



# House of Representatives

General Assembly

**File No. 473**

*January Session, 2011*

Substitute House Bill No. 5580

*House of Representatives, April 7, 2011*

The Committee on Planning and Development reported through REP. GENTILE of the 104th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT ESTABLISHING A STATE-WIDE MILL RATE FOR THE TAXATION OF MOTOR VEHICLES AND AMENDING THE DEFINITION OF ANTIQUE, RARE OR SPECIAL INTEREST MOTOR VEHICLE.***

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

1 Section 1. (NEW) (*Effective July 1, 2011, and applicable to assessment*  
2 *years commencing on or after October 1, 2011*) (a) For purposes of this  
3 section:

4 (1) "Discrepancy amount" is equal to the difference of (A) the  
5 amount of tax revenue actually collected under the state-wide mill rate  
6 by a municipality with a local mill rate that is higher than the state-  
7 wide mill rate, as certified to the Secretary of the Office of Policy and  
8 Management pursuant to subsection (c) of this section, and (B) the  
9 amount of tax revenue such municipality would have collected under  
10 the local mill rate, assuming the same collection rate as the actual  
11 collection rate, as certified to the Secretary of the Office of Policy and  
12 Management pursuant to subsection (c) of this section;

13 (2) "State-wide mill rate" is the median of the local mill rates in all  
14 municipalities of the state for the assessment year in which such state-  
15 wide mill rate is calculated; and

16 (3) "Excess collection amount" is equal to the difference of (A) the  
17 amount of tax revenue actually collected under the state-wide mill rate  
18 by a municipality with a local mill rate that is lower than the state-  
19 wide mill rate, as certified to the Secretary of the Office of Policy and  
20 Management pursuant to subsection (c) of this section, and (B) the  
21 amount of tax revenue such municipality would have collected under  
22 the local mill rate, assuming the same collection rate as the actual  
23 collection rate, as certified to the Secretary of the Office of Policy and  
24 Management pursuant to subsection (c) of this section.

25 (b) On or before September 1, 2011, and each September first  
26 thereafter, the Secretary of the Office of Policy and Management shall  
27 calculate the state-wide mill rate for the purpose of levying property  
28 tax on motor vehicles subject to taxation under chapter 203 of the  
29 general statutes. The secretary shall notify the assessors of each  
30 municipality of the state-wide mill rate. For assessment years  
31 commencing on or after October 1, 2011, the assessor of each  
32 municipality shall calculate the amount of motor vehicle property tax  
33 due from each taxpayer based on the state-wide mill rate determined  
34 by said secretary.

35 (c) Effective for fiscal years commencing on or after July 1, 2012, the  
36 tax collector of each municipality shall collect the property tax with  
37 respect to motor vehicles and, not later than the fifteenth day of  
38 October, January, April and July, (1) remit any excess collection  
39 amount realized in the preceding calendar quarter to the  
40 Commissioner of Revenue Services for deposit into the motor vehicle  
41 property tax account established under section 2 of this act, and (2)  
42 certify to the Secretary of the Office of Policy and Management, on a  
43 form prescribed by said secretary, the amount of tax revenue that such  
44 municipality (A) would have collected in the preceding calendar  
45 quarter with respect to the property tax on motor vehicles under

46 sections 12-71 and 12-71b of the general statutes except for the  
47 application of the state-wide mill rate calculated by said secretary  
48 pursuant to this section, and (B) actually collected with respect to such  
49 property tax in the preceding calendar quarter under the state-wide  
50 mill rate, together with such supporting information as said secretary  
51 shall require. For the purposes of calculating the amount a  
52 municipality would have collected except for the application of the  
53 state-wide mill rate, the tax collector shall assume that the municipality  
54 would have realized the same tax collection rate as the actual tax  
55 collection rate in the preceding calendar quarter. Such remittance and  
56 certification shall be made in each calendar quarter commencing on  
57 October 1, 2012, except that no such remittance or certification shall be  
58 made for any calendar quarter after July 15, 2017.

59 (d) (1) Effective for fiscal years commencing on or after July 1, 2012,  
60 the secretary shall, not later than the first day of November, February,  
61 May and August, calculate: (A) For each municipality with a mill rate  
62 higher than the state-wide mill rate, the discrepancy amount for such  
63 municipality in the preceding calendar quarter; and (B) for each  
64 municipality with a mill rate lower than the state-wide mill rate, the  
65 amount equal to five per cent of the tax revenue such municipality  
66 would have collected in the preceding calendar quarter except for the  
67 state-wide mill rate. Such calculations shall be based on the amounts  
68 certified and any supporting information provided to said secretary  
69 pursuant to subsection (c) of this section. Such calculations shall be  
70 made in each calendar quarter commencing on November 1, 2012,  
71 except that no such calculations shall be made after the calendar  
72 quarter preceding August 1, 2017.

