



Senate

General Assembly

File No. 754

January Session, 2011

Substitute Senate Bill No. 1162

Senate, May 5, 2011

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE FILING DEADLINE FOR CERTAIN
PROPERTY TAX EXEMPTIONS.***

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

1 Section 1. (*Effective from passage*) Notwithstanding the provisions of
2 subparagraph (B) of subdivision (72) of section 12-81 of the general
3 statutes, any person otherwise eligible for a 2009 grand list exemption
4 pursuant to said subdivision (72) in the town of Bloomfield, except that
5 such person failed to file the required exemption application within
6 the time period prescribed, shall be regarded as having filed said
7 application in a timely manner if such person files said application not
8 later than thirty days after the effective date of this section, and pays
9 the late filing fee pursuant to section 12-81k of the general statutes.
10 Upon confirmation of the receipt of such fee and verification of the
11 exemption eligibility of the machinery and equipment included in such
12 application, the assessor shall approve the exemption for such
13 property. If taxes have been paid on the property for which such
14 exemption is approved, the town of Bloomfield shall reimburse such

15 person in an amount equal to the amount by which such taxes exceed
16 the taxes payable if the application had been filed in a timely manner.
17 Notwithstanding the provisions of subsection (d) of section 12-94f of
18 the general statutes and section 12-94e of the general statutes, the
19 assessor of the town of Bloomfield may submit such approved
20 exemption application to the Secretary of the Office of Policy and
21 Management together with a request for reimbursement of the tax loss
22 resulting from such exemption. Subject to the secretary's review and
23 approval of such exemption, such reimbursement shall be included in
24 the next certification the secretary makes to the Comptroller under the
25 provisions of section 12-94f of the general statutes.

26 Sec. 2. (*Effective from passage*) Notwithstanding the provisions of
27 subparagraph (B) of subdivision (74) of section 12-81 of the general
28 statutes, any person otherwise eligible for a 2009 grand list exemption
29 and a 2010 grand list exemption pursuant to said subdivision (74) in
30 the town of Franklin, except that such person failed to file the required
31 exemption applications within the time period prescribed, shall be
32 regarded as having filed said applications in a timely manner if such
33 person files said applications not later than thirty days after the
34 effective date of this section and pays the late filing fees pursuant to
35 section 12-81k of the general statutes. Upon confirmation of the receipt
36 of such fees and verification of the exemption eligibility of the vehicle
37 included in such applications, the assessor shall approve the
38 exemptions for such property. If taxes have been paid on the property
39 for which such exemptions are approved, the town of Franklin shall
40 reimburse such person in an amount equal to the amount by which
41 such taxes exceed the taxes payable if the applications had been filed in
42 a timely manner. Notwithstanding the provisions of subsection (b) of
43 section 12-94b of the general statutes and section 12-94e of the general
44 statutes, the assessor of the town of Franklin may submit such
45 approved exemption applications to the Secretary of the Office of
46 Policy and Management together with a request for reimbursement of
47 the tax loss resulting from such exemptions. Subject to the secretary's
48 review and approval of such exemptions, such reimbursement shall be
49 included in the next certification the secretary makes to the

50 Comptroller under the provisions of section 12-94b of the general
51 statutes.

52 Sec. 3. (*Effective from passage*) Notwithstanding the provisions of
53 subparagraph (B) of subdivision (72) of section 12-81 of the general
54 statutes, any person otherwise eligible for a 2006 grand list exemption,
55 a 2007 grand list exemption and a 2008 grand list exemption pursuant
56 to said subdivision (72) in the city of Hartford, except that such person
57 failed to file the required exemption application within the time period
58 prescribed, shall be regarded as having filed said application in a
59 timely manner if such person files said application not later than thirty
60 days after the effective date of this section and pays the late filing fee
61 pursuant to section 12-81k of the general statutes. Upon confirmation
62 of the receipt of such fee and verification of the exemption eligibility of
63 the machinery and equipment included in such application, the
64 assessor shall approve the exemption for such property. If taxes have
65 been paid on the property for which such exemption is approved, the
66 city of Hartford shall reimburse such person in an amount equal to the
67 amount by which such taxes exceed the taxes payable if the application
68 had been filed in a timely manner. Notwithstanding the provisions of
69 subsection (d) of section 12-94f of the general statutes and section 12-
70 94e of the general statutes, the assessor of the city of Hartford may
71 submit such approved exemption application to the Secretary of the
72 Office of Policy and Management together with a request for
73 reimbursement of the tax loss resulting from such exemption. Subject
74 to the secretary's review and approval of such exemption, such
75 reimbursement shall be included in the next certification the secretary
76 makes to the Comptroller under the provisions of section 12-94f of the
77 general statutes.

