135 section 12-2b to view and evaluate or to evaluate, pursuant to a  
136 methodology approved by such assessor, all or any portion of such  
137 real estate, provided nothing in this subsection shall relieve any  
138 assessor of any other requirement relating to such revaluation imposed  
139 by any provisions of the general statutes, any public or special act or  
140 any municipal charter.

141 (f) The assessor or board of assessors shall send written notice by  
142 mail of each revaluation conducted pursuant to this section to each  
143 person whose property was revalued. Such notice shall include  
144 information describing the property owner's rights to appeal the  
145 valuation of his property, including the manner in which an appeal  
146 may be filed with the board of assessment appeals. The written notice  
147 shall be mailed no earlier than the assessment date and no later than  
148 the tenth calendar day immediately following the date on which the  
149 grand list abstract is signed and attested to by the assessor or board of  
150 assessors. The assessor or board of assessors may require the

151 revaluation company to send such written notice on behalf of the  
152 assessor or board of assessors.

153 (g) Notwithstanding the provisions of subparagraph (B) of  
154 subdivision (1) of subsection (a) of this section any town which has  
155 entered into an agreement to conduct a physical revaluation for a  
156 contiguous town and which levies real property taxes on the basis of a  
157 revaluation that was implemented for the assessment year  
158 commencing October 1, 1987, shall for the assessment year  
159 commencing October 1, 1999, revalue all such real property by  
160 physical observation.

161 (h) (1) Nothing in this section shall be construed as prohibiting a  
162 town from electing to effect a revaluation of real estate earlier than the  
163 year of next revaluation, as designated in subsection (b) of this section.

164 (2) On and after October 1, 2002, a town electing to effect its next  
165 revaluation earlier than required pursuant to subsection (b) of this  
166 section shall effect its next subsequent revaluation on the assessment  
167 date that is four years after the date provided in said subsection (b)  
168 which date is applicable to the revaluation which is being effected  
169 earlier.

170 (i) Notwithstanding any municipal charter, home rule ordinance or  
171 special act, no municipality shall be required to revalue the real estate  
172 in such municipality for assessment purposes prior to the year of next  
173 revaluation as designated in subsection (b) of this section.

174 (j) This section shall not require the revaluation of real estate (1)  
175 designated within the 1983 Settlement boundary and taken into trust  
176 by the federal government for the Mashantucket Pequot Tribal Nation  
177 before June 8, 1999, or (2) taken into trust by the federal government  
178 for the Mohegan Tribe of Indians of Connecticut.

179 (k) (1) As used in this subsection: "Coefficient of dispersion",  
180 "commercial property", "market sale", "median ratio", "price related  
181 differential", "property class", "ratio", "residential property" and

182 "vacant land" have the same meanings as the definitions of those terms  
183 in the regulations adopted under section 12-62i.

184 (2) Notwithstanding the provisions of this section, a town shall be  
185 exempt from performing its next scheduled revaluation if, as of the  
186 date that calculations pursuant to this subsection are performed: (A)  
187 The overall level of assessment for all property classes is within plus or  
188 minus ten per cent of the seventy per cent assessment ratio required  
189 under subsection (b) of section 12-62a, as measured by the overall  
190 median ratio; (B) the level of assessment for each property class for  
191 which there are fifteen or more market sales is within plus or minus  
192 five per cent of the median overall level of assessment for each such  
193 property class; (C) the coefficient of dispersion for each property class  
194 for which there are fifteen or more market sales is equal to or less than  
195 (i) fifteen per cent for all property; (ii) fifteen per cent for residential  
196 property; (iii) twenty per cent for commercial property; and (iv) twenty  
197 per cent for vacant land; and (D) the price related differential for each  
198 property class for which there are fifteen or more market sales is  
199 within 0.98 and 1.03. The provisions of this subsection shall terminate  
200 on October 1, 2007, and shall not apply to any revaluation scheduled to  
201 be implemented on or after said date.

202 (3) In order to claim exemption under this subsection from the  
203 requirement to implement a revaluation pursuant to subsection (b) of  
204 this section, a town shall perform the calculations required by this  
205 subsection not earlier than April second and not later than April tenth  
206 of the calendar year preceding the October first assessment date on  
207 which such revaluation pursuant to subsection (b) of this section is  
208 required to be effective, except that a town scheduled to implement a  
209 revaluation on October 1, 2003, may perform such calculations not  
210 later than thirty days after May 9, 2002. Such calculations shall be  
211 based on market sales that occurred between October first of the  
212 previous calendar year and April first of the calendar year in which  
213 such calculations are performed, provided if the total number of  
214 market sales occurring in said period is less than thirty, the time period  
215 prior to said October first shall be extended in monthly increments

216 until the number of market sales is equal to or greater than thirty, but  
217 in no event shall such time period be extended for more than twelve  
218 months prior to said October first. The assessor may adjust the sales  
219 price of any property to take into account: (A) The fact that the  
220 property sold is subject to a lease that does not represent market rent,  
221 as defined in section 12-63b; (B) the inclusion of personal property in  
222 the price paid for real property that was sold; or (C) any other factor  
223 the assessor deems appropriate provided there is objective criteria  
224 substantiating any such adjustment and the reason for such adjustment  
225 is documented by the assessor. In the event the time period is extended  
226 under the provisions of this subsection, the assessor may also adjust  
227 the sales price of any property sale occurring in said extended time  
228 period to take into account the effect of a price change in the real estate  
229 market between the date of sale and the date such calculations are  
230 performed. Information concerning such market sales and the  
231 statistical analyses of such sales shall be available for public inspection  
232 for not less than one year from the date a town certifies its exemption  
233 from the requirement to implement its next scheduled revaluation,  
234 provided the Secretary of the Office of Policy and Management does  
235 not rescind such exemption, pursuant to section 12-62k.

236 (4) Any town that meets the criteria set forth in this subsection shall,  
237 not later than five days after the calculations required by this  
238 subsection are performed, certify its exemption from the requirement  
239 to implement its next scheduled revaluation pursuant to subsection (b)  
240 of this section to the Secretary of the Office of Policy and Management.  
241 Such certification shall be signed by the chief executive officer and the  
242 assessor and filed in their respective offices and shall specify the  
243 assessment date to which such exemption applies. The certification  
244 submitted to the secretary shall be accompanied by documentation of  
245 the town's compliance with the criteria delineated in this subsection, in  
246 such form and manner as the secretary may require. Such  
247 documentation shall include, but not be limited to: (A) Information  
248 concerning all sales of real property for each property class that  
249 occurred during the time period encompassed by the town's analyses;  
250 (B) information concerning the market sales used in the analysis for



251 each property class during such time period; (C) documentation  
252 concerning the reason used by the assessor to adjust the sales price of  
253 each property and the dollar amount of the adjustment; (D)  
254 documentation of the reason for not including a real property sale in  
255 the analysis of any property class; and (E) the results of each of the  
256 applicable calculations described in subdivision (2) of this subsection.  
257 Each town that certifies an exemption from the requirement to  
258 implement a revaluation pursuant to this subsection shall cooperate  
259 with the secretary or the committee established pursuant to section 12-  
260 62k in promptly providing any information the secretary or the  
261 committee may require. A copy of the certification of a town's  
262 exemption from the requirement to implement its next scheduled  
263 revaluation, as submitted to the secretary, shall be provided to the  
264 town clerk of the town, who shall record such certification on the land  
265 records. In the event the secretary rescinds such exemption, the  
266 secretary's notice rescinding the town's revaluation exemption  
267 certification shall be recorded on the land records.]

