



Substitute House Bill No. 6041

Public Act No. 09-196

AN ACT CONCERNING MUNICIPAL ASSESSMENTS AND ASSESSMENT APPEALS.

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

Section 1. Subsection (a) of section 12-111 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009*):

(a) Any person, including any lessee of real property whose lease has been recorded as provided in section 47-19 and who is bound under the terms of a lease to pay real property taxes and any person to whom title to such property has been transferred since the assessment date, claiming to be aggrieved by the doings of the assessors of such town may appeal therefrom to the board of assessment appeals. Such appeal shall be filed, in writing, on or before February twentieth. The written appeal shall include, but is not limited to, the property owner's name, name and position of the signer, description of the property which is the subject of the appeal, name and mailing address of the party to be sent all correspondence by the board of assessment appeals, reason for the appeal, appellant's estimate of value, signature of property owner, or duly authorized agent of the property owner, and date of signature. The board shall notify each aggrieved taxpayer who filed a written appeal in the proper form and in a timely manner,

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no later than March first immediately following the assessment date, of the date, time and place of the appeal hearing. Such notice shall be sent no later than seven calendar days preceding the hearing date except that the board may elect not to conduct an appeal hearing for any commercial, industrial, utility or apartment property with an assessed value greater than [five hundred thousand] one million dollars. The board shall, not later than March first, notify the appellant that the board has elected not to conduct an appeal hearing. An appellant whose appeal will not be heard by the board may appeal directly to the Superior Court pursuant to section 12-117a. The board shall determine all [such] appeals for which the board conducts an appeal hearing and send written notification of the final determination of such appeals to each such person within one week after such determination has been made. Such written notification shall include information describing the property owner's right to appeal the determination of such board. Such board may equalize and adjust the grand list of such town and may increase or decrease the assessment of any taxable property or interest therein and may add an assessment for property omitted by the assessors which should be added thereto; and may add to the grand list the name of any person omitted by the assessors and owning taxable property in such town, placing therein all property liable to taxation which it has reason to believe is owned by such person, at the percentage of its actual valuation, as determined by the assessors in accordance with the provisions of sections 12-64 and 12-71, from the best information that it can obtain, and if such property should have been included in the declaration, as required by section 12-42 or 12-43, it shall add thereto twenty-five per cent of such assessment; but, before proceeding to increase the assessment of any person or to add to the grand list the name of any person so omitted, it shall mail to such person, postage paid, at least one week before making such increase or addition, a written or printed notice addressed to such person at the town in which such person resides, to appear before such board and show cause why such increase or

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addition should not be made. When the board increases or decreases the gross assessment of any taxable real property or interest therein, the amount of such gross assessment shall be fixed until the assessment year in which the municipality next implements a revaluation of all real property pursuant to section 12-62, unless the assessor increases or decreases the gross assessment of the property to (1) comply with an order of a court of jurisdiction, (2) reflect an addition for new construction, (3) reflect a reduction for damage or demolition, or (4) correct a factual error by issuance of a certificate of correction. Notwithstanding the provisions of this subsection, if, prior to the next revaluation, the assessor increases or decreases a gross assessment established by the board for any other reason, the assessor shall submit a written explanation to the board setting forth the reason for such increase or decrease. The assessor shall also append the written explanation to the property card for the real estate parcel whose gross assessment was increased or decreased.

Sec. 2. Section 12-63b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009, and applicable to assessment years commencing on or after October 1, 2009*):

(a) The assessor or board of assessors in any town, at any time, when determining the present true and actual value of real property as provided in section 12-63, which property is used primarily for the purpose of producing rental income, exclusive of such property used solely for residential purposes, containing not more than six dwelling units and in which the owner resides, [and with respect to which property there is insufficient data in such town based on current bona fide sales of comparable property which may be considered in determining such value,] shall determine such value on the basis of an appraisal which shall include to the extent applicable with respect to such property, consideration of each of the following methods of appraisal: (1) Replacement cost less depreciation, plus the market

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value of the land, (2) [the gross income multiplier method as used for similar property and (3)] capitalization of net income based on market rent for similar property, and (3) a sales comparison approach based on current bona fide sales of comparable property. The provisions of this section shall not be applicable with respect to any housing assisted by the federal or state government except any such housing for which the federal assistance directly related to rent for each unit in such housing is no less than the difference between the fair market rent for each such unit in the applicable area and the amount of rent payable by the tenant in each such unit, as determined under the federal program providing for such assistance.

