



General Assembly

January Session, 2011

**Governor's Bill No. 6387**

LCO No. 3530

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Referred to Committee on Finance, Revenue and Bonding

Introduced by:

REP. DONOVAN, 84<sup>th</sup> Dist.

REP. SHARKEY, 88<sup>th</sup> Dist.

SEN. WILLIAMS, 29<sup>th</sup> Dist.

SEN. LOONEY, 11<sup>th</sup> Dist.

***AN ACT CONCERNING PERSONAL PROPERTY TAX EXEMPTIONS.***

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

1 Section 1. Section 12-71 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2011, and*  
3 *applicable to assessment years commencing on or after October 1, 2011*):

4 (a) All goods, chattels and effects or any interest therein, including  
5 any interest in a leasehold improvement classified as other than real  
6 property, belonging to any person who is a resident in this state, shall  
7 be listed for purposes of property tax in the town where such person  
8 resides, subject to the provisions of sections 12-41, 12-43 and 12-59.  
9 Any such property belonging to any nonresident shall be listed for  
10 purposes of property tax as provided in section 12-43. Aircraft shall be  
11 listed for purposes of the property tax in accordance with subsection  
12 (e) of this section. Motor vehicles, [and] snowmobiles and vessels shall  
13 be listed for purposes of the property tax in accordance with  
14 subsection (f) of this section. For purposes of this section, "vessels" has  
15 the same meaning as in section 15-127.

16 (b) Except as otherwise provided by the general statutes, property  
17 subject to this section shall be valued at the same percentage of its then  
18 actual valuation as the assessors have determined with respect to the  
19 listing of real estate for the same year, except that any antique, rare or  
20 special interest motor vehicle, as defined in section 14-1, shall be  
21 assessed at a value of not more than five hundred dollars. The owner  
22 of such antique, rare or special interest motor vehicle may be required  
23 by the assessors to provide reasonable documentation that such motor  
24 vehicle is an antique, rare or special interest motor vehicle, provided  
25 any motor vehicle for which special number plates have been issued  
26 pursuant to section 14-20 shall not be required to provide any such  
27 documentation. The provisions of this section shall not include money  
28 or property actually invested in merchandise or manufacturing carried  
29 on out of this state or machinery or equipment which would be eligible  
30 for exemption under subdivision (72) of section 12-81 once installed  
31 and which cannot begin or which has not begun manufacturing,  
32 processing or fabricating; or which is being used for research and  
33 development, including experimental or laboratory research and  
34 development, design or engineering directly related to manufacturing  
35 or being used for the significant servicing, overhauling or rebuilding of  
36 machinery and equipment for industrial use or the significant  
37 overhauling or rebuilding of other products on a factory basis or being  
38 used for measuring or testing or metal finishing or in the production of  
39 motion pictures, video and sound recordings.

40 (c) Upon payment of the property tax assessed with respect to any  
41 property referred to in this section, owned by a resident or nonresident  
42 of this state, which is currently used or intended for use in relation to  
43 construction, building, grading, paving or similar projects, including,  
44 but not limited to, motor vehicles, bulldozers, tractors and any  
45 trailer-type vehicle, excluding any such equipment weighing less than  
46 five hundred pounds, and excluding any motor vehicle subject to  
47 registration pursuant to chapter 246 or exempt from such registration  
48 by section 14-34, the town in which such equipment is taxed shall  
49 issue, at the time of such payment, for display on a conspicuous

50 surface of each such item of equipment for which such tax has been  
51 paid, a validation decal or sticker, identifiable as to the year of issue,  
52 which will be presumptive evidence that such tax has been paid in the  
53 appropriate town of the state.

54 (d) (1) Personal property subject to taxation under this chapter shall  
55 not include computer software, except when the cost thereof is  
56 included, without being separately stated, in the cost of computer  
57 hardware. "Computer software" shall include any program or routine  
58 used to cause a computer to perform a specific task or set of tasks,  
59 including without limitation, operational and applicational programs  
60 and all documentation related thereto.

61 (2) The provisions of subdivision (1) of this subsection shall be  
62 applicable (A) to the assessment year commencing October 1, 1988,  
63 and each assessment year thereafter, and (B) to any assessment of  
64 computer software made after September 30, 1988, for any assessment  
65 year commencing before October 1, 1988.

66 (3) Nothing contained in this subsection shall create any implication  
67 related to liability for property tax with respect to computer software  
68 prior to July 1, 1989.

69 (4) A certificate of correction in accordance with section 12-57 shall  
70 not be issued with respect to any property described in subdivision (1)  
71 of this subsection for any assessment year commencing prior to  
72 October 1, 1989.