268 (a) As used in this chapter:

269 (1) "Assessor" means the person responsible for establishing  
270 property assessments for purposes of a town's grand list and includes  
271 a board of assessors;

272 (2) "Field review" means the process by which an assessor, a  
273 member of an assessor's staff or person designated by an assessor  
274 examines each parcel of real property in its neighborhood setting,  
275 compares observable attributes to those listed on such parcel's  
276 corresponding property record, makes any necessary corrections based  
277 on such observation and verifies that such parcel's attributes are  
278 accounted for in the valuation being developed for a revaluation;

279 (3) "Full inspection" or "fully inspect" means to measure or verify  
280 the exterior dimensions of a building or structure and to enter and  
281 examine the interior of such building or structure in order to observe  
282 and record or verify the characteristics and conditions thereof,  
283 provided permission to enter such interior is granted by the property

284 owner or an adult occupant;

285 (4) "Real property" means all the property described in section 12-  
286 64;

287 (5) "Revaluation" or "revalue" means to establish the present true  
288 and actual value of all real property in a town as of a specific  
289 assessment date;

290 (6) "Secretary" means the Secretary of the Office of Policy and  
291 Management, or said secretary's designee; and

292 (7) "Town" means any town, consolidated town and city or  
293 consolidated town and borough.

294 (b) (1) Commencing October 1, 2006, each town shall implement a  
295 revaluation not later than the first day of October that follows, by five  
296 years, the October first assessment date on which the town's previous  
297 revaluation became effective, provided, a town that opted to defer a  
298 revaluation, pursuant to section 12-62l, shall implement a revaluation  
299 not later than the first day of October that follows, by five years, the  
300 October first assessment date on which the town's deferred revaluation  
301 became effective. The town shall use assessments derived from each  
302 such revaluation for the purpose of levying property taxes for the  
303 assessment year in which such revaluation is effective and for each  
304 assessment year that follows until the ensuing revaluation becomes  
305 effective.

306 (2) When conducting a revaluation, an assessor shall use generally  
307 accepted mass appraisal methods which may include, but need not be  
308 limited to, the market sales comparison approach to value, the cost  
309 approach to value and the income approach to value. Prior to the  
310 completion of each revaluation, the assessor shall conduct a field  
311 review. Except in a town that has a single assessor, the members of the  
312 board of assessors shall approve, by majority vote, all valuations  
313 established for a revaluation.

314 (3) An assessor, member of an assessor's staff or person designated

315 by an assessor may, at any time, fully inspect any parcel of improved  
316 real property in order to ascertain or verify the accuracy of data listed  
317 on the assessor's property record for such parcel. Except as provided in  
318 subdivision (4) of this subsection, the assessor shall fully inspect each  
319 such parcel once in every ten assessment years, provided, if the full  
320 inspection of any such parcel occurred in an assessment year  
321 preceding that commencing October 1, 1996, the assessor shall fully  
322 inspect such parcel not later than the first day of October of 2009, and  
323 shall thereafter fully inspect such parcel in accordance with this  
324 section. Nothing in this subsection shall require the assessor to fully  
325 inspect all of a town's improved real property parcels in the same  
326 assessment year and in no case shall an assessor be required to fully  
327 inspect any such parcel more than once during every ten assessment  
328 years.

329 (4) An assessor may, at any time during the period in which a full  
330 inspection of each improved parcel of real property is required, send a  
331 questionnaire to the owner of such parcel to (A) obtain information  
332 concerning the property's acquisition, and (B) obtain verification of the  
333 accuracy of data listed on the assessor's property record for such  
334 parcel. An assessor shall develop and institute a quality assurance  
335 program with respect to responses received to such questionnaires. If  
336 satisfied with the results of said program concerning such  
337 questionnaires, the assessor may fully inspect only those parcels of  
338 improved real property for which satisfactory verification of data  
339 listed on the assessor's property record has not been obtained and is  
340 otherwise unavailable. The full inspection requirement in subdivision  
341 (3) of this subsection shall not apply to any parcel of improved real  
342 property for which the assessor obtains satisfactory verification of data  
343 listed on the assessor's property record.

344 (c) The following shall be available for public inspection in the  
345 assessor's office, in the manner provided for access to public records in  
346 subsection (a) of section 1-210 of the 2006 supplement to the general  
347 statutes, not later than the date written notices of real property  
348 valuations are mailed in accordance with subsection (f) of this section:

349 (1) Any criteria, guidelines, price schedules or statement of procedures  
350 used in such revaluation by the assessor or by any revaluation  
351 company that the assessor designates to perform mass appraisal or  
352 field review functions, all of which shall continue to be available for  
353 public inspection until the town's next revaluation becomes effective;  
354 and (2) a compilation of all real property sales in each neighborhood  
355 for the twelve months preceding the date on which each revaluation is  
356 effective, the selling prices of which are representative of the fair  
357 market values of the properties sold, which compilation shall continue  
358 to be available for public inspection for a period of not less than twelve  
359 months immediately following a revaluation's effective date.

360 (d) (1) The chief executive officer of a town shall notify the Secretary  
361 of the Office of Policy and Management that the town is effecting a  
362 revaluation by sending a written notice to the secretary not later than  
363 thirty days after the date on which such town's assessor signs a grand  
364 list that reflects assessments of real property derived from a  
365 revaluation. Any town that fails to effect a revaluation for the  
366 assessment date required by this section shall be subject to a penalty  
367 effective for the fiscal year commencing on the first day of July  
368 following such assessment date, and continuing for each successive  
369 fiscal year in which the town fails to levy taxes on the basis of such  
370 revaluation, provided the secretary shall not impose such penalty with  
371 respect to any assessment year in which the provisions of subsection  
372 (b) of section 12-117, as amended by this act, are applicable. Such  
373 penalty shall be the forfeit of the amount otherwise allocable to such  
374 town pursuant to section 7-536, and the loss of fifty per cent of the  
375 amount of the grant that is payable to such town pursuant to sections  
376 3-55i, 3-55j and 3-55k of the 2006 supplement to the general statutes.  
377 Upon imposing said penalty, the secretary shall notify the chief  
378 executive officer of the amount of the town's forfeiture for said fiscal  
379 year and that the secretary's certification to the State Comptroller for  
380 the payments of such grant in said year shall reflect the required  
381 reduction.

382 (2) The secretary may waive such penalty if, in the secretary's

383 opinion, there appears to be reasonable cause for the town not having  
384 implemented a revaluation for the required assessment date, provided  
385 the chief executive officer of the town submits a written request for  
386 such waiver. Reasonable cause shall include: (A) An extraordinary  
387 circumstance or an act of God, (B) the failure on the part of any  
388 revaluation company to complete its contractual duties in a time and  
389 manner allowing for the implementation of such revaluation, and  
390 provided the town imposed the sanctions for such failure provided in  
391 a contract executed with said company, (C) the assessor's death or  
392 incapacitation during the conduct of a revaluation, which results in a  
393 delay of its implementation, or (D) an order by the superior court for  
394 the judicial district in which the town is located postponing such  
395 revaluation, or the potential for such an order with respect to a  
396 proceeding brought before said court. The chief executive officer shall  
397 submit such written request to the secretary not earlier than thirty  
398 business days after the date on which the assessor signs a grand list  
399 that does not reflect real property assessments based on values  
400 established for such required revaluation, and not later than thirty  
401 days preceding the July first commencement date of the fiscal year in  
402 which said penalty is applicable. Such request shall include the reason  
403 for the failure of the town to comply with the provisions of subsection  
404 (b) of this section. The chief executive officer of such town shall  
405 promptly provide any additional information regarding such failure  
406 that the secretary may require. Not later than sixty days after receiving  
407 such request and any such additional information, the secretary shall  
408 notify the chief executive officer of the secretary's decision to grant or  
409 deny the waiver requested, provided the secretary may delay a  
410 decision regarding a waiver related to a potential court order until not  
411 later than sixty days after the date such court renders the decision. The  
412 secretary shall not grant a penalty waiver under the provisions of this  
413 subsection with respect to consecutive years unless the General  
414 Assembly approves such action.