73 (2) Effective for fiscal years commencing on or after July 1, 2012, the  
74 secretary shall, not later than the first day of November, February, May  
75 and August, certify to the Comptroller the motor vehicle property tax  
76 payment due to each municipality as follows:

77 (A) For any municipality with a mill rate higher than the state-wide

78 mill rate: (i) For the period of time beginning November 1, 2012, and  
79 ending October 31, 2013, such municipality shall receive a quarterly  
80 motor vehicle property tax payment equal to the discrepancy amounts  
81 calculated by the secretary pursuant to subparagraph (A) of  
82 subdivision (1) of this subsection for any tax revenue due under the  
83 assessment year commencing October 1, 2011; (ii) for the period of  
84 time beginning November 1, 2013, and ending October 31, 2014, such  
85 municipality shall receive a quarterly motor vehicle property tax  
86 payment equal to eighty per cent of the discrepancy amount calculated  
87 by the secretary pursuant to subparagraph (A) of subdivision (1) of  
88 this subsection for any tax revenue due under the assessment year  
89 commencing October 1, 2012; (iii) for the period of time beginning  
90 November 1, 2014, and ending October 31, 2015, such municipality  
91 shall receive a quarterly motor vehicle property tax payment equal to  
92 sixty per cent of the discrepancy amount calculated by the secretary  
93 pursuant to subparagraph (A) of subdivision (1) of this subsection for  
94 any tax revenue due under the assessment year commencing October  
95 1, 2013; (iv) for the period of time beginning November 1, 2015, and  
96 ending October 31, 2016, such municipality shall receive a quarterly  
97 motor vehicle property tax payment equal to forty per cent of the  
98 discrepancy amount calculated by the secretary pursuant to  
99 subparagraph (A) of subdivision (1) of this subsection for any tax  
100 revenue due under the assessment year commencing October 1, 2014;  
101 (v) for the period of time beginning November 1, 2016, and ending  
102 October 31, 2017, such municipality shall receive a quarterly motor  
103 vehicle property tax payment equal to twenty per cent of the  
104 discrepancy amount calculated by the secretary pursuant to  
105 subparagraph (A) of subdivision (1) of this subsection for any tax  
106 revenue due under the assessment year commencing October 1, 2015.

107 (B) For any municipality with a mill rate that is lower than the state-  
108 wide mill rate, for the period of time beginning November 1, 2012, and  
109 ending October 31, 2017, any such municipality shall receive a  
110 quarterly motor vehicle property tax payment equal to the amount  
111 calculated by the secretary pursuant to subparagraph (B) of  
112 subdivision (1) of this subsection.

113 (3) Effective for fiscal years commencing on or after July 1, 2012, the  
114 Comptroller shall draw an order on the Treasurer on or before the  
115 fifteenth calendar day following November first, February first, May  
116 first and August first, and the Treasurer shall pay the amount thereof  
117 from the motor vehicle property tax account to such municipality on or  
118 before the fifteenth calendar day following said dates.

119 (e) If there are any remaining funds in the motor vehicle property  
120 tax account after the amount of the payments described in subsection  
121 (d) of this section are calculated, such funds shall be carried over into  
122 the following fiscal year. If there are any remaining funds in said  
123 account on December 1, 2017, the secretary shall transfer such funds to  
124 the General Fund.

125 Sec. 2. (NEW) (*Effective October 1, 2011, and applicable to assessment*  
126 *years commencing on or after said date*) There is established an account to  
127 be known as the "motor vehicle property tax account" which shall be a  
128 separate, nonlapsing account within the General Fund. The account  
129 shall contain any moneys required by law to be deposited in the  
130 account. Moneys in the account shall be expended by the State  
131 Treasurer for the purposes of section 1 of this act.