73 (e) [For assessment years commencing on or after October 1, 1992,  
74 each municipality shall exempt aircraft, as defined in section 15-34,  
75 from the provisions of this chapter.] Any aircraft registered with the  
76 Department of Transportation pursuant to section 13b-39a, as  
77 amended by this act, and subject to taxation in accordance with the  
78 provisions of this section and section 3 of this act, shall be set in the list  
79 of the town where the aircraft is based or primarily used, as  
80 determined in accordance with section 13b-39a, as amended by this

81 act. For purposes of this section, "aircraft" has the same meaning as in  
82 section 15-34.

83 (f) (1) Property subject to taxation under this chapter shall include  
84 each registered and unregistered motor vehicle and snowmobile that,  
85 in the normal course of operation, most frequently leaves from and  
86 returns to or remains in a town in this state, and any other motor  
87 vehicle or snowmobile located in a town in this state, which motor  
88 vehicle or snowmobile is not used or is not capable of being used.

89 (2) Any motor vehicle or snowmobile registered in this state subject  
90 to taxation in accordance with the provisions of this subsection shall be  
91 set in the list of the town where such vehicle in the normal course of  
92 operation most frequently leaves from and returns to or in which it  
93 remains. It shall be presumed that any such motor vehicle or  
94 snowmobile most frequently leaves from and returns to or remains in  
95 the town in which the owner of such vehicle resides, unless a provision  
96 of this subsection otherwise expressly provides. Any vessel required to  
97 be registered as provided in chapter 268 and subject to taxation in  
98 accordance with the provisions of this section and section 2 of this act,  
99 shall be set in the list of the town where the owner of such vessel  
100 resides, unless a provision of this subsection otherwise provides. As  
101 used in this subsection, "the town in which the owner of such vehicle  
102 or vessel resides" means the town in this state where (A) the owner, if  
103 an individual, has established a legal residence consisting of a true,  
104 fixed and permanent home to which such individual intends to return  
105 after any absence, or (B) the owner, if a company, corporation, limited  
106 liability company, partnership, firm or any other type of public or  
107 private organization, association or society, has an established site for  
108 conducting the purposes for which it was created. In the event such an  
109 entity resides in more than one town in this state, it shall be subject to  
110 taxation by each such town with respect to any registered or  
111 unregistered motor vehicle, [or] snowmobile or vessel that most  
112 frequently leaves from and returns to or remains in such town.

113 (3) Any motor vehicle or vessel owned by a nonresident of this state  
114 shall be set in the list of the town where such vehicle or vessel in the  
115 normal course of operation most frequently leaves from and returns to  
116 or in which it remains. If such vehicle or vessel in the normal course of  
117 operation most frequently leaves from and returns to or remains in  
118 more than one town, it shall be set in the list of the town in which such  
119 vehicle or vessel is located for the three or more months preceding the  
120 assessment day in any year, except that, if such vehicle or vessel is  
121 located in more than one town for three or more months preceding the  
122 assessment day in any year, it shall be set in the list of the town where  
123 it is located for the three months or more in such year nearest to such  
124 assessment day. In the event a motor vehicle or vessel owned by a  
125 nonresident is not located in any town for three or more of the months  
126 preceding the assessment day in any year, such vehicle or vessel shall  
127 be set in the list of the town where such vehicle or vessel is located on  
128 such assessment day.

129 (4) Notwithstanding any provision of subdivision (2) of this  
130 subsection: (A) Any registered motor vehicle that is assigned to an  
131 employee of the owner of such vehicle for the exclusive use of such  
132 employee and which, in the normal course of operation most  
133 frequently leaves from and returns to or remains in such employee's  
134 town of residence, shall be set in the list of the town where such  
135 employee resides; (B) any registered motor vehicle that is being  
136 operated, pursuant to a lease, by a person other than the owner of such  
137 vehicle, or such owner's employee, shall be set in the list of the town  
138 where the person who is operating such vehicle pursuant to said lease  
139 resides; (C) any registered motor vehicle designed or used for  
140 recreational purposes, including, but not limited to, a camp trailer,  
141 camper or motor home, shall be set in the list of the town such vehicle,  
142 in the normal course of its operation for camping, travel or recreational  
143 purposes in this state, most frequently leaves from and returns to or  
144 the town in which it remains. If such a vehicle is not used in this state  
145 in its normal course of operation for camping, travel or recreational  
146 purposes, such vehicle shall be set in the list of the town in this state in

147 which the owner of such vehicle resides; and (D) any registered motor  
148 vehicle that is used or intended for use for the purposes of  
149 construction, building, grading, paving or similar projects, or to  
150 facilitate any such project, shall be set in the list of the town in which  
151 such project is situated if such vehicle is located in said town for the  
152 three or more months preceding the assessment day in any year,  
153 provided (i) if such vehicle is located in more than one town in this  
154 state for three or more months preceding the assessment day in any  
155 year, such vehicle shall be set in the list of the town where it is located  
156 for the three months or more in such year nearest to such assessment  
157 day, and (ii) if such vehicle is not located in any town for three or more  
158 of the months preceding the assessment day in any year, such vehicle  
159 shall be set in the list of the town where such vehicle is located on such  
160 assessment day.

