



General Assembly

**Substitute Bill No. 5580**

January Session, 2011

\* \_\_\_\_\_HB05580PD\_\_\_\_\_032311\_\_\_\_\_\*

**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.**