415 (e) When conducting a revaluation, an assessor may designate a  
416 revaluation company certified in accordance with section 12-2b to  
417 perform property data collection, analysis of such data and any mass

418 appraisal valuation or field review functions, pursuant to a method or  
419 methods the assessor approves, and may require such company to  
420 prepare and mail the valuation notices required by subsection (f) of  
421 this section, provided nothing in this subsection shall relieve any  
422 assessor of any other requirement relating to such revaluation imposed  
423 by any provisions of the general statutes, any public or special act, the  
424 provisions of any municipal charter that are not inconsistent with the  
425 requirements of this section, or any regulations adopted pursuant to  
426 subsection (g) of this section.

427 (f) Not earlier than the assessment date that is the effective date of a  
428 revaluation and not later than the tenth calendar day immediately  
429 following the date on which the grand list for said assessment date is  
430 signed, the assessor shall mail a written notice to the last-known  
431 address of the owner of each parcel of real property that was revalued.  
432 Such notice shall include the valuation of such parcel as of said  
433 assessment date and the valuation of such parcel in the last-preceding  
434 assessment year, and shall provide information describing the  
435 property owner's rights to appeal the valuation established for said  
436 assessment date, including the manner in which an appeal may be  
437 filed with the board of assessment appeals.

438 (g) The secretary shall adopt regulations, in accordance with the  
439 provisions of chapter 54, which an assessor shall use when conducting  
440 a revaluation. Such regulations shall include (1) provisions governing  
441 the management of the revaluation process, including, but not limited  
442 to, the method of compiling and maintaining property records,  
443 documenting the assessment year during which a full inspection of  
444 each parcel of improved real property occurs, and the method of  
445 determining real property sales data in support of the mass appraisal  
446 process, and (2) provisions establishing criteria for measuring the level  
447 and uniformity of assessments generated from a revaluation, provided  
448 such criteria shall be applicable to different classes of real property  
449 with respect to which a sufficient number of property sales exist.  
450 Certification of compliance with not less than one of said regulatory  
451 provisions shall be required for each revaluation and the assessor shall,

452 not later than the date on which the grand list reflecting assessments of  
453 real property derived from a revaluation is signed, certify to the  
454 secretary and the chief executive officer, in writing, that the  
455 revaluation was conducted in accordance with said regulatory  
456 requirement. Any town effecting a revaluation with respect to which  
457 an assessor is unable to certify such compliance shall be subject to the  
458 penalty provided in subsection (d) of this section. In the event the  
459 assessor designates a revaluation company to perform mass appraisal  
460 valuation or field review functions with respect to a revaluation, the  
461 assessor and the employee of said company responsible for such  
462 function or functions shall jointly sign such certification. The assessor  
463 shall retain a copy of such certification and any data in support thereof  
464 in the assessor's office. The provisions of subsection (c) of this section  
465 concerning the public inspection of criteria, guidelines, price schedules  
466 or statement of procedures used in a revaluation shall be applicable to  
467 such certification and supporting data.

468 (h) This section shall not require the revaluation of real property (1)  
469 designated within the 1983 Settlement boundary and taken into trust  
470 by the federal government for the Mashantucket Pequot Tribal Nation  
471 before June 8, 1999, or (2) taken into trust by the federal government  
472 for the Mohegan Tribe of Indians of Connecticut.

473 Sec. 2. Section 12-62c of the general statutes is repealed and the  
474 following is substituted in lieu thereof (*Effective from passage and*  
475 *applicable to assessment years commencing on or after October 1, 2006*):

476 [(a) Any municipality may, with respect to the assessment list in  
477 such municipality in a year in which a revaluation becomes effective,  
478 as required under section 12-62, for the assessment years commencing  
479 on or after October 1, 1987, by vote of its legislative body provide for a  
480 gradual increase in assessed values of real property for purposes of  
481 property tax, commencing with the year in which such revaluation  
482 becomes effective and continuing for a certain number of years as  
483 elected by such municipality, not exceeding three years immediately  
484 following the year of such revaluation. Such gradual increase in

485 assessed values shall be the result of incremental increases in the rate  
486 of assessment of real property, to be added as provided in subsection  
487 (b) of this section to the assessment ratio determined under section 10-  
488 261a for the year immediately preceding revaluation in such  
489 municipality.

490 (b) Upon electing to increase assessed values in the manner allowed  
491 in this section, there shall be determined, with respect to said  
492 assessment ratio for the year immediately preceding such revaluation,  
493 the difference between the assessment rate at seventy per cent of  
494 present true and actual value, as required under subsection (b) of  
495 section 12-62a, and said ratio of assessed value of real property to fair  
496 market value in the year immediately preceding revaluation for such  
497 municipality. Such difference shall represent the portion of the  
498 assessment rate at seventy per cent to be added to said ratio for such  
499 municipality in attaining the required assessment rate of seventy per  
500 cent of present true and actual value. Such amount shall be added to  
501 said ratio in equal increments, as determined in accordance with this  
502 subsection, over the number of years elected by such municipality,  
503 provided the total number of years for such purpose may not exceed  
504 four years including the year of such revaluation. For the purposes of  
505 this subsection, increments shall be considered equal if such  
506 increments are equal (1) in terms of the absolute amount of the  
507 increase in the assessment ratio for each of the years of such gradual  
508 increase in assessed value or (2) in terms of the percentage of increase  
509 in the assessment ratio from year to year which is applicable to such  
510 gradual increase in assessed value, for each year of the term of such  
511 gradual increase in assessed value.

512 (c) In a municipality which has adopted the assessment procedure  
513 allowed in this section, new construction which is first assessed for  
514 purposes of property tax, after the assessment date on which such  
515 revaluation becomes effective but before the assessment rate has been  
516 increased to seventy per cent of present true and actual value, shall be  
517 assessed initially at the rate applicable in the procedure as adopted by  
518 such municipality at the time of such initial assessment, and thereafter



519 at the rate of assessment applicable with respect to all real property on  
520 the assessment list in such municipality.]

521 (a) (1) A town implementing a revaluation of all real property may  
522 phase in a real property assessment increase resulting from such  
523 revaluation, by requiring the assessor to gradually increase the  
524 assessment or the rate of assessment applicable to such property in the  
525 assessment year preceding that in which the revaluation is  
526 implemented, in accordance with one of the methods set forth in  
527 subsection (b) of this section. The legislative body of the town shall  
528 approve the decision to provide for such phase-in, the method by  
529 which it is accomplished and its term, provided the number of  
530 assessment years over which such gradual increases are reflected shall  
531 not exceed five assessment years, including the assessment year for  
532 which the revaluation is effective. If the legislative body is a town  
533 meeting, the board of selectmen shall approve such decision, method  
534 and term.

535 (2) The legislative body or board of selectmen, as the case may be,  
536 may approve the discontinuance of a phase-in of real property  
537 assessment increases resulting from the implementation of a  
538 revaluation, at any time prior to the completion of the phase-in term  
539 originally approved, provided such approval shall be made on or  
540 before the assessment date that is the commencement of the  
541 assessment year in which such discontinuance is effective. In the  
542 assessment year following the completion or discontinuance of phase-  
543 in, assessments shall reflect the valuation of real property established  
544 for such revaluation, subject to additions for new construction and  
545 reductions for demolitions occurring subsequent to the date of  
546 revaluation and on or prior to the date of its completion or  
547 discontinuance, and the rate of assessment applicable in such year, as  
548 required by section 12-62a, as amended by this act.