78 Sec. 4. (*Effective from passage*) Notwithstanding the provisions of
79 subparagraph (A) of subdivision (7) of section 12-81 of the general
80 statutes and section 12-87a of the general statutes, any person
81 otherwise eligible for a 2009 grand list exemption pursuant to said
82 subdivision (7) in the city of Middletown, except that such person
83 failed to file the required exemption application within the time period

84 prescribed, shall be regarded as having filed said application in a
85 timely manner if such person files said application not later than thirty
86 days after the effective date of this section and pays the late filing fee
87 pursuant to section 12-87a of the general statutes. Upon confirmation
88 of the receipt of such fee and verification of the exemption eligibility of
89 such property, the assessor shall approve the exemption for such
90 property. If taxes, interest or penalties have been paid on the property
91 for which such exemption is approved, the city of Middletown shall
92 reimburse such person in an amount equal to the amount by which
93 such taxes, interest and penalties exceed any taxes payable if the
94 application had been filed in a timely manner.

95 Sec. 5. (*Effective from passage*) Notwithstanding the time limit set
96 forth in subsection (d) of section 12-120b of the general statutes, any
97 person in the town of Sprague who failed to file a written request for a
98 reconsideration of the decision by the Secretary of the Office of Policy
99 and Management to modify or deny an exemption granted by the
100 assessor of said town under the provisions of subdivision (72) of
101 section 12-81 of the general statutes, for the assessment year
102 commencing October 1, 2008, may file a request for such
103 reconsideration, provided such request (1) is filed not later than thirty
104 days after the effective date of this section, and (2) is accompanied by
105 all documentation and information specified in the secretary's letter of
106 modification or denial. Said secretary shall, not later than thirty days
107 following receipt of such person's request and the required supporting
108 documentation and information, reconsider the decision to modify or
109 deny said exemption, and shall send a written determination with
110 respect to such decision to such person. If aggrieved by the secretary's
111 determination, such person may request a hearing before said
112 secretary, in accordance with the provisions of subdivision (d) of
113 section 12-120b of the general statutes. If said secretary determines that
114 such person is eligible for the exemption claimed for the assessment
115 year commencing October 1, 2008, under the provisions of subdivision
116 (72) of section 12-81 of the general statutes, said secretary shall notify
117 such person and the assessor of the town of Sprague of such approval
118 and shall include reimbursement with respect thereto in the next

119 certification said secretary makes to the Comptroller under the
120 provisions of section 12-94f of the general statutes. If taxes have been
121 paid on the machinery and equipment for which such exemption is
122 approved by said secretary, the town of Sprague shall reimburse the
123 person who made such payment in an amount equal to the
124 reimbursement issued by the Treasurer with respect to such exempt
125 machinery and equipment.

126 Sec. 6. (*Effective from passage*) Notwithstanding the time limit set
127 forth in subsection (d) of section 12-120b of the general statutes, any
128 person in the town of Seymour who failed to file a written request for a
129 reconsideration of the decision by the Secretary of the Office of Policy
130 and Management to modify or deny an exemption granted by the
131 assessor of said town under the provisions of subdivision (72) of
132 section 12-81 of the general statutes, for the assessment year
133 commencing October 1, 2008, may file a request for such
134 reconsideration, provided such request (1) is filed not later than thirty
135 days after the effective date of this section, and (2) is accompanied by
136 all documentation and information specified in the secretary's letter of
137 modification or denial. Said secretary shall, not later than thirty days
138 following receipt of such person's request and the required supporting
139 documentation and information, reconsider the decision to modify or
140 deny said exemption, and shall send a written determination with
141 respect to such decision to such person. If aggrieved by the secretary's
142 determination, such person may request a hearing before said
143 secretary, in accordance with the provisions of subdivision (d) of
144 section 12-120b of the general statutes. If said secretary determines that
145 such person is eligible for the exemption claimed for the assessment
146 year commencing October 1, 2008, under the provisions of subdivision
147 (72) of section 12-81 of the general statutes, said secretary shall notify
148 such person and the assessor of the town of Seymour of such approval
149 and shall include reimbursement with respect thereto in the next
150 certification said secretary makes to the Comptroller under the
151 provisions of section 12-94f of the general statutes. If taxes have been
152 paid on the machinery and equipment for which such exemption is
153 approved by said secretary, the town of Seymour shall reimburse the

154 person who made such payment in an amount equal to the
155 reimbursement issued by the Treasurer with respect to such exempt
156 machinery and equipment.