132 Sec. 3. Subsection (b) of section 12-71 of the general statutes is  
133 repealed and the following is substituted in lieu thereof (*Effective*  
134 *October 1, 2011, and applicable to assessment years commencing on or after*  
135 *said date*):

136 (b) Except as otherwise provided by the general statutes, property  
137 subject to this section shall be valued at the same percentage of its then  
138 actual valuation as the assessors have determined with respect to the  
139 listing of real estate for the same year, except that any antique, rare or  
140 special interest motor vehicle, as defined in section 14-1, shall be  
141 assessed at a value of not more than [five] two thousand five hundred  
142 dollars. The owner of such antique, rare or special interest motor  
143 vehicle may be required by the assessors to provide reasonable  
144 documentation that such motor vehicle is an antique, rare or special  
145 interest motor vehicle, provided any motor vehicle for which special

146 number plates have been issued pursuant to section 14-20 shall not be  
147 required to provide any such documentation. The provisions of this  
148 section shall not include money or property actually invested in  
149 merchandise or manufacturing carried on out of this state or  
150 machinery or equipment which would be eligible for exemption under  
151 subdivision (72) of section 12-81 once installed and which cannot begin  
152 or which has not begun manufacturing, processing or fabricating; or  
153 which is being used for research and development, including  
154 experimental or laboratory research and development, design or  
155 engineering directly related to manufacturing or being used for the  
156 significant servicing, overhauling or rebuilding of machinery and  
157 equipment for industrial use or the significant overhauling or  
158 rebuilding of other products on a factory basis or being used for  
159 measuring or testing or metal finishing or in the production of motion  
160 pictures, video and sound recordings.

161 Sec. 4. Section 12-71d of the general statutes is repealed and the  
162 following is substituted in lieu thereof (*Effective July 1, 2011*):

163 On or before the first day of October each year, the Secretary of the  
164 Office of Policy and Management shall recommend a schedule of  
165 motor vehicle values [which] that shall be used by assessors in each  
166 municipality in determining the assessed value of motor vehicles for  
167 purposes of property taxation. Such schedule shall include motor  
168 vehicle values for motor vehicles up to thirty years old. For every  
169 vehicle not listed in the schedule the determination of the assessed  
170 value of any motor vehicle for purposes of the property tax assessment  
171 list in any municipality shall continue to be the responsibility of the  
172 assessor in such municipality, provided the legislative body of the  
173 municipality may, by resolution, approve any change in the assessor's  
174 method of valuing motor vehicles. Any appeal from the findings of  
175 assessors concerning motor vehicle values shall be made in accordance  
176 with provisions related to such appeals under this chapter. Such  
177 schedule of values shall include, to the extent that information for such  
178 purpose is available, the value for assessment purposes of any motor  
179 vehicle currently in use. [The value for each motor vehicle as listed

180 shall represent one hundred per cent of the average retail price  
 181 applicable to such motor vehicle in this state as of the first day of  
 182 October in such year as determined by said secretary in cooperation  
 183 with the Connecticut Association of Assessing Officers.] Said secretary  
 184 shall determine the value for each motor vehicle as listed, provided no  
 185 motor vehicle shall be assessed based on the fair market value  
 186 applicable to such motor vehicle.

187 Sec. 5. Subdivision (2) of section 14-1 of the general statutes, as  
 188 amended by section 37 of public act 10-110, is repealed and the  
 189 following is substituted in lieu thereof (*Effective October 1, 2011*):

190 (2) "Antique, rare or special interest motor vehicle" means a motor  
 191 vehicle [twenty] thirty years old or older which is being preserved  
 192 because of historic interest and which is not altered or modified from  
 193 the original manufacturer's specifications;

194 Sec. 6. Section 12-122a of the general statutes is repealed. (*Effective*  
 195 *October 1, 2011*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011, and applicable to assessment years commencing on or after October 1, 2011</i>	New section
Sec. 2	<i>October 1, 2011, and applicable to assessment years commencing on or after said date</i>	New section
Sec. 3	<i>October 1, 2011, and applicable to assessment years commencing on or after said date</i>	12-71(b)
Sec. 4	<i>July 1, 2011</i>	12-71d
Sec. 5	<i>October 1, 2011</i>	14-1(2)
Sec. 6	<i>October 1, 2011</i>	Repealer section

**PD**      *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 12 \$	FY 13 \$
Department of Motor Vehicles	TF - Cost	121,000	None
Department of Motor Vehicles	TF - Potential Revenue Gain	See Below	See Below
Policy & Mgmt., Off.	GF - Cost	85,000	85,000
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	20,196	20,196
Department of Revenue Services	GF - Revenue Loss	Less than 25,000	Less than 25,000

Note: TF=Transportation Fund; GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 12 \$	FY 13 \$
All Municipalities	Revenue Impact	None	See Below

**Explanation**

Fiscal impacts associated with (1) establishing a statewide mill rate for motor vehicles, (2) increasing the property tax assessment cap for antique, rare or special interest (henceforth "antique") motor vehicles, and (3) changing the definition of an antique motor vehicle, are described below.

