



General Assembly

Raised Bill No. 5550

February Session, 2006

* _____HB05550PD_APP030906_____*

AN ACT CONCERNING STATE PAYMENTS TO MUNICIPALITIES IN LIEU OF PROPERTY TAXES.

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

1 Section 1. Section 12-19a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2006, and*
3 *applicable to assessment years commencing on or after October 1, 2006*):

4 (a) On or before January first, annually, the Secretary of the Office of
5 Policy and Management shall determine the amount due, as a state
6 grant in lieu of taxes, to each town in this state wherein state-owned
7 real property, reservation land held in trust by the state for an Indian
8 tribe or a municipally owned airport, except that which was acquired
9 and used for highways and bridges, but not excepting property
10 acquired and used for highway administration or maintenance
11 purposes, is located. The grant payable to any town under the
12 provisions of this section in the state fiscal year commencing July 1,
13 1999, and each fiscal year thereafter, shall be equal to the total of (1) (A)
14 one hundred per cent of the property taxes which would have been
15 paid with respect to any facility designated by the Commissioner of
16 Correction, on or before August first of each year, to be a correctional
17 facility administered under the auspices of the Department of
18 Correction or a juvenile detention center under direction of the
19 Department of Children and Families that was used for incarcerative

20 purposes during the preceding fiscal year. If a list containing the name
21 and location of such designated facilities and information concerning
22 their use for purposes of incarceration during the preceding fiscal year
23 is not available from the Secretary of the State on the first day of
24 August of any year, said commissioner shall, on said first day of
25 August, certify to the Secretary of the Office of Policy and
26 Management a list containing such information, (B) one hundred per
27 cent of the property taxes which would have been paid with respect to
28 that portion of the John Dempsey Hospital located at The University of
29 Connecticut Health Center in Farmington that is used as a permanent
30 medical ward for prisoners under the custody of the Department of
31 Correction. Nothing in this section shall be construed as designating
32 any portion of The University of Connecticut Health Center John
33 Dempsey Hospital as a correctional facility, and (C) in the state fiscal
34 year commencing July 1, 2001, and each fiscal year thereafter, one
35 hundred per cent of the property taxes which would have been paid
36 on any land designated within the 1983 Settlement boundary and
37 taken into trust by the federal government for the Mashantucket
38 Pequot Tribal Nation on or after June 8, 1999, (2) subject to the
39 provisions of [subsection (c)] subsections (c) and (g) of this section,
40 sixty-five per cent of the property taxes which would have been paid
41 with respect to the buildings and grounds comprising Connecticut
42 Valley Hospital in Middletown. Such grant shall commence with the
43 fiscal year beginning July 1, 2000, and continuing each year thereafter,
44 (3) notwithstanding the provisions of subsections (b) and (c) of this
45 section, with respect to any town in which more than fifty per cent of
46 the property is state-owned real property, one hundred per cent of the
47 property taxes which would have been paid with respect to such state-
48 owned property. Such grant shall commence with the fiscal year
49 beginning July 1, 1997, and continuing each year thereafter, (4) subject
50 to the provisions of [subsection (c)] subsections (c) and (f) of this
51 section, forty-five per cent of the property taxes which would have
52 been paid with respect to all other state-owned real property, and (5)
53 subject to the provisions of subsection (f) of this section, forty-five per
54 cent of the property taxes which would have been paid with respect to

55 all municipally owned airports, [;] except for the exemption applicable
56 to such property, on the assessment list in such town for the
57 assessment date two years prior to the commencement of the state
58 fiscal year in which such grant is payable. The grant provided
59 pursuant to this section for any municipally owned airport shall be
60 paid to any municipality in which the airport is located, except that the
61 grant applicable to Sikorsky Airport shall be paid half to the town of
62 Stratford and half to the city of Bridgeport. For the fiscal year ending
63 June 30, 2000, and in each fiscal year thereafter, the amount of the
64 grant payable to each municipality in accordance with this section
65 shall be reduced proportionately in the event that the total of such
66 grants in such year exceeds the amount appropriated for the purposes
67 of this section with respect to such year.

