



# House of Representatives

General Assembly

**File No. 559**

January Session, 2007

Substitute House Bill No. 7401

*House of Representatives, April 23, 2007*

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING A STUDY OF THE IMPACT ON MUNICIPALITIES OF CERTAIN PROPERTY TAX ISSUES.***

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

1 Section 1. (*Effective from passage*) (a) There is established a task force  
2 to study the impact on municipalities of the grants in lieu of taxes  
3 received from the state, and the exemptions from property tax granted  
4 to different classes of property owners. Such study shall include, but  
5 need not be limited to: (1) Consideration of the appropriate level of  
6 state payments to municipalities as grants in lieu of taxes; (2) the  
7 impact on municipalities of the current level of state funding of such  
8 grants; (3) recommendations for addressing the level of such funding;  
9 (4) an examination of changes in property tax exemptions, both  
10 through legislation and case law; and (5) how such changes have  
11 impacted tax-exempt institutions and municipalities.

12 (b) The task force shall consist of the following members:

13 (1) One representative from a municipality with a population of  
14 twenty-five thousand or more, and one representative of a tax-exempt  
15 institution, appointed by the speaker of the House of Representatives;

16 (2) One representative from a municipality with a population of less  
17 than twenty-five thousand, and one representative of a tax-exempt  
18 institution, appointed by the president pro tempore of the Senate;

19 (3) One representative from academia, appointed by the majority  
20 leader of the House of Representatives;

21 (4) One representative from a class of business that receives an  
22 exemption from the property tax, appointed by the majority leader of  
23 the Senate;

24 (5) One representative of a state-wide organization of towns and  
25 cities, appointed by the minority leader of the House of  
26 Representatives;

27 (6) One representative with a background and experience in  
28 agriculture, appointed by the minority leader of the Senate;

29 (7) The Secretary of the Office of Policy and Management, or the  
30 secretary's designee; and

31 (8) The chairpersons and ranking members of the joint standing  
32 committee of the General Assembly having cognizance of matters  
33 relating to finance, revenue and bonding, or such chairpersons'  
34 designees.

35 (c) All appointments to the task force shall be made not later than  
36 thirty days after the effective date of this section. Any vacancy shall be  
37 filled by the appointing authority.

38 (d) The speaker of the House of Representatives and the president  
39 pro tempore of the Senate shall select the chairpersons of the task  
40 force, from among the members of the task force. Such chairpersons  
41 shall schedule the first meeting of the task force, which shall be held

42 not later than sixty days after the effective date of this section.

43 (e) The administrative staff of the joint standing committee of the  
44 General Assembly having cognizance of matters relating to finance,  
45 revenue and bonding shall serve as administrative staff of the task  
46 force.

47 (f) Not later than January 1, 2008, the task force shall submit a report  
48 on its findings and recommendations to the joint standing committee  
49 of the General Assembly having cognizance of matters relating to  
50 finance, revenue and bonding, in accordance with the provisions of  
51 section 11-4a of the general statutes. The task force shall terminate on  
52 the date that it submits such report or January 1, 2008, whichever is  
53 later.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

**FIN**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Legislative Management	GF - Cost	Minimal	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill establishes a task force to study the impact state payments in lieu of taxes (PILOTs) and property tax exemptions for different classes of property owners has on towns. The task force must report its findings and recommendations to the Finance, Revenue and Bonding Committee by January 1, 2008.

The bill appoints the chairpersons and ranking members of the Finance Committee to the task force and requires the committee’s administrative staff to provide administrative assistance. The Office of Legislative Management would incur minimal costs associated with mileage reimbursement of 48.5 cents per mile for legislators participating on the task force.

**The Out Years**

Since the task force terminates on or before Jan. 1, 2008, there is no out year impact.

**OLR Bill Analysis****sHB 7401*****AN ACT CONCERNING A STUDY OF THE IMPACT ON MUNICIPALITIES OF CERTAIN PROPERTY TAX ISSUES.*****SUMMARY:**

The bill establishes a 13-member task force to study the impact state payments in lieu of taxes (PILOTs) and property tax exemptions for different classes of property owners have on towns. The study must include determining an appropriate state PILOT level, how current state PILOT funding levels affect municipalities, and recommendations for addressing PILOT funding. The task force must also study legislative and case law changes in property tax exemptions and how they affect municipalities and tax-exempt institutions.

The Finance, Revenue and Bonding Committee staff serves as the task force's staff. The task force must report its findings and recommendations to the committee by January 1, 2008. The task force terminates on that date or when it submits its report, whichever is later.

EFFECTIVE DATE: Upon passage

**TASK FORCE MEMBERS**

The task force members are the Office of Policy and Management secretary, the chairpersons and ranking members of the Finance, Revenue and Bonding Committee or their designees, and eight appointed members as shown in Table 1.

**Table 1: Appointed Task Force Members and Appointing Authorities**

<i>Number</i>	<i>Representing</i>	<i>Appointing Authority</i>
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2	<ul style="list-style-type: none"> <li>• Municipalities with populations of 25,000 or more</li> <li>• Tax-exempt institutions</li> </ul>	House speaker
2	<ul style="list-style-type: none"> <li>• Municipalities with populations under 25,000</li> <li>• Tax-exempt institutions</li> </ul>	Senate president pro tempore
1	Academia	House majority leader
1	Classes of businesses that receive property tax exemptions	Senate majority leader
1	Statewide organizations of towns and cities	House minority leader
1	Agriculture	Senate minority leader

The House speaker and Senate president pro tempore name the task force chairpersons from among the members. The chairpersons must schedule the task force's first meeting within 60 days after the bill's passage.

### COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 53 Nay 0 (04/05/2007)