Statewide Mill Rate (Sections 1 - 2)

An analysis of the impact of instituting the bill's statewide mill rate program<sup>1</sup>, based upon 2009 grand list data (the most recent available), indicates that payments into the newly authorized Motor Vehicle Property Tax Account (the "Account") would have been insufficient to support the mandatory discrepancy and bonus payments had the

<sup>1</sup> The median municipal mill rate in 2009 was 23.80.

program been in place in that fiscal year. The aggregate annual amount remitted to the state would have approximated \$40 million, while the calculated discrepancy and bonus payments would have approximated \$81.2 and \$7.4 million, respectively. Further analysis indicates that the amounts deposited would have been insufficient until the fourth year of implementation, holding all variables constant.

Aggregate and town-specific payments into and out of the Account in each of FY 13 – FY 18 would be impacted by the motor vehicle component of each municipality’s net grand list and its local mill rate in each year, and the given year (payments to towns having higher than median mill rates would be phased-down by 20% annually). Any balance remaining in the Account on 12/1/17 would be transferred to the General Fund.

Antique, Rare or Special Interest Motor Vehicles (Sections 3 – 5)

Effective with the 2013 fiscal year, the bill (a) increases the property tax assessment cap on antique motor vehicles from \$500 to \$2,500, and (b) changes, from 20 years or older to 30 years or older, the age at which a motor vehicle qualifies as antique.<sup>2</sup> This results in the following fiscal impacts:

- A statewide increase in property tax revenues of at least \$2.5 million. This estimate is based upon an average increase of \$1,950 in the assessed value of 40,800 antique motor vehicles older than 30 years of age; and by \$3,250 for 7,800 motor vehicles older than 20 but less than 30 years of age, applying the 2009 median municipal mill rate<sup>1</sup>. Additional revenues would be collected in those communities (a minority) that currently apply the \$500 assessment cap to vehicles older than 20 years that are not registered as antique; the number of such vehicles is unknown at this time.

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<sup>2</sup> There are approximately 48,600 registered motor vehicles having Early American plates; of these approximately 7,800 are of model years 1981 through 1991. A significant number of additional vehicles are in excess of 20 years old but not registered as Early American.

- A one-time cost of \$121,000 in FY 12 to the Department of Motor Vehicles (DMV) to recall and replace Early American plates issued to owners of motor vehicles model years 1981 through 1991. This estimate includes \$4,000 for processing and mailing notices, and \$117,000 for the manufacture of replacement marker plates. The cost per plate to DMV is \$15.00.
- A one-time potential revenue gain of \$132,600 to the Special Transportation Fund from the \$12 transfer fee and \$5 plate fee charged to replace the recalled plates. This revenue gain would be expected to extend over FY 12 and FY 13. There are approximately 7,800 Early American plates assigned to vehicles model years 1981 through 1991.
- A sales tax revenue loss to the General Fund of less than \$25,000. CGS Section 14-62b permits dealers and repairers to acquire motor vehicles for the purpose of dismantling and selling the parts for use in antique motor vehicles. There would therefore be a loss in sales tax revenue from the sale of motor vehicle parts as a result in the decrease in the number of antique vehicles.

#### Office of Policy and Management

The Office of Policy and Management (OPM) will require one Local Government Program Manager, at an annual salary of \$85,000, to both calculate payments to towns under Section 1, and perform duties regarding the valuation of antique motor vehicles under Section 4. Additional fringe benefits cost costs of \$20,196 would also be incurred in each of FY 12 and FY 13.

#### ***The Out Years***

Refer to the analysis above for the out-year impact of Sections 1-2.

The annualized ongoing fiscal impact associated with Sections 3-5 identified above would continue into the future subject to changes in local mill rates, and rates of antique motor vehicle ownership.

Pension-related costs for the identified personnel changes will be recognized in the state's annual required pension contribution as of FY 14.

