



House of Representatives

General Assembly

File No. 153

January Session, 2009

House Bill No. 5541

House of Representatives, March 24, 2009

The Committee on Planning and Development reported through REP. SHARKEY of the 88th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE SITUS OF MOTOR VEHICLES FOR TAXATION PURPOSES.

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

1 Section 1. Section 14-163 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) The commissioner shall compile information concerning motor
4 vehicles and snowmobiles subject to property taxation pursuant to
5 section 12-71 using the records of the Department of Motor Vehicles
6 and information reported by owners of motor vehicles and
7 snowmobiles. In addition to any other information the owner of a
8 motor vehicle or snowmobile is required to file with the commissioner
9 by law, such owner shall provide the commissioner with the name of
10 the town in which such owner's motor vehicle or snowmobile is to be
11 set in the list for property tax purposes, pursuant to section 12-71. On
12 or before December 1, 2004, and annually thereafter, the commissioner
13 shall furnish to each assessor in this state a list identifying motor
14 vehicles and snowmobiles that are subject to property taxation in each

15 such assessor's town. Said list shall include the names and addresses of
16 the owners of such motor vehicles and snowmobiles, together with the
17 vehicle identification numbers for all such vehicles for which such
18 numbers are available.

19 (b) On or before October 1, 2004, and annually thereafter, the
20 commissioner shall furnish to each assessor in this state a list
21 identifying motor vehicles and snowmobiles in each such assessor's
22 town that were registered subsequent to the first day of October of the
23 assessment year immediately preceding, but prior to the first day of
24 August in such assessment year, and that are subject to property
25 taxation on a supplemental list pursuant to section 12-71b. In addition
26 to the information for each such vehicle and snowmobile specified
27 under subsection (a) of this section that is available to the
28 commissioner, the list provided under this subsection shall include a
29 code related to the date of registration of each such vehicle or
30 snowmobile.

31 (c) Notwithstanding the provisions of chapter 14, for the purpose of
32 identifying the situs of motor vehicles and snowmobiles that are
33 subject to property taxation, the assessor of each town shall have
34 access to the records of the Department of Motor Vehicles used by the
35 commissioner to prepare the lists required pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2009	14-163

PD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Motor Vehicle Dept.	TF - Cost	245,000	45,000
Comptroller Misc. Accounts (Fringe Benefits) ¹	TF - Cost	22,500	22,500

Note: TF=Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
All Municipalities	Cost	See Below	See Below

Explanation

The bill results in a cost of \$67,500 in FY 10 and \$67,500 in FY 11 to the Department of Motor Vehicles (DMV) for hiring staff and making programming changes to the Tax System required to meet provisions in this bill.

DMV would require an additional position in the Property Tax Unit at a cost of \$45,000 plus fringes to facilitate the process and to review the additional data requests mandated under the bill.

In addition, the DMV will be required to reprogram its Tax System at a one-time cost of \$200,000 in FY 10 to facilitate identifying and

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller on an actual cost basis. The following is provided for estimated costs associated with additional personnel. The estimated non-pension fringe benefit rate as a percentage of payroll is 25.43%. Fringe benefit costs for new positions do not initially include pension costs as the state's pension contribution is based upon the 6/30/08 actuarial valuation for the State Employees Retirement System (SERS) which certifies the contribution for FY 10 and FY 11. Therefore, new positions will not impact the state's pension contribution until FY 12 after the next scheduled certification on 6/30/2010.

tracking overlapping town tax delinquency records on individual motor vehicle records. There will also be a minimal cost to mail notices to municipalities regarding discrepancies and overlapping tax disputes.

Currently, DMV provides each assessor with a list identifying motor vehicles and snowmobiles that are subject to property taxation in each such assessor’s town. The bill requires DMV to furnish all records, not just the assessor’s own town for pursuing tax delinquency. Town assessors and tax collectors use the current list of their town to enforce tax collection by reporting delinquent taxpayers back to DMV. In return, DMV prevents delinquent taxpayers from renewing their motor vehicle registration(s) until the tax delinquency has been resolved.

The bill would provide all assessors of each town with every town’s data for purposes of pursuing tax delinquency. This could result in overlapping or multiple towns issuing tax delinquency notices to a single taxpayer.

Overlapping can occur, for example, when a motor vehicle is registered to a business located in Town A but the owner of the business garages it at night in Town B where he or she resides. This could also result in the motor vehicle being subjected to double tax.

Municipal Impact

Municipalities will incur a cost to request the full list just as they currently incur cost for their own town’s list. The fee charged to towns will be determined by the Department of Motor Vehicles.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$	FY 14 \$
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Motor Vehicle Dept.	TF - Cost*	46,350	47,741	49,173
Comptroller Misc. Accounts (Fringe Benefits)	TF - Cost*	23,175	23,870	24,586

Note: TF=Transportation Fund

*These figures have been adjusted for inflation at a rate of 3%

OLR Bill Analysis**HB 5541*****AN ACT CONCERNING THE SITUS OF MOTOR VEHICLES FOR TAXATION PURPOSES.*****SUMMARY:**

By law, the motor vehicles commissioner must give each tax assessor a list identifying motor vehicles and snowmobiles subject to property tax in the assessor's town. This bill gives the assessor access to the department's records it uses to prepare the lists, in order to identify the situs of motor vehicles and snowmobiles that are subject to property tax, notwithstanding the Freedom of Information Act. The situs is the town where the vehicle or snowmobile is subject to property tax.

EFFECTIVE DATE: October 1, 2009

BACKGROUND***Related Case***

In *Davis v. Freedom of Information Commission* (259 Conn. 45 (2002)), the Connecticut Supreme Court affirmed the trial court's decision that the law does not bar the Bridgeport tax assessor from disclosing motor vehicle information provided by the state Department of Motor Vehicles (DMV).

Related FIC Ruling

In 2007, the DMV denied the Bridgeport assessor's request for its statewide list of motor vehicle owners and their addresses. The DMV commissioner denied the request, stating that federal and state laws restricted him from disclosing driver information that did not apply to municipal grand lists. The assessor complained to the Freedom of Information Commission (FIC), which upheld the commissioner's decision (*O'Brien v. Department of Motor Vehicles*, Docket # FIC 2007-

135).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/06/2009)