



Substitute House Bill No. 7332

Public Act No. 07-255

AN ACT ELIMINATING THE SUNSET DATE ON THE PROPERTY TAX EXEMPTION FOR SOLAR ENERGY SYSTEMS AND AUTHORIZING MUNICIPAL TAXATION OF CERTAIN CONNECTICUT RESOURCES RECOVERY AUTHORITY PROPERTY.

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

Section 1. Subsection (a) of subdivision (56) of section 12-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) Subject to authorization of the exemption by ordinance in any municipality, any building, the construction of which is commenced on or after October 1, 1976, [and before October 1, 2006,] which is equipped with an active solar energy heating or cooling system, or any building to which a solar energy heating or cooling system is added on or after October 1, 1976, [and before October 1, 2006,] to the extent of the amount by which the assessed valuation of such real property equipped with such solar heating or cooling system exceeds the assessed valuation of such real property equipped with the conventional portion of the heating or cooling system, exclusive of any portion of such system related to solar energy, provided this exemption shall only apply to the first fifteen assessment years following construction of such building or addition of any such system

Substitute House Bill No. 7332

to a building.

Sec. 2. Subsection (a) of subdivision (62) of section 12-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) Subject to authorization of the exemption by ordinance in any municipality, any building, the construction of which is commenced on or after April 20, 1977, [and before October 1, 2006,] which is equipped with a passive or hybrid solar energy heating or cooling system, or any building to which such a system is added on or after April 20, 1977, [and before October 1, 2006,] to the extent of any amount by which the assessed valuation of such real property equipped with such a system exceeds the valuation at which such real property would be assessed if built using conventional construction techniques in lieu of construction related to such a system, as determined by the assessing officer of the municipality, provided this exemption shall only apply to the first fifteen assessment years following construction of such building or addition of any such system to a building. Any portion of a hybrid solar energy heating or cooling system which is allowed an exemption under subdivision (56) of this section, as amended by this act, shall not be eligible for exemption under this subdivision.

Sec. 3. Section 22a-270 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) The exercise of the powers granted by this chapter constitute the performance of an essential governmental function and the authority shall not be required to pay any taxes or assessments upon or in respect of a project, or any property or moneys of the authority, levied by any municipality or political subdivision or special district having taxing powers of the state, nor shall the authority be required to pay state taxes of any kind, and the authority, its projects, property and

Substitute House Bill No. 7332

money and any bonds and notes issued under the provisions of this chapter, their transfer and the income therefrom, including revenues derived from the sale thereof, shall at all times be free from taxation of every kind by the state except for estate or succession taxes and by the municipalities and all other political subdivisions or special districts having taxing powers of the state; provided nothing herein shall prevent the authority from entering into agreements to make payments in lieu of taxes with respect to property acquired by it or by any person leasing a project from the authority or operating or managing a project on behalf of the authority and neither the authority nor its projects, properties, money or bonds and notes shall be obligated, liable or subject to lien of any kind for the enforcement, collection or payment thereof. If and to the extent the proceedings under which the bonds authorized to be issued under the provisions of this chapter so provide, the authority may agree to cooperate with the lessee or operator of a project in connection with any administrative or judicial proceedings for determining the validity or amount of such payment and may agree to appoint or designate and reserve the right in and for such lessees or operators to take all action which the authority may lawfully take in respect of such payments and all matters relating thereto, providing such lessee or operator shall bear and pay all costs and expenses of the authority thereby incurred at the request of such lessee or operator or by reason of any such action taken by such lessee or operator in behalf of the authority. Any lessee or operator of a project which has paid the amounts in lieu of taxes permitted by this section to be paid shall not be required to pay any such taxes in which a payment in lieu thereof has been made to the state or to any such municipality or other political subdivision or special district having taxing powers, any other statute to the contrary notwithstanding.

(b) Notwithstanding the provisions of subsection (a) of this section, real and personal property owned by the authority may be assessed

Substitute House Bill No. 7332

and taxed against a lessee pursuant to chapter 203 by the municipality in which such property is located if such property is leased as of the effective date of this section to a lessee or operator by the authority pursuant to an initial site lease entered into between the authority and a lessee on or before December 31, 1985. This subsection shall not apply to property which is: (1) The security for any bonds issued by the authority and outstanding on the effective date of this section, until the indebtedness evidenced by such bonds has been paid in full, (2) leased by the authority pursuant to a lease in effect on January 1, 2007, until after the expiration of the lease term in effect on said date, whether by execution of a new lease, by amendment of the lease or by renewal or extension of the term of such lease pursuant to an option stated therein if such amendment is entered into or such option is exercised after said date, or (3) the subject of an agreement for payments in lieu of taxes between the municipality and the authority or its lessee during any municipal fiscal year covered by such agreement. The lessee shall be liable for taxes assessed pursuant to this subsection and shall have the right to appeal the amount it is assessed in the tax year such property first becomes taxable hereunder in the same manner as a purchaser of formerly tax-exempt property under section 12-81a, with the same effect as if a conveyance to a nonexempt purchaser had been placed on the land records on the date the property first ceases to be exempt pursuant to this section. The assessor and collector of the municipality shall proceed with respect to such property in the same manner as is provided in said section 12-81a with respect to adding the property to the grand list, giving notice of the assessment to the lessee and billing the taxes due thereon to the lessee.

Approved July 11, 2007