**OLR Bill Analysis****sHB 5580*****AN ACT ESTABLISHING A STATE-WIDE MILL RATE FOR THE TAXATION OF MOTOR VEHICLES AND AMENDING THE DEFINITION OF ANTIQUE, RARE OR SPECIAL INTEREST MOTOR VEHICLE.*****SUMMARY:**

This bill establishes a statewide mill rate for motor vehicle property taxes and, beginning in FY 13, requires municipalities to tax motor vehicles at the statewide rate.

The bill establishes a process for distributing motor vehicle property tax revenue among towns for FY 13 through FY 17. It requires towns to report quarterly to the Office of Policy and Management (OPM) secretary on the amount of motor vehicle tax revenue they collect. Any town that collects more revenue under the statewide rate than it would have collected under its local rate must remit quarterly the excess to the Department of Revenue Services (DRS). The bill requires the OPM secretary to distribute the excess revenue among towns based on whether a town's local mill rate is higher or lower than the statewide rate. Beginning in FY 18, towns retain all motor vehicle taxes they collect under the statewide rate.

The bill also increases, from \$500 to \$2,500, the property tax assessment cap for antique, rare, or special interest motor vehicles. It increases, from 20 to 30 years, the age at which a motor vehicle qualifies as antique, rare, or special-interest. In doing so, it restricts the vehicles that qualify for (1) the assessment cap, (2) special number license plates, and (3) an exemption from the law prohibiting dealers and repairers from buying a motor vehicle for its parts.

The bill also modifies the schedule of motor vehicle values that the

OPM secretary recommends and assessors use to assess motor vehicles for property tax purposes.

EFFECTIVE DATE: October 1, 2011, except that the (1) statewide motor vehicle property tax provisions are effective July 1, 2011 and applicable to assessment years beginning on or after that date, (2) assessment schedule changes are effective July 1, 2011, and (3) assessment cap and motor vehicle property tax account provisions are applicable to assessment years beginning on or after October 1, 2011.

**SETTING THE STATEWIDE MILL RATE AND NOTIFYING ASSESSORS**

The bill requires the OPM secretary to (1) calculate, on or before September 1, 2011 and annually thereafter, the median mill rate among all municipalities in the state and (2) notify assessors of the rate. Beginning with the October 1, 2011 assessment year, assessors must use the statewide rate to calculate the amount of motor vehicle property tax due from each taxpayer. Municipal tax collectors use the October 1, 2011 assessments to calculate tax bills due in FY 13.

The bill also makes a conforming change by eliminating the requirement that a municipality with more than one taxing district set a uniform citywide mill rate for taxing motor vehicles.

**DISTRIBUTING MOTOR VEHICLE PROPERTY TAX REVENUE**

***Reporting and Remittance Requirements***

Beginning in FY 13, the bill requires municipal tax collectors to (1) certify the amount of motor vehicle property tax revenue collected in the preceding quarter to the OPM secretary and (2) remit any excess revenue to DRS. They must do so for each calendar quarter, by the 15<sup>th</sup> of October, January, April and July, beginning by October 15, 2012 and through July 15, 2017.

Table 1 shows the quarterly deadlines for these and other actions under the bill.

**Table 1: Administrative Deadlines for Distributing Statewide Motor Vehicle**

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**Property Tax Revenue**

<i>Calendar Quarter</i>	<i>Towns remit excess revenue to DRS and certify amounts to OPM by:</i>	<i>OPM calculates and certifies to the comptroller payments to towns by:</i>	<i>Comptroller draws an order on the treasurer by:</i>	<i>Treasurer pays towns by*:</i>
July 1 – Sept. 30	Oct. 15	Nov. 1	Nov. 16	Dec. 1
Oct. 1 – Dec. 31	Jan. 15	Feb. 1	Feb. 16	March 2 or 3
Jan. 1 – March 31	April 15	May 1	May 16	May 31
April 1 – June 30	July 15	Aug. 1	Aug. 16	Aug. 31

\*The treasurer must pay towns within 15 calendar days of the comptroller drawing an order. Thus, the treasurer's deadline could be sooner.

**Certification.** Each town's tax collector must certify the amount of motor vehicle property tax revenue the town (1) collected in the preceding quarter under the statewide rate and (2) would have collected under its local mill rate, assuming the same collection rate. The OPM secretary must prescribe the certification form and any other supporting information tax collectors must submit.

**Excess Revenue.** Any town with a local mill rate that is lower than the statewide rate must remit to the DRS commissioner any revenue it collected in the preceding quarter that exceeds the amount it would have collected under its local rate, assuming the same collection rate.