549 (b) A town shall use one of the following methods to determine the  
550 phase-in of real property assessment increases resulting from the  
551 implementation of a revaluation:

552       (1) The assessment of each parcel of real property for the assessment  
553 year preceding that in which such revaluation is effective shall be  
554 subtracted from the assessment of each such parcel in the effective year  
555 of said revaluation, and the annual amount of incremental assessment  
556 increase for each such parcel shall be the total of such subtraction  
557 divided by the number of years of the phase-in term;

558       (2) The ratio of the total assessed value of all taxable real property  
559 for the assessment year preceding that in which a revaluation is  
560 effective and the total fair market value of such property as  
561 determined from records of actual sales in said year, shall be  
562 subtracted from the rate of assessment set forth in section 12-62a, as  
563 amended by this act, and the annual incremental rate of assessment  
564 increase applicable to all parcels of real property shall be the result of  
565 such subtraction divided by the number of years of the phase-in term;  
566 or

567       (3) The ratio of the total assessed value of all taxable real property in  
568 each of the following property classes for the assessment year  
569 preceding that in which a revaluation is effective and the total fair  
570 market value of such property in each class as determined from  
571 records of actual sales in said year, shall be subtracted from the rate of  
572 assessment set forth in section 12-62a, as amended by this act, and the  
573 annual incremental rate of assessment increase applicable to all parcels  
574 of real property in each such class shall be the result of such  
575 subtraction divided by the number of years of the phase-in term,  
576 where such property classes are: (A) Residential property; (B)  
577 commercial property, including apartments containing five or more  
578 dwelling units, industrial property and public utility property; and (C)  
579 vacant land. In the event the assessor determines that there are no  
580 records of actual sales of real property in any such property class in  
581 said year or that the number of such actual sales is insufficient for  
582 purposes of determining a rate of increase under this subdivision, the  
583 annual incremental rate of assessment increase determined under  
584 subdivision (2) of this subsection shall be used for said property class.

585       (c) The assessment of any new construction that first becomes  
586 subject to taxation during an assessment year encompassed within the  
587 term of a phase-in shall be determined in the same manner as the  
588 assessment of all other comparable real property in said assessment  
589 year, such that the total of incremental increases applicable to such  
590 other comparable real property are reflected in the assessment of such  
591 new construction prior to the proration of such assessment pursuant to  
592 section 12-53a.

593       (d) Not later than thirty business days after the date a town's  
594 legislative body or board of selectmen, as the case may be, votes to  
595 phase in real property assessment increases resulting from such  
596 revaluation, or votes to discontinue such a phase-in, the chief executive  
597 officer of the town shall notify the Secretary of the Office of Policy and  
598 Management, in writing, of the action taken. Any chief executive  
599 officer failing to submit a notification to said secretary as required by  
600 this subsection, shall forfeit one hundred dollars to the state for each  
601 such failure.

602       Sec. 3. Section 12-117 of the general statutes is repealed and the  
603 following is substituted in lieu thereof (*Effective from passage and*  
604 *applicable to assessment years commencing on or after October 1, 2006*):

605       (a) The period prescribed by law for the completion of the duties of  
606 any assessor, board of assessors or board of assessment appeals may,  
607 for due cause shown, be extended by the chief executive officer of the  
608 town for a period not exceeding one month, and in the case of the  
609 board of assessment appeals in any town in the assessment year  
610 [immediately following completion of a revaluation of all real property  
611 in such town and adjustment of the assessment list for such assessment  
612 year accordingly] in which a revaluation, pursuant to section 12-62, as  
613 amended by this act, is required to be effective, such period [may] shall  
614 be extended by said chief executive officer for a period not exceeding  
615 two months. Not later than two weeks after granting an extension as  
616 provided under this subsection, the chief executive officer shall send  
617 written notice of the extension to the Secretary of the Office of Policy

618 and Management.

619 [(b) If, in the opinion of the board of assessment appeals and the  
620 chief executive officer, the number of appeals pending before such  
621 board is such as to preclude fair and equitable consideration of such  
622 appeals within the time restriction prescribed in this section, the  
623 Secretary of the Office of Policy and Management may, upon the  
624 request in writing of the board of assessment appeals approved by the  
625 chief executive officer, setting forth such opinion, authorize the  
626 assessors to assess all real estate according to the grand list in effect  
627 immediately prior to the grand list from which such appeals are taken,  
628 subject only to transfers of ownership, additions for new construction  
629 and reductions for demolitions. The grand list from which such  
630 appeals are taken shall then become the grand list for the assessment  
631 day next ensuing, subject only to such adjustments as are authorized  
632 by the board of assessment appeals, unless the town has, in the  
633 intervening time period, completed a revaluation of all real property in  
634 accordance with section 12-62.

635 (c) During any assessment year in which the provisions of  
636 subsection (b) of this section become applicable, the assessor or board  
637 of assessors shall, within sixty days of the date on which the Secretary  
638 of the Office of Policy and Management grants authorization, complete  
639 the grand list as required by said subsection. Each owner whose  
640 property valuation on such grand list has been increased above the  
641 valuation of such property in the last-preceding grand list shall be sent  
642 an increase notice. The notice shall be prepared in the manner  
643 prescribed in section 12-55 and shall be sent not earlier than the date  
644 on which said secretary grants authorization and not later than the  
645 tenth day following the date on which the assessor completes the  
646 grand list as required by this subsection. If such increase notice is sent  
647 later than the time period prescribed in this subsection, such increase  
648 shall become effective on the next succeeding grand list. Any owner  
649 may appeal said valuation to the board of assessment appeals within  
650 thirty days of the date the notice was sent.]

651 (b) If, in the assessment year in which a revaluation is required to be  
652 effective, the Secretary of the Office of Policy and Management  
653 determines, on the basis of information provided, in writing, by the  
654 board of assessment appeals and the chief executive officer, that the  
655 number of appeals pending before such board is such as to preclude  
656 fair and equitable consideration of such appeals within the extended  
657 period of time provided under subsection (a) of this section, the  
658 secretary may authorize a postponement of the implementation of said  
659 revaluation until the assessment day next ensuing. If the secretary  
660 authorizes such postponement, the town shall not be subject to the  
661 penalty provisions of subsection (d) of section 12-62, as amended by  
662 this act. Upon receipt of the secretary's notice of authorization, the  
663 assessor shall revise the real property grand list for the assessment  
664 year with respect to which such postponement is applicable, to reflect  
665 assessments for such property effective in the assessment year  
666 immediately preceding. The real property grand list from which such  
667 appeals are taken shall then become the real property grand list for the  
668 assessment day next ensuing, subject only to transfers of ownership,  
669 additions for new construction, reductions for demolitions and such  
670 adjustments as are authorized by the board of assessment appeals,  
671 unless the assessor revalues all real property for said assessment day  
672 in accordance with section 12-62, as amended by this act. The secretary  
673 shall not grant an authorization to a town, pursuant to this subsection,  
674 in consecutive years.

675 (c) During any assessment year in which the provisions of  
676 subsection (b) of this section become applicable, the assessor or board  
677 of assessors shall, not later than thirty days after the date on which the  
678 Secretary of the Office of Policy and Management authorizes the  
679 postponement of revaluation, complete the grand list as required by  
680 subsection (b) of this section. An increase notice shall be prepared in  
681 the manner prescribed by section 12-55, and mailed, not later than the  
682 tenth day after the completion of said grand list, to each owner whose  
683 property valuation on said grand list increased above the valuation of  
684 such property in the last-preceding assessment year. Notwithstanding  
685 the provisions of section 12-112, any owner may appeal such increase

686 to the board of assessment appeals not later than thirty days after the  
687 date of such notice. If the assessor or board of assessors fails to comply  
688 with the notice requirements in this subsection, any such increase shall  
689 not take effect until the next succeeding assessment date.

