



General Assembly

Substitute Bill No. 538

February Session, 2008

* SB00538PD_FIN031408 *

**AN ACT CONCERNING VALUATION OF REAL ESTATE FOR
PURPOSES OF PROPERTY TAX ASSESSMENT AND REVALUATION
IN CERTAIN MUNICIPALITIES.**

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

1 Section 1. (NEW) (*Effective October 1, 2008*) (a) Notwithstanding the
2 provisions of the general statutes and commencing with the first grand
3 list following revaluation of property which occurs on or after October
4 1, 2009, each municipality may value all real estate for purposes of
5 assessment in accordance with the provisions of subsections (b) and (c)
6 of this section.

7 (b) Commencing with the grand list immediately following the
8 grand list in which a revaluation takes place, the market value of all
9 real estate within a municipality may be adjusted annually to reflect
10 the average annual adjustment in the value of each category of
11 property within the municipality. The annual adjustment shall be
12 derived from a compilation of all categorized sales within the
13 municipality during the preceding twelve months. If the assessor
14 makes a written finding that insufficient data exists to derive an
15 accurate annual adjustment from such compilation, then the assessor
16 may utilize all sales occurring during such period immediately
17 preceding the assessment date to determine the annual adjustment. For
18 purposes of this section, property shall be categorized in accordance
19 with the administrative abstract coding system established by the

20 Office of Policy and Management.

21 (c) In addition to adjustments in market value determined in
22 accordance with subsection (b) of this section, each municipality shall
23 continue to adjust the value of real estate for property tax purposes to
24 reflect the value of new construction in accordance with the provisions
25 of section 12-53a of the general statutes.

26 Sec. 2. Section 12-62n of the general statutes is repealed and the
27 following is substituted in lieu thereof (*Effective from passage*):

28 (a) For the purposes of this section:

29 (1) "Apartment property" means a building containing five or more
30 dwelling units used for human habitation, the parcel of land on which
31 such building is situated, and any accessory buildings or other
32 improvements located on such parcel;

33 (2) "Base year" means the fiscal year immediately preceding the
34 fiscal year in which a municipality levies property taxes on the basis of
35 assessments derived from a revaluation implemented pursuant to
36 section 12-62 of the 2008 supplement to the general statutes; and

37 (3) "Residential property" means a building containing four or fewer
38 dwelling units used for human habitation, the parcel of land on which
39 such building is situated, and any accessory buildings or other
40 improvements located on such parcel.

41 (b) Notwithstanding any provision of the general statutes or any
42 special act, municipal charter or any home rule ordinance, any
43 municipality in which the provisions of section 12-62d are effective for
44 the assessment year commencing October 1, 2005, may, by ordinance,
45 adopt the property tax system described in this section, provided the
46 assessor of such municipality determines that without implementation
47 of such property tax system, implementation of a revaluation for the
48 assessment year commencing October 1, 2006, would result in an
49 increase of twenty per cent in the share of the total grand levy for all

50 property in the year following the base year, for the property classes
51 composed of apartment property and residential property.

52 (c) In any municipality that adopts the property tax system under
53 this section, the assessor shall determine a rate of assessment for
54 apartment property and residential property for the assessment year in
55 which a revaluation is effective, that will have the effect of increasing
56 the average property tax as a result of revaluation for the property
57 classes composed of apartment property and residential property, by
58 three and one-half per cent over the property tax for said property
59 classes in the base year. Tax increases on apartment property and
60 residential property provided for in this subsection shall be used to
61 reduce, in the amount derived from such increases, the surcharge
62 under section 12-62d. The assessor shall recalculate the rate of
63 assessment for apartment property and residential property for each of
64 the four assessment years following the assessment year in which the
65 provisions of this section become effective such that the average
66 property tax for the property classes composed of apartment property
67 and residential property increases as a result of said revaluation by
68 three and one-half per cent over the average property tax provided by
69 this subsection for such property classes in each prior fiscal year.
70 Notwithstanding the provisions of subsection (b) of section 12-62a, the
71 assessor shall establish a rate of assessment for all real property other
72 than apartment property and residential property, to effectuate the
73 provisions of this section.

74 (d) Subject to the apartment and residential property tax relief
75 described in subsection (c) of this section and concurrent with the
76 assessment year in which a municipality adopts and implements the
77 property tax system under this section, such municipality shall begin
78 to phase out proportionately the impact of the property tax surcharge
79 under section 12-62d to the extent necessary to accomplish the
80 purposes of this section. For the assessment year commencing October
81 1, 2010, such property tax surcharge shall not exceed seven and one-
82 half per cent of the property tax for all property other than apartment
83 property and residential property.

84 (e) Each municipality that adopts a property tax system described in
85 this section shall conduct a revaluation in the assessment year
86 following any assessment year that the initiation of foreclosures of
87 residential property in the municipality is at least two per cent of
88 residential properties in such municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	New section
Sec. 2	<i>from passage</i>	12-62n

PD

Joint Favorable Subst. C/R

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