68 (b) As used in this section "total tax levied" means the total real
69 property tax levy in such town for the fiscal year preceding the fiscal
70 year in which a grant in lieu of taxes under this section is made,
71 reduced by the Secretary of the Office of Policy and Management in an
72 amount equal to all reimbursements certified as payable to such town
73 by the secretary for real property exemptions and credits on the
74 taxable grand list or rate bill of such town for the assessment year that
75 corresponds to that for which the assessed valuation of the state-
76 owned land and buildings has been provided. For purposes of this
77 section and section 12-19b, any real property which is owned by the
78 John Dempsey Hospital Finance Corporation established pursuant to
79 the provisions of sections 10a-250 to 10a-263, inclusive, or by one or
80 more subsidiary corporations established pursuant to subdivision (13)
81 of section 10a-254 and which is free from taxation pursuant to the
82 provisions of subdivision (13) of section 10a-259 shall be deemed to be
83 state-owned real property. As used in this section and section 12-19b,
84 "town" includes borough.

85 (c) In the fiscal year ending June 30, 1991, and in each fiscal year
86 thereafter, the portion of the grant payable to any town as determined
87 in accordance with subdivisions (2) and (4) of subsection (a) of this

88 section, shall not be greater than the following percentage of total tax
89 levied by such town on real property in the preceding calendar year as
90 follows: (1) In the fiscal year ending June 30, 1991, ten per cent, (2) in
91 the fiscal year ending June 30, 1992, twelve per cent, (3) in the fiscal
92 year ending June 30, 1993, fourteen per cent, (4) in the fiscal year
93 ending June 30, 1994, twenty-seven per cent, (5) in the fiscal year
94 ending June 30, 1995, thirty-five per cent, (6) in the fiscal year ending
95 June 30, 1996, forty-two per cent, (7) in the fiscal year ending June 30,
96 1997, forty-nine per cent, (8) in the fiscal year ending June 30, 1998,
97 fifty-six per cent, (9) in the fiscal year ending June 30, 1999, sixty-three
98 per cent, (10) in the fiscal year ending June 30, 2000, seventy per cent,
99 (11) in the fiscal year ending June 30, 2001, seventy-seven per cent, (12)
100 in the fiscal year ending June 30, 2002, eighty-four per cent, (13) in the
101 fiscal year ending June 30, 2003, ninety-two per cent, and (14) in the
102 fiscal year ending June 30, 2004, and in each fiscal year thereafter, one
103 hundred per cent.

104 (d) In the fiscal year commencing July 1, 1999, and in each fiscal
105 year thereafter, the Commissioner of Transportation shall pay from the
106 Bradley International Airport Enterprise Fund to the State
107 Comptroller, on or before September fifteenth, the portion of the state
108 grant in lieu of taxes payable under the provisions of this section at the
109 rate of twenty per cent of the property taxes which would have been
110 paid to the towns of East Granby, Suffield, Windsor and Windsor
111 Locks for real property located at Bradley International Airport. Such
112 payment shall be credited to the appropriation from the General Fund
113 for reimbursements to towns for loss of taxes on state property.

114 (e) Notwithstanding the provisions of this section in effect prior to
115 January 1, 1997, any grant in lieu of taxes on state-owned real property
116 made to any town in excess of seven and one-half per cent of the total
117 tax levied on real property by such town is validated.

118 (f) In the fiscal year ending June 30, 2007, and in each fiscal year
119 thereafter, the amount of the grant provided pursuant to subdivisions
120 (4) and (5) of subsection (a) of this section shall be the following per

121 cent of the property taxes which would have been paid with respect to
 122 all other state-owned real property: (1) In the fiscal year ending June
 123 30, 2007, fifty per cent; (2) in the fiscal year ending June 30, 2008, fifty-
 124 five per cent; (3) in the fiscal year ending June 30, 2009, sixty per cent;
 125 (4) in the fiscal year ending June 30, 2010, sixty-five per cent; (5) in the
 126 fiscal year ending June 30, 2011, seventy per cent; (6) in the fiscal year
 127 ending June 30, 2012, seventy-five per cent; (7) in the fiscal year ending
 128 June 30, 2013, eighty per cent; (8) in the fiscal year ending June 30,
 129 2014, eighty-five per cent; (9) in the fiscal year ending June 30, 2015,
 130 ninety per cent; (10) in the fiscal year ending June 30, 2016, ninety-five
 131 per cent; and (11) in the fiscal year ending June 30, 2017, and in each
 132 fiscal year thereafter, one hundred per cent.