690 Sec. 4. (NEW) (*Effective from passage*) (a) If real property eligible for a  
691 grant or for reimbursement of a property tax or a portion thereof  
692 under the provisions of sections 12-19a, 12-20b, as amended by this act,  
693 and 12-129p of the general statutes, or any other provision of the  
694 general statutes, is located in a town that (1) elected to phase in  
695 assessment increases pursuant to section 12-62a of the general statutes,  
696 revision of 1958, revised to January 1, 2005, with respect to a  
697 revaluation effective on or before October 1, 2005, or (2) elects to phase  
698 in assessment increases pursuant to section 12-62c of the general  
699 statutes, as amended by this act, with respect to a revaluation effective  
700 on or after October 1, 2006, the assessed valuation of said property as  
701 reported to the Secretary of the Office of Policy and Management shall  
702 reflect the gradual increase in assessment applicable to comparable  
703 taxable real property for the same assessment year.

704 (b) If the legislative body of a town elects to phase in real property  
705 assessment increases with respect to a revaluation effective on or after  
706 October 1, 2006, pursuant to section 12-62c of the general statutes, as  
707 amended by this act, or pursuant to section 12-62a of the general  
708 statutes, revision of 1958, revised to January 1, 2005, with respect to a  
709 revaluation effective on or before October 1, 2005, the grand list  
710 furnished, pursuant to section 7-328 of the general statutes, to the clerk  
711 of any district, as defined in section 7-324 of the general statutes, shall  
712 reflect assessments based upon such phase-in for each assessment year  
713 during which such phase-in is effective.

714 Sec. 5. Subsection (a) of section 7-328 of the general statutes is  
715 repealed and the following is substituted in lieu thereof (*Effective from*  
716 *passage*):

717 (a) The territorial limits of the district shall constitute a separate  
718 taxing district, and the assessor or assessors of the town shall separate

719 the property within the district from the other property in the town  
720 and shall annually furnish the clerk of the district with a copy of the  
721 grand list of all property in the district after it has been completed by  
722 the board of assessment appeals of the town. If the legislative body of  
723 the town elects, pursuant to section [12-62a or] 12-62c, as amended by  
724 this act, to defer all or any part of the amount of the increase in the  
725 assessed value of real property in the year a revaluation becomes  
726 effective and in any succeeding year in which such deferment is  
727 allowed, the grand list furnished to the clerk of the district for each  
728 such year shall reflect assessments based upon such deferment. When  
729 the district meeting has fixed the tax rate, the clerk shall prepare a rate  
730 bill, apportioning to each owner of property his proportionate share of  
731 the taxes, which rate bill, when prepared, shall be delivered to the  
732 treasurer; and the district and the treasurer thereof shall have the same  
733 powers as towns and collectors of taxes to collect and enforce payment  
734 of such taxes, and such taxes when laid shall be a lien upon the  
735 property in the same manner as town taxes, and such liens may be  
736 continued by certificates recorded in the land record office of the town,  
737 and foreclosed in the same manner as liens for town taxes. The  
738 assessor or board of assessment appeals shall promptly forward to the  
739 clerk of the district any certificate of correction or notice of any other  
740 lawful change to the grand list of the district. The district clerk shall,  
741 within ten days of receipt of any such certificate or notice, forward a  
742 copy thereof to the treasurer, and the assessment of the property for  
743 which such certificate or notice was issued and the rate bill related  
744 thereto shall be corrected accordingly. If the district constructs any  
745 drain, sewer, sidewalk, curb or gutter, such proportion of the cost  
746 thereof as such district determines may be assessed by the board of  
747 directors, in the manner prescribed by such district, upon the property  
748 specially benefited by such drain, sewer, sidewalk, curb or gutter, and  
749 the balance of such costs shall be paid from the general funds of the  
750 district. In the construction of any flood or erosion control system, the  
751 cost to such district may be assessed and shall be payable in  
752 accordance with sections 25-87 to 25-93, inclusive. Subject to the  
753 provisions of the general statutes, the district may issue bonds and the

754 board of directors may pledge the credit of the district for any money  
755 borrowed for the construction of any public works or the acquisition of  
756 recreational facilities authorized by sections 7-324 to 7-329, inclusive,  
757 and such board shall keep a record of all notes, bonds and certificates  
758 of indebtedness issued, disposed of or pledged by the district. All  
759 moneys received by the directors on behalf of the district shall be paid  
760 to the treasurer. No contract or obligation which involves an  
761 expenditure in the amount of (1) ten thousand dollars or more in  
762 districts where the grand list is less than or equal to twenty million  
763 dollars, or (2) twenty thousand dollars or more in districts where the  
764 grand list is greater than twenty million dollars, in any one year shall  
765 be made by the board of directors, unless the same is specially  
766 authorized by a vote of the district, nor shall the directors borrow  
767 money without like authority. The clerk of the district shall give  
768 written notice to the treasurer of the town in which the district is  
769 located of any final decision of the board of directors to borrow money,  
770 not later than thirty days after the date of such decision. The district  
771 may adopt ordinances, with penalties to secure their enforcement, for  
772 the purpose of regulating the carrying out of the provisions of sections  
773 7-324 to 7-329, inclusive, and defining the duties and compensation of  
774 its officers and the manner in which their duties shall be carried out.

775 Sec. 6. Section 12-19b of the general statutes is repealed and the  
776 following is substituted in lieu thereof (*Effective from passage*):

777 Not later than April first in any assessment year, any town or  
778 borough to which a grant is payable under the provisions of section 12-  
779 19a shall provide the Secretary of the Office of Policy and Management  
780 with the assessed valuation of the real property eligible therefor as of  
781 the first day of October immediately preceding, adjusted in accordance  
782 with any gradual increase in or deferment of assessed values of real  
783 property implemented in accordance with section 12-62c, as amended  
784 by this act, [or subsection (e) of section 12-62a,] which is required for  
785 computation of such grant. Any town which neglects to transmit to the  
786 secretary the assessed valuation as required by this section shall forfeit  
787 two hundred fifty dollars to the state, provided the secretary may



788 waive such forfeiture in accordance with procedures and standards  
789 adopted by regulation in accordance with chapter 54. Said secretary  
790 may on or before the first day of August of the state fiscal year in  
791 which such grant is payable, reevaluate any such property when, in  
792 the secretary's judgment, the valuation is inaccurate and shall notify  
793 such town of such reevaluation by certified or registered mail. Any  
794 town or borough aggrieved by the action of the secretary under the  
795 provisions of this section may, not later than ten business days  
796 following receipt of such notice, appeal to the secretary for a hearing  
797 concerning such reevaluation. Such appeal shall be in writing and shall  
798 include a statement as to the reasons for such appeal. The secretary  
799 shall, not later than ten business days following receipt of such appeal,  
800 grant or deny such hearing by notification in writing, including in the  
801 event of a denial, a statement as to the reasons for such denial. Such  
802 notification shall be sent by certified or registered mail. If any town or  
803 borough is aggrieved by the action of the secretary following such  
804 hearing or in denying any such hearing, the town or borough may not  
805 later than ten business days after receiving such notice, appeal to the  
806 superior court for the judicial district wherein such town is located.  
807 Any such appeal shall be privileged.