157 Sec. 7. (*Effective from passage*) Notwithstanding the provisions of
158 subparagraph (B) of subdivision (7) of section 12-81 of the general
159 statutes, any corporation organized exclusively for scientific,
160 educational, literary, historic or charitable purposes that, in reliance
161 upon the city of Middletown tax assessor's statement that such
162 corporation would be tax exempt, (1) owns property in the city of
163 Middletown used as affordable senior housing, (2) operates affordable
164 senior housing in the city of Middletown, and (3) was not assessed
165 property tax for the assessment years from October 1, 2002, to October
166 1, 2009, inclusive, shall be exempt from property taxation unless there
167 is a change in ownership or operation of such senior housing or the
168 property ceases to be used for senior housing. If taxes or interest have
169 been paid on such property, the city of Middletown shall reimburse
170 the person who made such payment.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section

FIN 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 \$
Policy & Mgmt., Off.	GF - Revenue Gain	Less than 5,000	None

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 12 \$	FY 13 \$
Bloomfield, Franklin, Hartford, Seymour, Sprague	Revenue Gain	Potential	None
All Other Municipalities	Revenue Loss	Potential	None
Middletown	Potential Cost	At least 242,508	None
Middletown	Revenue Impact	See Below	See Below

Explanation

The bill may result in a significant municipal revenue increase from the Payment in-Lieu-of Taxes for Manufacturing Machinery and Equipment (PILOT MME)¹ grant to Bloomfield, Hartford, Sprague and Seymour in FY 12. Similarly, Franklin will experience a potential FY 12 revenue increase from the Commercial Motor Vehicle (CMV) payment-in-lieu of taxes grant.

Each of Bloomfield, Franklin and Hartford may incur costs to reimburse taxpayers that failed to file applications for property tax exemptions in specified years, should they reapply within 30 days of

¹ It should be noted that SB 1239 (the budget bill, as passed by the Senate and House) eliminates funding for the PILOT MME grant and instead replaces it with a Manufacturing Transition Grant equal to the amount towns received for PILOT MME in FY 11.

the bill's passage. Each town would be required to reimburse the tax payments made by any such organization in excess of the taxes that would have been payable had their application been filed in a timely manner. The state will collect a late filing fee of \$150-\$500 from each affected organization in Bloomfield, Franklin, and Harford.

Sprague and Seymour will incur a cost to reimburse a taxpayer equivalent to any payment issued to them by the State Treasurer, should affected organizations' requests for reconsideration of a decision to modify or deny an exemption under PILOT MME be upheld. The Office of Policy and Management will incur no costs to make the determination and conduct a hearing if requested to do so.

There is no state fiscal impact, as appropriations for PILOT MME and the CMV grant have historically been insufficient to fully fund either grant. Thus all payments are reduced on a pro rata basis, which may result in reduced grant payments to all other towns. However, it should be noted that SB 1239 (the budget bill, as passed by the Senate and House of Representatives) eliminates funding for the PILOT MME and instead replaces it with a Manufacturing Transition Grant equal to the amount towns received for PILOT MME in FY 11.

The bill may also result in a cost to Middletown of \$242,508. It will require the City to reimburse any tax payments made by a nonprofit organization in excess of the taxes that would have been payable had their application for an exemption from the 2009 grand list been filed in a timely manner. A \$35 late fee will be collected by the City.

Middletown will also experience potential costs to reimburse any tax or interest payments made by an organization owning property in the city used as affordable senior housing. Additionally, a reduction in the City's grand list will occur, as the bill establishes a property tax exemption for the organization so long as no change in ownership happens and the property continues to be used for senior housing.

The Out Years

The grand list reduction for Middletown will continue, unless the exempted property changes ownership or ceases to be operated or used for senior housing.