133 (g) In the fiscal year ending June 30, 2007, and in each fiscal year
 134 thereafter, the amount of the grant provided pursuant to subdivision
 135 (2) of subsection (a) of this section shall be the following per cent of the
 136 property taxes which would have been paid with respect to all other
 137 state-owned real property: (1) In the fiscal year ending June 30, 2007,
 138 seventy per cent; (2) in the fiscal year ending June 30, 2008, seventy-
 139 five per cent; (3) in the fiscal year ending June 30, 2009, eighty per cent;
 140 (4) in the fiscal year ending June 30, 2010, eighty-five per cent; (5) in
 141 the fiscal year ending June 30, 2011, ninety per cent; (6) in the fiscal
 142 year ending June 30, 2012, ninety-five per cent; and (7) in the fiscal year
 143 ending June 30, 2013, and in each fiscal year thereafter, one hundred
 144 per cent.

145 Sec. 2. Section 12-20a of the general statutes is repealed and the
 146 following is substituted in lieu thereof (*Effective October 1, 2006, and*
 147 *applicable to assessment years commencing on or after October 1, 2006*):

148 (a) On or before January first, annually, the Secretary of the Office of
 149 Policy and Management shall determine the amount due to each
 150 municipality in the state, in accordance with this section, as a state
 151 grant in lieu of taxes with respect to real property owned by any
 152 private nonprofit institution of higher learning or any nonprofit
 153 general hospital facility or free standing chronic disease hospital or an

154 urgent care facility that operates for at least twelve hours a day and
155 that had been the location of a nonprofit general hospital for at least a
156 portion of calendar year 1996 to receive payments in lieu of taxes for
157 such property, exclusive of any such facility operated by the federal
158 government, except a campus of the United States Department of
159 Veterans Affairs Connecticut Healthcare Systems, or the state of
160 Connecticut or any subdivision thereof. As used in this section "private
161 nonprofit institution of higher learning" means any such institution, as
162 defined in subsection (a) of section 10a-34, or any independent college
163 or university, as defined in section 10a-37, that is engaged primarily in
164 education beyond the high school level, and offers courses of
165 instruction for which college or university-level credit may be given or
166 may be received by transfer, the property of which is exempt from
167 property tax under any of the subdivisions of section 12-81, as
168 amended; "nonprofit general hospital facility" means any such facility
169 which is used primarily for the purpose of general medical care and
170 treatment, exclusive of any hospital facility used primarily for the care
171 and treatment of special types of disease or physical or mental
172 conditions; and "free standing chronic disease hospital" means a
173 facility which provides for the care and treatment of chronic diseases,
174 excluding any such facility having an ownership affiliation with and
175 operated in the same location as a chronic and convalescent nursing
176 home.

177 (b) The grant payable to any municipality under the provisions of
178 this section in the state fiscal year commencing July 1, 1999, and [in
179 each fiscal year thereafter] until the fiscal year commencing July 1,
180 2006, shall be equal to seventy-seven per cent of the property taxes
181 which, except for any exemption applicable to any such institution of
182 higher education or general hospital facility under the provisions of
183 section 12-81, as amended, would have been paid with respect to such
184 exempt real property on the assessment list in such municipality for
185 the assessment date two years prior to the commencement of the state
186 fiscal year in which such grant is payable. In the state fiscal year
187 commencing July 1, 2007, and in each fiscal year thereafter, the amount

188 of the grant shall be the following per cent of the property taxes which
 189 would have been paid with respect to such property: (1) In the fiscal
 190 year commencing July 1, 2007, eighty-two per cent; (2) in the fiscal year
 191 commencing July 1, 2008, eighty-seven per cent; (3) in the fiscal year
 192 commencing July 1, 2009, ninety-two per cent; (4) in the fiscal year
 193 commencing July 1, 2010, ninety-seven per cent; and (5) in the fiscal
 194 year commencing July 1, 2011, one hundred per cent. The amount of
 195 the grant payable to each municipality in any year in accordance with
 196 this section shall be reduced proportionately in the event that the total
 197 of such grants in such year exceeds the amount appropriated for the
 198 purposes of this section with respect to such year.