808 Sec. 7. Subsection (a) of section 12-20b of the 2006 supplement to the  
809 general statutes is repealed and the following is substituted in lieu  
810 thereof (*Effective from passage*):

811 (a) Not later than April first in each year, any municipality to which  
812 a grant is payable under the provisions of section 12-20a shall provide  
813 the Secretary of the Office of Policy and Management with the assessed  
814 valuation of the tax-exempt real property as of the immediately  
815 preceding October first, adjusted in accordance with any gradual  
816 increase in or deferment of assessed values of real property  
817 implemented in accordance with section 12-62c, as amended by this  
818 act, [or subsection (e) of section 12-62a,] which is required for  
819 computation of such grant. Any municipality which neglects to  
820 transmit to the Secretary of the Office of Policy and Management the  
821 assessed valuation as required by this section shall forfeit two hundred

822 fifty dollars to the state, provided the secretary may waive such  
823 forfeiture in accordance with procedures and standards adopted by  
824 regulation in accordance with chapter 54. Said secretary may, on or  
825 before the first day of August of the state fiscal year in which such  
826 grant is payable, reevaluate any such property when, in his judgment,  
827 the valuation is inaccurate and shall notify such municipality of such  
828 reevaluation. Any municipality aggrieved by the action of said  
829 secretary under the provisions of this section may, not later than ten  
830 business days following receipt of such notice, appeal to the secretary  
831 for a hearing concerning such reevaluation, provided such appeal shall  
832 be in writing and shall include a statement as to the reasons for such  
833 appeal. The secretary shall, not later than ten business days following  
834 receipt of such appeal, grant or deny such hearing by notification in  
835 writing, including in the event of a denial, a statement as to the reasons  
836 for such denial. If any municipality is aggrieved by the action of the  
837 secretary following such hearing or in denying any such hearing, the  
838 municipality may not later than two weeks after such notice, appeal to  
839 the superior court for the judicial district in which the municipality is  
840 located. Any such appeal shall be privileged. Said secretary shall  
841 certify to the Comptroller the amount due each municipality under the  
842 provisions of section 12-20a, or under any recomputation occurring  
843 prior to September fifteenth which may be effected as the result of the  
844 provisions of this section, and the Comptroller shall draw his order on  
845 the Treasurer on or before the fifth business day following September  
846 fifteenth and the Treasurer shall pay the amount thereof to such  
847 municipality on or before the thirtieth day of September following. If  
848 any recomputation is effected as the result of the provisions of this  
849 section on or after the January first following the date on which the  
850 municipality has provided the assessed valuation in question, any  
851 adjustments to the amount due to any municipality for the period for  
852 which such adjustments were made shall be made in the next payment  
853 the Treasurer shall make to such municipality pursuant to this section.

854       Sec. 8. (*Effective from passage*) (a) There is established a work group  
855 to study and provide recommendations designed to facilitate property  
856 revaluations undertaken by municipalities. Such study shall include,

857 but not be limited to, (1) development of a master contract for use by  
858 municipalities when hiring revaluation vendors, (2) development of a  
859 schedule for revaluations so all municipalities in a region undertake  
860 them at the same time and recommendations for implementation  
861 procedures for such schedule, and (3) consideration of the rules for  
862 municipal assessment procedures to ensure that all (A) terms and  
863 procedures are clearly defined, (B) requirements as to when a property  
864 must be inspected are clarified, (C) allowable elements of a quality  
865 assurance program are listed, and (D) phase-in provisions are clear  
866 and workable for those municipalities that choose to phase in a  
867 revaluation.

868 (b) The work group shall consist of the following members:

869 (1) Two representatives from municipal government appointed by  
870 the speaker of the House of Representatives;

871 (2) Two representatives from a state-wide realtors group appointed  
872 by the president pro tempore of the Senate;

873 (3) One representative of a business group appointed by the  
874 majority leader of the House of Representatives;

875 (4) One representative of a business group appointed by the  
876 majority leader of the Senate;

877 (5) One representative from the Connecticut Association of  
878 Assessing Officers, appointed by the minority leader of the House of  
879 Representatives;

880 (6) One representative from the Connecticut Association of  
881 Assessing Officers, appointed by the minority leader of the Senate;

882 (7) The chairpersons and ranking members of the joint standing  
883 committee of the General Assembly having cognizance of matters  
884 relating to finance, revenue and bonding, or their designees; and

885 (8) The Secretary of the Office of Policy and Management, or said

886 secretary's designee.

887 (c) Any member of the work group appointed under subdivision (1),  
888 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member  
889 of the General Assembly.

890 (d) All appointments to the work group shall be made no later than  
891 thirty days after the effective date of this section. Any vacancy shall be  
892 filled by the appointing authority.

893 (e) The Secretary of the Office of Policy and Management, or said  
894 secretary's designee shall serve as the chairperson of the work group.  
895 Said secretary shall schedule the first meeting of the work group,  
896 which shall be held no later than sixty days after the effective date of  
897 this section.

898 (f) The administrative staff of the Office of Policy and Management  
899 shall serve as administrative staff of the work group.

900 (g) Not later than January 1, 2007, the work group shall submit a  
901 report on its findings and recommendations to the joint standing  
902 committee of the General Assembly having cognizance of matters  
903 relating to finance, revenue and bonding, in accordance with the  
904 provisions of section 11-4a of the general statutes. The work group  
905 shall terminate on the date that it submits such report or January 1,  
906 2007, whichever is later.

907 Sec. 9. Subsection (b) of section 12-129p of the general statutes is  
908 repealed and the following is substituted in lieu thereof (*Effective from*  
909 *passage*):

910 (b) In any municipality which, as of July 6, 1987, has deferred any  
911 part of the amount of increased assessed value of real property  
912 pursuant to subsection (e) of section 12-62a of the general statutes,  
913 revision of 1958, revised to 2005, the maximum benefit to which any  
914 homeowner shall be entitled pursuant to subsection (a) of this section  
915 shall be the amount to which such homeowner is entitled pursuant to  
916 sections 12-129b to 12-129d, inclusive, as amended, in the first

917 assessment year in which no deferral of assessed value occurs, and no  
 918 maximum benefit shall be imposed in any year prior to such first  
 919 assessment year in which no deferral occurs.

920 Sec. 10. Subsections (e) and (f) of section 12-62a and sections 12-62h,  
 921 12-62i and 12-62k of the general statutes are repealed. (*Effective from*  
 922 *passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to assessment years commencing on or after October 1, 2006</i>	12-62
Sec. 2	<i>from passage and applicable to assessment years commencing on or after October 1, 2006</i>	12-62c
Sec. 3	<i>from passage and applicable to assessment years commencing on or after October 1, 2006</i>	12-117
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	7-328(a)
Sec. 6	<i>from passage</i>	12-19b
Sec. 7	<i>from passage</i>	12-20b(a)
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	12-129p(b)
Sec. 10	<i>from passage</i>	Repealer section

**Statement of Legislative Commissioners:**

Section 12-129p was added for consistency.

**FIN** Joint Favorable Subst.-LCO

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:

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### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Policy & Mgmt., Off.	GF - Cost	Minimal	Minimal

Note: GF=General Fund

#### **Municipal Impact:**

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

### **Explanation**

#### **State Impact**

The bill is anticipated to result in minimal costs to the Office of Policy and Management (OPM) associated with adopting regulations for gathering, recording, and maintaining data collected during the revaluation process and staffing the revaluation working group.

#### **Municipal Impact**

The bill will result in savings to municipalities to the extent that efficiencies can be achieved by:

- (1) Performing inspections over time instead of all in one year;
- (2) Having a greater ability to use in-house staff to complete inspections; and
- (3) Developing and implementing a questionnaire process that will result in a reduction in the number of parcels that are required to be physically inspected.

The average cost to a town conduct a revaluation is approximately

\$25 per parcel but can range from \$14 to \$70 per parcel.

***The Out Years***

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

**OLR Bill Analysis****sSB 668*****AN ACT CONCERNING PROPERTY REVALUATIONS.*****SUMMARY:**

This bill reorganizes the statutes governing the way towns must revalue property. In doing so, it makes many substantive and technical changes, some of which reflect current practice and terminology.

The bill retains the five-year revaluation requirement, but modifies how assessors gather or verify property data when conducting a revaluation. It authorizes OPM to adopt regulations for gathering, recording, and maintaining data collected during that process. It establishes a working group to recommend how revaluation can be improved. The bill changes the penalty for failing to implement a scheduled revaluation and the procedures under which it can be waived.