(b) For purposes of subdivision [(3)] (2) of subsection (a) of this section and, generally, in its use as a factor in any appraisal with respect to real property used primarily for the purpose of producing rental income, the term "market rent" means the rental income that such property would most probably command on the open market as indicated by present rentals being paid for comparable space. In determining market rent the assessor shall consider the actual rental income applicable with respect to such real property under the terms of an existing contract of lease at the time of such determination.

Sec. 3. Section 12-63c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009, and applicable to assessment years commencing on or after October 1, 2009*):

(a) In determining the present true and actual value in any town of real property used primarily for purposes of producing rental income, the assessor, which term whenever used in this section shall include assessor or board of assessors, [shall have power to require, subject to the conditions in subsection (b) of this section,] may require in the conduct of any appraisal of such property pursuant to the capitalization of net income method, as provided in section 12-63b, as amended by this act, that the owner of such property annually submit

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[or make available] to the assessor not later than the first day of June, on a form provided by the assessor not later than forty-five days before said first day of June, the best available information disclosing the actual rental and rental-related income and operating expenses applicable to such property. Submission of such information may be required whether or not the town is conducting a revaluation of all real property pursuant to section 12-62. Upon determination that there is good cause, the assessor may grant an extension of not more than thirty days to file such information, if the owner of such property files a request for an extension with the assessor not later than May first.

(b) Any such information related to actual rental and rental-related income and operating expenses and not already a matter of public record which is submitted or made available to the assessor shall not be subject to the provisions of section 1-210.

(c) If upon receipt of information as required under subsection (a) of this section the assessor finds that such information does not appear to reflect actual rental and rental-related income or operating expenses related to the current use of such property, additional verification concerning such information may be requested by the assessor. All information received by the assessor under subsection (a) of this section shall be subject to audit by the assessor or a designee of the assessor. Any person claiming to be aggrieved by the action of the assessor hereunder may appeal the actions of the assessor to the board of assessment appeals and the Superior Court as otherwise provided in this chapter.

(d) Any owner of such real property required to submit or make available information to the assessor in accordance with subsection (a) of this section for any assessment year, who fails to submit such information or fails to make it available as required under said subsection (a) or who submits information or makes it available in incomplete or false form with intent to defraud, shall be subject to a

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penalty [assessment] equal to a ten per cent increase in the assessed value of such property for such assessment year. Notwithstanding the provisions of this subsection, an assessor or board of assessment appeals shall waive such penalty if the owner of the real property required to submit the information is not the owner of such property on the assessment date for the grand list to which such penalty is added. Such assessor or board may waive such penalty upon receipt of such information in any town in which the legislative body adopts an ordinance allowing for such a waiver.

Sec. 4. Subsection (c) of section 12-62 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) The following shall be available for public inspection in the assessor's office, in the manner provided for access to public records in subsection (a) of section 1-210, not later than the date written notices of real property valuations are mailed in accordance with subsection (f) of this section: (1) Any criteria, guidelines, price schedules or statement of procedures used in such revaluation by the assessor or by any revaluation company that the assessor designates to perform mass appraisal or field review functions, all of which shall continue to be available for public inspection until the town's next revaluation becomes effective; and (2) a compilation of all real property sales in each neighborhood for the twelve months preceding the date on which each revaluation is effective, the selling prices of which are representative of the fair market values of the properties sold, which compilation shall continue to be available for public inspection for a period of not less than twelve months immediately following a revaluation's effective date. If the assessor changes any property valuation as determined by the revaluation company, the assessor shall document, in writing, the reason for such change and shall append such written explanation to the property card for the real

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estate parcel whose revaluation was changed. Nothing in this subsection shall be construed to permit the assessor to post a plan or drawing of a dwelling unit of a residential property's interior on the Internet or to otherwise publish such plan or drawing.

Sec. 5. (*Effective from passage*) Section 1 of public act 09-60 shall take effect from passage and be applicable to assessment years commencing on or after October 1, 2008.

Sec. 6. Section 8 of public act 06-148 is repealed. (*Effective from passage*)

Approved July 8, 2009