DRS must deposit the funds in the motor vehicle property tax account, which the bill creates. The account is a separate, nonlapsing account within the General Fund. It must contain any funds required by law to be deposited in the account.

**Calculating Discrepancy and 5% Amounts**

For FY 13 through FY 17, the bill requires the state to distribute the excess revenue towns remit to DRS. Under the bill, towns with a higher mill rate than the statewide rate receive a discrepancy payment, while towns with a lower mill rate receive a payment equal to 5% of

the tax revenue they would have collected under their local rates.

Beginning in FY 13, the OPM secretary must (1) calculate each town's discrepancy or 5% amount based on the quarterly certifications and supporting information local tax collectors provide and (2) certify the payment amounts to the state comptroller. He must do so quarterly beginning by November 1, 2012 and through August 1, 2017 (see Table 1).

The OPM secretary must calculate the discrepancy amount as the difference between the amount of revenue a town (1) collects under the statewide rate and (2) would have collected under its local rate, assuming the same collection rate. In the first year, eligible towns receive quarterly discrepancy payments equal to their discrepancy amounts. The bill reduces the amount of the payments by 20% for each of the four following assessment years. Table 2 shows the discrepancy payment schedule.

**Table 2: Discrepancy Payment Schedule**

<b>Quarterly Payments Beginning</b>	<b>Discrepancy Payments (% of discrepancy amount)</b>
Nov. 2012	100%
Nov. 2013	80%
Nov. 2014	60%
Nov. 2015	40%
Nov. 2016	20%

The bill requires any town with a lower mill rate than the statewide rate to receive a quarterly payment equal to 5% of the tax revenue they would have collected under their local rate in the preceding quarter.

### **Discrepancy and 5% Payments**

The comptroller must draw an order on the treasurer for the discrepancy and 5% payments from the motor vehicle property tax account. The treasurer then has 15 calendar days to make the payments to towns (see Table 1).

**Motor Vehicle Property Tax Account**

The bill requires any money remaining in the motor vehicle property tax account after the discrepancy and 5% payments are calculated to be carried over to the next fiscal year. The OPM secretary must transfer to the General Fund any money remaining in the account on December 1, 2017.

**ANTIQUA, RARE, AND SPECIAL INTEREST MOTOR VEHICLES****Definition**

Under current law, an antique, rare, or special-interest motor vehicle is one that (1) is at least 20 years old, (2) has been preserved because of historic interest, and (3) is not altered or modified from the original manufacturer's specifications. The bill requires the vehicle to be at least 30 years old to qualify.

**Assessment Cap**

Current law caps the value of antique, rare, and special-interest motor vehicles for property tax assessment purposes at \$500. The bill increases this cap to \$2,500. To qualify for the assessment cap, a vehicle must meet the statutory criteria for an antique, rare, or special interest as described above.

**Special Plate Program**

By law, the Department of Motor Vehicles commissioner may issue special number plates to motor vehicles that qualify as antique, rare, or special-interest, as described above. By changing the definition of an antique, rare, or special interest motor vehicle, the bill restricts the age of vehicles that qualify for the special plates.

It is unclear whether an antique vehicle owner that currently holds a special number plate for a vehicle that is less than 30 years old would have to give up the plates when renewing the car's registration.

By law, modified antique, rare, or special-interest motor vehicles also qualify for special number plates. The bill does not change the definition of a "modified antique motor vehicle" which the law defines

as a vehicle that is at least 20 years old and has been modified for safe road use, including modifications to the drive train, suspension, braking system, and safety and comfort apparatus.

***Buying Vehicles for Sale of Parts***

The law prohibits licensed motor vehicle dealers or repairers from obtaining any motor vehicle for the purpose of dismantling it and selling certain parts. It exempts parts bought or sold for use in antique, rare, or special interest motor vehicles. The bill restricts the age of vehicles that qualify for this exemption.

**MOTOR VEHICLE VALUATION SCHEDULE**

The law requires the OPM secretary to recommend a schedule of motor vehicle values that assessors must use to assess motor vehicles for property tax purposes. Under current law, the schedule must be based on the average retail price of motor vehicles as of October 1, as determined by the secretary in cooperation with the Connecticut Association of Assessing Officers. The bill instead requires the secretary to determine the value for each motor vehicle listed and prohibits him from basing the value on a motor vehicle's fair market value. It also requires that the schedule include values for motor vehicles up to 30 years old.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 10 Nay 9 (03/23/2011)