OLR Bill Analysis**sSB 1162*****AN ACT CONCERNING THE FILING DEADLINE FOR CERTAIN PROPERTY TAX EXEMPTIONS.*****SUMMARY:**

This bill allows taxpayers in specified towns to receive property tax exemptions even though they missed the statutory filing deadlines for the exemptions. The exemptions are for manufacturing machinery and equipment (MME), commercial trucks, and nonprofit organization property. It also allows taxpayers in specified towns to request that the Office of Policy and Management (OPM) secretary reconsider assessors' modifications or denials of MME tax exemptions, even though they missed the deadline for filing such requests.

Finally, the bill grants a property tax exemption to a charitable organization for property in Middletown that it operates as affordable senior housing and requires the city to refund any taxes and interest paid on the property.

EFFECTIVE DATE: Upon passage

FILING DEADLINE WAIVERS***§§ 1-3 — Machinery (MME) and Commercial Vehicle Exemptions***

The bill allows certain taxpayers to receive certain property tax exemptions for particular grand list years even though they missed the statutory filing deadlines for the exemptions. The state reimburses towns for lost property tax revenue for these exemptions. The exemptions are for:

1. machinery and equipment used for manufacturing, biotechnology, or recycling (CGS § 12-81 (72)) and

2. new and newly acquired commercial trucks (CGS § 12-81 (74)).

By law, property owners must apply to local assessors for these exemptions by November 1, annually. The bill waives the deadline for property owners in certain towns and for one or more of the above property categories and grand lists shown in Table 1, if the property owners apply for the exemption within 30 days of the bill's passage and pay the statutory late fee.

Table 1: EXEMPTION APPLICATION DEADLINE WAIVERS

§	Town	Grand List	Type of Property
1	Bloomfield	2009	Manufacturing machinery and equipment
2	Franklin	2009, 2010	Commercial trucks
3	Hartford	2006,2007,2008	Manufacturing machinery and equipment

In each case, the local assessor must (1) verify eligibility for and approve the exemption, (2) refund any taxes paid on the property, and (3) submit the request for any available tax loss reimbursement to the OPM secretary. Subject to the secretary's review and approval, the bill requires the state to reimburse the town for the tax loss under the applicable statute.

§ 4 — Exemption for Nonprofit Organization Property

The bill allows an organization organized exclusively for scientific, educational, literary, historical, or charitable purposes or to preserve land for open space to receive an exemption for real property on Middletown's 2009 grand list even though it missed the deadline for filing the required property tax exemption statement (November 1, quadrennially). It requires the organization to be considered to have filed the statement in a timely manner if it does so within 30 days after the bill passes and pays the statutory late fee.

It requires the Middletown assessor to approve the exemption after confirming the fee payment and the property's eligibility for the exemption. Middletown must refund any excess taxes, interest, and penalties the organization paid on the exempt property.

§§ 5 & 6 — Requests to Reconsider Denial or Modification of MME Exemption

The bill allows taxpayers in Sprague and Seymour to file written requests to the OPM secretary to reconsider the secretary's modification or denial of the towns' respective assessors' decisions to exempt certain MME, despite the taxpayers having missed the deadline for filing such requests. The requests pertain to property on each town's grand list for the October 1, 2008 assessment year.

The bill gives the taxpayers 30 days after its passage to file a request together with all documentation and information the secretary requested in the original modification or denial letter. The secretary has 30 days from the request date to consider the information and make a decision. If the taxpayers are aggrieved by the decision, they can ask for a hearing according to the regular statutory procedure. If the secretary finds that the taxpayers are eligible for the exemptions, the secretary must notify the Sprague and Seymour assessors and include the state reimbursement for the exemptions in its next MME reimbursement payments to those towns. Sprague and Seymour must reimburse the taxpayers for any taxes paid, in an amount equal to the state reimbursement they receive for the taxpayers' exempt MME.

§ 7 — PROPERTY TAX EXEMPTION FOR SENIOR AFFORDABLE HOUSING IN MIDDLETOWN

Despite a statute that, with certain exceptions, makes government subsidized low- and moderate-income housing ineligible for a property tax exemption, the bill gives a charitable organization an exemption, if:

1. relying on a statement by the Middletown assessor that the property would be tax-exempt, the organization operates affordable senior housing in Middletown;
2. the property in question is used for such housing; and
3. the property was not assessed property tax for the October 1, 2002 to October 1, 2009 assessment years.

The bill terminates the exemption if the property's owner or

operator changes or it is no longer used for senior affordable housing. It also requires Middletown to refund any taxes or interest paid on the property.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 49 Nay 0 (04/18/2011)