



**Substitute Senate Bill No. 379**

**Public Act No. 09-236**

**AN ACT ESTABLISHING A LAND VALUE TAXATION PILOT PROGRAM.**

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

Section 1. (NEW) (*Effective from passage*) (a) The Secretary of the Office of Policy and Management shall establish a pilot program in a single municipality whereby the municipality selected shall develop a plan for implementation of land value taxation that (1) classifies real estate included in the taxable grand list as (A) land or land exclusive of buildings, or (B) buildings on land; and (2) establishes a different mill rate for property tax purposes for each class, provided the higher mill rate shall apply to land or land exclusive of buildings. The different mill rates for taxable real estate in each class shall not be applicable to any property for which a grant is payable under section 12-19a or 12-20a of the general statutes.

(b) To be eligible for the program a municipality shall (1) be a distressed municipality, as defined in subsection (b) of section 32-9p of the general statutes; (2) have a population of not more than twenty-six thousand; and (3) have a city manager and city council form of government. The secretary shall establish an application procedure and any other criteria for the program. The secretary shall not select a municipality for the pilot program unless the legislative body of the

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municipality has approved the application. The secretary shall send a notice of selection for the pilot program to the chief executive officer of the municipality.

(c) After receipt of the notice of selection provided by the Secretary of the Office of Policy and Management pursuant to subsection (b) of this section, the chief executive officer of such municipality shall appoint a committee consisting of relevant taxpayers and stakeholders to prepare a plan for implementation of land value taxation. Such plan shall (1) provide a process for implementation of differentiated tax rates; (2) designate geographic areas of the municipality where the differentiated rates shall be applied; and (3) identify legal and administrative issues affecting the implementation of the plan. The chief executive officer, the assessor and the tax collector of the municipality shall have an opportunity to review and comment on the plan. On or before December 31, 2009, and upon approval of the plan by the legislative body, the plan shall be submitted to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development and to finance, revenue and bonding.

Approved July 1, 2009