



House of Representatives

General Assembly

File No. 825

January Session, 2009

Substitute House Bill No. 5541

House of Representatives, April 29, 2009

The Committee on Appropriations reported through REP. GERAGOSIAN of the 25th Dist., Chairperson of the Committee on the part of the House, that the substitute 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 Section 14-163 of the general statutes is repealed and the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, within the
 34 existing budgetary resources of the Department of Motor Vehicles,
 35 have access to the records of the Department of Motor Vehicles used
 36 by the commissioner to prepare the lists required pursuant to this
 37 section.

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

APP *Joint Favorable Subst.*

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 \$
Department of Motor Vehicles	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 \$267,500 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.

The requirement that the DMV implement provisions of this bill within available appropriations will likely result in one of four outcomes: (1) DMV will proceed with hiring staff and making programming changes to the Tax System, and will require a deficiency appropriation during FY 10; (2) DMV will delay the hiring of staff and programming changes to the Tax System pending the approval of

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.

additional appropriations to meet provisions of this bill in future fiscal years; (3) DMV will shift administrative resources from other department priorities, thereby impacting existing departmental programs; or (4) DMV will not implement provisions of 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 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.

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 \$
Department of Motor Vehicles	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**sHB 5541*****AN ACT CONCERNING THE SITUS OF MOTOR VEHICLES FOR TAXATION PURPOSES.*****SUMMARY:**

By law, the Department of Motor Vehicles (DMV) 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 DMV'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 access must be provided within DMV's existing budgetary resources. 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 a trial court's decision that the law does not bar the Bridgeport tax assessor from disclosing motor vehicle information provided by DMV.

Related FOIC 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 stated that federal and state laws restricted him from disclosing driver information that did not apply to a particular town's municipal grand list. The assessor complained to the Freedom of Information Commission (FOIC), which upheld the commissioner's decision (*O'Brien v. Department of Motor Vehicles*, Docket # FIC 2007-

135).

Legislative History

The House referred the bill (File 153) to the Appropriations Committee, which reported a substitute that grants assessors access to DMV records only within the department's existing budgetary resources.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/06/2009)

Appropriations Committee

Joint Favorable Substitute

Yea 50 Nay 0 (04/13/2009)