199 (c) Notwithstanding the provisions of subsection (b) of this section,
 200 the amount of the grant payable to any municipality under the
 201 provisions of this section with respect to a campus of the United States
 202 Department of Veterans Affairs Connecticut Healthcare Systems shall
 203 be as follows: (1) For the fiscal year ending June 30, 2007, twenty per
 204 cent of the amount payable in accordance with said subsection (b); (2)
 205 for the fiscal year ending June 30, 2008, forty per cent of such amount;
 206 (3) for the fiscal year ending June 30, 2009, sixty per cent of such
 207 amount; (4) for the fiscal year ending June 30, 2010, eighty per cent of
 208 such amount; (5) for the fiscal year ending June 30, 2011, and each
 209 fiscal year thereafter, one hundred per cent of such amount.

210 (d) As used in this section and section 12-20b, as amended, the word
 211 "municipality" means any town, consolidated town and city,
 212 consolidated town and borough, borough, district, as defined in
 213 section 7-324, and any city not consolidated with a town.

214 Sec. 3. Section 12-94b of the general statutes is repealed and the
 215 following is substituted in lieu thereof (*Effective July 1, 2006, and*
 216 *applicable to assessment years commencing on or after October 1, 2006*):

217 On or before March fifteenth, annually, commencing March 15,
 218 1998, the assessor or board of assessors of each municipality shall
 219 certify to the Secretary of the Office of Policy and Management, on a

220 form furnished by said secretary, the amount of exemptions approved
 221 under the provisions of subdivisions (72) and (74) of section 12-81, as
 222 amended, together with such supporting information as said secretary
 223 may require including the number of taxpayers with approved claims
 224 under said subdivisions (72) and (74) and the original copy of the
 225 applications filed by them. Said secretary shall review each such claim
 226 as provided in section 12-120b. Not later than December first next
 227 succeeding the conclusion of the assessment year for which the
 228 assessor approved such exemption, the secretary shall notify each
 229 claimant of the modification or denial of the claimant's exemption, in
 230 accordance with the procedure set forth in section 12-120b. Any
 231 claimant aggrieved by the results of the secretary's review shall have
 232 the rights of appeal as set forth in section 12-120b. With respect to
 233 property first approved for exemption under the provisions of
 234 subdivisions (72) and (74) of section 12-81, as amended, for the
 235 assessment years commencing on or after October 1, 2000, but before
 236 October 1, 2007, the grant payable for such property to any
 237 municipality under the provisions of this section shall be equal to
 238 eighty per cent of the property taxes which, except for the exemption
 239 under the provisions of subdivisions (72) and (74) of section 12-81, as
 240 amended, would have been paid. In the assessment years commencing
 241 on and after October 1, 2007, the amount of the grant shall be equal to
 242 the following per cent of the property taxes which would have been
 243 paid: (1) In the assessment year commencing October 1, 2007, eighty-
 244 five per cent; (2) in the assessment year commencing October 1, 2008,
 245 ninety per cent; (3) in the assessment year commencing October 1,
 246 2009, ninety-five per cent; and (4) in the assessment year commencing
 247 October 1, 2010, and in each assessment year thereafter, one hundred
 248 per cent. The secretary shall, on or before December fifteenth,
 249 annually, certify to the Comptroller the amount due each municipality
 250 under the provisions of this section, including any modification of
 251 such claim made prior to December first, and the Comptroller shall
 252 draw an order on the Treasurer on or before the twenty-fourth day of
 253 December following and the Treasurer shall pay the amount thereof to
 254 such municipality on or before the thirty-first day of December

255 following. If any modification is made as the result of the provisions of
 256 this section on or after the December fifteenth following the date on
 257 which the assessor has provided the amount of the exemption in
 258 question, any adjustments to the amount due to any municipality for
 259 the period for which such modification was made shall be made in the
 260 next payment the Treasurer shall make to such municipality pursuant
 261 to this section. The amount of the grant payable to each municipality in
 262 any year in accordance with this section shall be reduced
 263 proportionately in the event that the total of such grants in such year
 264 exceeds the amount appropriated for the purposes of this section with
 265 respect to such year. As used in this section, "municipality" means each
 266 town, city, borough, consolidated town and city and consolidated
 267 town and borough and each district, as defined in section 7-324, and
 268 "next succeeding" means the second such date.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2006, and applicable to assessment years commencing on or after October 1, 2006</i>	12-19a
Sec. 2	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2006</i>	12-20a
Sec. 3	<i>July 1, 2006, and applicable to assessment years commencing on or after October 1, 2006</i>	12-94b

PD

Joint Favorable C/R

APP