The bill changes some of the procedures and requirements for implementing, deferring, or postponing a revaluation. These include notifying taxpayers about assessment increases, the time period for the public to inspect revaluation documents, and deadlines for notifying OPM about decisions to implement or phase-in a revaluation.

Lastly, the bill consolidates the statutes under which towns can phase in a revaluation. In doing so, it authorizes a new phase-in method, limits the maximum phase-in period to five years, and requires local legislative bodies to approve the phase-in method. The bill also makes related procedural changes.

**EFFECTIVE DATE:** Upon passage except for the revaluation,



phase-in, and postponement provisions, which take effect October 1, 2006 and apply to assessment years beginning on or after that date.

## **REVALUATION CYCLES AND METHODS**

### **§ 1 (Repealed Provisions) — Current Methods**

The bill rewrites and reorganizes the statutes governing the way assessors must revalue property and the methods they must use. In doing so, it incorporates many concepts that reflect current practice and eliminates obsolete provisions.

Under current law, assessors must revalue all property at least once every five years (except in those towns that have deferred their next scheduled revaluation). They may do so by:

1. physically inspecting the exterior and interior of all properties,
2. physically inspecting some properties in this manner and using statistics to determine the value of the others, and
3. using only statistics to determine values.

But the statutes suggest that assessors revalue property either by comparing sale statistics or physically inspecting each property. The bill amends the statutes to eliminate the notion that assessors revalue property by using one method or the other.

Whether an assessor must physically inspect a property depends on when they last inspected it. Under current law, he must inspect each property at least once every 10 years. This rule gives assessors the option of physically inspecting properties on different 10-year cycles. In other words, it allows them to physically inspect some properties each year between revaluations and use the information they gathered to determine the properties' value for when they conduct the next revaluation.

But current law requires assessors to physically inspect all properties for the next revaluation if they used statistics for the previous one. The bill eliminates this requirement and the term,

“statistical means.” It keeps the 10-year cycle for physical inspections, which it renames as “full inspections,” but changes the conditions when towns must conduct them.

**§ 1 (New Provision) — New Revaluation Rules and Methods**

The bill still requires assessors to revalue property at least once every five years, but changes the rules under which they must use certain assessment methods. An assessor must use generally accepted mass appraisal methods, which include the traditional market sales, cost, and income approaches to valuing property.

When conducting the revaluation, the bill also requires the assessor to update or correct the information he already has about each property by viewing it in its neighborhood setting. He must compare that information with the property’s observable attributes, make the necessary corrections, and verify that the valuation includes those attributes.

The bill still requires the assessor to inspect each property at least once every 10 years and use the data for the next schedule revaluation. During any year when inspections are due, the assessor can update and verify the data he already has on the properties without inspecting them. He may do this by sending questionnaires to each owner requesting information about the property’s acquisition and asking him to verify the accuracy of the information the assessor already has.

The assessor must then evaluate the quality of the responses by subjecting them to a quality assurance program. If he is satisfied with the overall results, the assessor can limit the inspections to only those properties for which he received no responses or unsatisfactory ones. In conducting a full inspection, the assessor must verify the property’s exterior dimensions and enter and examine the property’s interior. The assessor may enter and inspect the property only with the owner or an adult occupant’s permission.

**§ 1 (b) (3) — Satisfying Revaluation Requirements**

Although current law requires assessors to fully inspect each

property at least once every 10 years, it provides a window during which the requirement does not apply. The bill alters that window.

Under current law, a town satisfies the requirement if the assessor physically inspected property any time from June 27, 1997 to October 1, 2009. But it also requires the town to conduct the next physical inspection within 10 years of the date of the last physical inspection. Under the bill, if the last time a town fully inspected property was before October 1, 1996, it must do so again by October 1, 2009. The town must thereafter comply with the bill's inspection requirements.

Assessors must approve the valuations determined for a revaluation. In towns with boards of assessor, the bill requires the board to approve them by majority vote.

#### **§ 1 (e) — Revaluation Company**

The bill explicitly authorizes assessors to designate state-certified revaluation companies to perform specific tasks during a revaluation. They can designate the company to collect and analyze property data, use mass appraisal methods, view property in its neighborhood setting, and notify owners about their new assessments as the law requires. The company must perform these tasks according to a method the assessor approves. The assessor must still comply with any other state or local revaluation requirements.

#### **PENALTY**

##### **§ 1 (d) (1) — Amount**

The law imposes a penalty on towns for each year they fail to implement a scheduled revaluation. The bill changes the penalty. Under current law, the penalty equals 10% of the total annual grants a town receives under statutory formulae. Under the bill, it equals 50% of the town's Mashantucket Pequot and Mohegan Fund grant and 100% of its Local Capital Improvement Program grant. The penalty is imposed at the start of the July 1 fiscal year following the revaluation's October 1 revaluation deadline and continues each fiscal year until the town implements the revaluation.

Under the bill, the OPM secretary must notify the town's chief executive officer about the amount of funds the town must forfeit each year for failing to implement the revaluation. He must also reflect that amount in his certification to the comptroller regarding the town's grant payments.

The bill specifies that the secretary cannot impose the penalty in situations where the town's chief executive officer extended the deadlines for completing the grand list and hearing assessment appeals. The law allows the officer to do this for cause.

**§ 1 (d) (1) — Waiver Procedure**

The bill alters the process the secretary must follow when a town asks him to waive the penalty. Current law imposes no deadline by which the town must request the waiver, but requires the secretary to respond within 15 business days after receiving the request. By law, he must grant the waiver if reasonable causes prevented the town from revaluing property. These include:

1. an extraordinary circumstance or an act of God,
2. a revaluation company's failure to complete its contractual duties to the town's satisfaction,
3. a delay in completing the revaluation caused by the assessor's death or incapacitation, or
4. a Superior Court order affecting the revaluation.

The bill still allows the secretary to waive the penalty for these causes but tightens the one regarding the revaluation company. He can waive the penalty only if the town imposed sanctions on the company for failing to complete its contractual duties to the town's satisfaction. The sanctions must be stipulated in the town's contact with the company.

If the town wants a waiver, the bill requires its chief executive officer to request one no sooner than 30 business days after the

assessor signed the grand list reflecting the outdated values and no later than 30 days after the start of the fiscal year in which the penalty applies. The chief executive officer must explain why the town failed to implement the revaluation and provide any additional information the secretary requires.

The secretary must respond within 60 days after receiving the request and any additional information he requested. He may delay his decision pending a possible court order affecting the revaluation. Otherwise, he must grant the waiver for the same reasonable causes mentioned above.

The bill bans the secretary from granting the town waivers for consecutive years without the legislature's approval.

## **POST-REVALUATION REQUIREMENTS**

### **§ 1 (f) — Notifying Taxpayers**

The bill changes the requirements for notifying taxpayers about a revaluation. By law, they must notify taxpayers in writing about the revaluation no sooner than the revaluation's effective date (October 1) and no later than 10 calendar days immediately following the date when the assessor signs the grand list. The bill specifies that the assessor must send the revaluation notice to each owner's last known address.

Under the bill, the notice must indicate the property's value before and after the revaluation, state that the owner has a legal right to appeal the new assessment, and explain the process for doing so.

### **§ 1 (c)—Inspecting Documents**

The bill narrows the time period during which the public may inspect the criteria, guidelines, and similar materials the town used to revalue property. Under current law, an assessor must allow the public to inspect this material in his office between the time he began revaluing property to at least 12 months after the revaluation takes effect. It also allows the public to continue inspecting the materials up until the next revaluation, but does not specify where the documents

must be kept.

The bill narrows the time for public inspection to the period between the date when the assessor notified people about their properties' new values to at least 12 months after the revaluation's effective date. The bill also drops the minimum requirement that the town allow the public to continue inspecting the revaluation material after that date.

The bill specifically allows the public to inspect the list of property sales by neighborhood the assessor used to determine fair market value.

#### **§ 1 (d) — OPM Notification**

The bill requires towns to notify the OPM secretary about certain decisions regarding a revaluation. A town must notify him within 30 days after the assessor signs and files the revalued grand list. Under current law, the town must notify the secretary within five days after it sets the tax rate based on that grand list.

### **DEFERRING OR POSTPONING REVALUATIONS**

#### **§ 1 (k) (Repealed) — Deferrals**

The bill eliminates towns' authority to defer a revaluation if statistics show little or no change in property values since the last revaluation. This authorization expires October 1, 2007. The bill also eliminates a committee that advises OPM about these deferrals.

#### **§ 3 — Postponement**

The law allows towns to give assessors and boards of assessment appeals more time to complete their duties. Under current law, a town's chief executive officer may grant a one- and two-month extension to the assessor and the board, respectively, for cause. The bill requires him to grant these extensions.

The town cannot postpone the revaluation for a longer period without the secretary's approval. It must request his approval, which the secretary may grant if the board cannot meet the deadline for

hearing appeals. The bill limits the postponement period to one year and prohibits the secretary from granting postponements for consecutive years. It also specifies that the penalty for failing to implement a revaluation does not apply in these situations.

In situations where the secretary grants the one-year postponement, the bill shortens the deadline by which the assessor must complete the grand list. The bill shortens the deadline from 60 days to 30 days after the secretary's approval. The assessor must still notify people about increases in their properties' assessments within 10 days after completing the grand list, and they can still appeal the increases within 30 days of the notice. But, under the bill, an increase takes effect in the next assessment year if the assessor failed to notify a property's owner.

The bill eliminates the secretary's authority to postpone a revaluation the town cannot complete. Current law allows him to do so under an agreement with town specifying how it will complete the revaluation. The agreement must also specify the conditions the town must meet in order to avoid penalty for failing to implement a revaluation.

## **§ 2 — REVALUATION PHASE-INS**

### ***Methods***

The bill consolidates the statutes specifying the two methods towns must use if they want to phase-in a revaluation and authorizes a third method. One of the current methods allows towns to phase in the difference between the assessed value before and after revaluation over five years. The other provides a four-year phase-in based on the difference between the ratio of a property's fair market value and the assessed value before revaluation and the same ratio after revaluation. The bill sets the maximum phase-in period under both methods at five years, including the year when the revaluation took effect.

The bill authorizes a third method that divides properties into classes and phases in the rate at which the assessment increased for each class. In other words, instead of phasing in the rate at which each

property's assessment increased, the third method phases in the rate at which the assessment increased for all properties within the class. As with the other methods, the maximum phase-in period is five years, including the year when the revaluation took effect.

Under the third method, the property classes are residential, commercial, and vacant land. The commercial class includes apartments containing at least five units, industrial property, and public utility property. The third method works if there are sales records for a class or enough sales within each class to extrapolate a rate of increase for the entire class. For this reason, the bill requires the assessor to use the second method when these conditions cannot be met.

The bill specifies how the assessor must treat newly constructed property that becomes subject to taxation during a phase-in. The assessor must treat this property the same way he treats all other comparable property during that phase-in year. He must do this before he prorates the property based on the month when it became subject to taxation. Current law states only that the assessor must assess the new construction at the same rate that applies to other property during that phase-in year.

The bill requires OPM to reflect phase-in values when calculating payments in lieu of taxes for state-owned properties and private colleges and hospitals and elderly property tax relief grants. It must do this with respect to phase-ins that took effect on or before October 1, 2005 and that were based on the difference between the properties' pre- and post-revaluation value. It must also do this with respect to phase-ins that took effect on or after October 1, 2006 and that were based on the rate of increase in pre- and post-revaluation value.

In these cases, the town must notify any special taxing district within its borders about the phased-in values.

***Procedure***

By law, a town cannot implement a phase-in without the legislative



body's approval. Under the bill, the legislative body must also approve the phase-in method and the term, which cannot extend into the town's next five-year revaluation cycle. In towns where the legislative body is the town meeting, the board of selectmen must make these decisions.

The bill also requires the legislative body or the board of selectmen to approve any proposal to discontinue a phase-in before its specified term. These bodies must decide this before the October 1 of the assessment year when the proposal would end the phase-in. The town must assess the properties based on the revaluation if the legislative body discontinues the phase-in or the phase-in period ends.

The bill requires the town's chief elected officer to notify the OPM secretary when the legislative body votes to start or discontinue a phase-in. The officer must notify the secretary in writing within 30 days of the legislative body's decision or the town must pay a \$100 penalty.

## **§ 1 (G) — REGULATIONS**

### ***Standards***

The bill broadens the secretary's authority to adopt regulations governing revaluations. Current law authorizes him to adopt regulatory standards for testing whether a revaluation accurately measured changes in property values. It requires towns to meet all of these standards and subjects them to a penalty if they do not.

The bill requires the regulations to address how assessors must manage the revaluation process, including the method for compiling and maintaining property records, documenting property inspections, and determining property sales data used for mass appraisals. The regulations must also establish criteria for measuring the extent to which the assessments are level and uniform. These criteria must apply to different property classes where enough sales occurred to accurately determine the change in value.

### ***Certification***

The bill requires assessors to certify in writing to the town's chief executive officer and the secretary that the revaluation meets at least one of the regulatory criteria. An assessor must do this no later than the date he signs the grand list. If he designated a company to conduct the revaluation, then employee who conducted the field reviews or performed the mass appraisals must also sign the certification. If the assessor cannot sign the certification, then the town must pay the same penalty the bill imposes for failing to implement a revaluation.

The assessor must keep a copy of the certification and any supporting data in his office and make it available to the public under the same conditions that apply to other revaluation materials.

## **REVALUATION WORKING GROUP**

### ***Purpose***

The bill establishes a 13-member working group to study the revaluation process and recommend how it can be improved. At a minimum, the study must include:

1. the development of a master contract municipalities can use to hire revaluation companies,
2. the development of a region-wide schedule for conducting revaluations and recommendations on how to implement it, and
3. consideration of the rules for implementing revaluations.

In considering these rules, the group must ensure that all:

1. revaluation terms and procedures are clearly defined,
2. timetable for inspecting properties is clarified,
3. allowable elements of a quality assurance program are listed, and
4. phase-in provisions are clear and workable.

### **Membership**

As Table 1 shows, the working group consists of statutory members and municipal and business representatives appointed by legislative leaders.

**TABLE 1: PROPERTY REVALUATION WORKING GROUP**

<b>Member</b>	<b>Appointing Authority</b>
Municipal Government (two members)	House Speaker
State-wide Realtors Group (two members)	Senate President Pro Tempore
Business Group	House Majority Leader
Business Group	Senate Majority Leader
Connecticut Association of Assessing Officers	House Minority Leader
Connecticut Association of Assessing Officers	Senate Minority Leader
Chairmen and ranking members of the Finance, Revenue and Bonding Committee or their designees	Statutory
Office of Policy and Management Secretary or his designee	Statutory

The appointing authorities can appoint legislators who are also members of the groups from which they must make their respective appointments, which they must make within 30 days after the bill takes effect. The OPM secretary must chair the group and call its first meeting within 60 days after the bill takes effect. OPM must provide staff support.

### **Report**

The group must report its findings and recommendations to the Finance, Revenue and Bonding Committee by January 1, 2007. It terminates on the date that date or the date it submits the report, whichever is later.

**BACKGROUND**

***Related Bill***

sSB 535 (File 302) authorizes three phase-in options and allows the OPM secretary to adopt regulations under which he can exempt towns from performing their next scheduled revaluation.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 49 Nay 0 (04/03/2006)