161 (5) The owner of a motor vehicle subject to taxation in accordance  
162 with the provisions of subdivision (4) of this subsection in a town other  
163 than the town in which such owner resides may register such vehicle  
164 in the town in which such vehicle is subject to taxation.

165 (6) Information concerning any vehicle subject to taxation in a town  
166 other than the town in which it is registered may be included on any  
167 declaration or report filed pursuant to section 12-41, 12-43 or 12-57a. If  
168 a motor vehicle or snowmobile is registered in a town in which it is not  
169 subject to taxation, pursuant to the provisions of subdivision (4) of this  
170 section, the assessor of the town in which such vehicle is subject to  
171 taxation shall notify the assessor of the town in which such vehicle is  
172 registered of the name and address of the owner of such motor vehicle  
173 or snowmobile, the vehicle identification number and the town in  
174 which such vehicle is subject to taxation. The assessor of the town in  
175 which said vehicle is registered and the assessor of the town in which  
176 said vehicle is subject to taxation shall cooperate in administering the  
177 provisions of this section concerning the listing of such vehicle for  
178 property tax purposes.

179 Sec. 2. (NEW) (*Effective July 1, 2011, and applicable to assessment years*  
180 *commencing on or after October 1, 2011*) (a) On or before October thirty-  
181 first each year, the Commissioner of Motor Vehicles shall compile,  
182 publish and distribute to assessors in each municipality (1) a list of  
183 values of vessels set in the list of each municipality that are registered  
184 with the Department of Motor Vehicles, and (2) a memorandum  
185 instructing such assessors how to value unregistered vessels. Such list  
186 and memorandum shall be used by such assessors in determining the  
187 assessed value of vessels for purposes of property taxation. For  
188 purposes of this section, "vessels" has the same meaning as in section  
189 15-127 of the general statutes.

190 (b) The amount of tax applicable with respect to any vessel subject  
191 to property tax under section 12-71 of the general statutes, as amended  
192 by this act, shall be determined by multiplying seventy per cent of the  
193 value of such vessel, as determined under subsection (a) of this section,  
194 by a mill rate of twenty mills.

195 Sec. 3. (NEW) (*Effective July 1, 2011, and applicable to assessment years*  
196 *commencing on or after October 1, 2011*) (a) On or before October thirty-  
197 first each year, the Commissioner of Transportation shall compile,  
198 publish and distribute to assessors in each municipality a list of values  
199 of aircraft set in the list of each municipality which shall be used by  
200 such assessors in determining the assessed value of aircraft for  
201 purposes of property taxation. For purposes of this section, "aircraft"  
202 has the same meaning as in section 15-34 of the general statutes.

203 (b) The amount of tax applicable with respect to any aircraft subject  
204 to property tax under section 12-71 of the general statutes, as amended  
205 by this act, shall be determined by multiplying seventy per cent of the  
206 value of such aircraft, as determined under subsection (a) of this  
207 section, by a mill rate of twenty mills.

208 Sec. 4. Section 13b-39b of the general statutes is repealed and the  
209 following is substituted in lieu thereof (*Effective July 1, 2011*):

210 The Department of Transportation shall prepare and distribute to  
211 each municipality in which aircraft are based or primarily used forms  
212 and decals for the registration of aircraft and the renewal of such  
213 registrations. The registration forms shall contain such information as  
214 the Commissioner of Transportation may prescribe, including, but not  
215 limited to, information concerning (1) the form and identity of  
216 ownership, including information as to whether such ownership is by  
217 an individual, partnership, corporation or other entity, (2) the type of  
218 aircraft, including the year of manufacture, the manufacturer, the  
219 model and the certified gross weight, (3) the Federal Aviation  
220 Certificate number and (4) the location at which such aircraft is based  
221 or primarily used in this state. Each municipality shall designate a  
222 municipal registration official who may be an official or employee of  
223 the municipality or of any airport facility, heliport or seaplane base  
224 located within the municipality, to perform the duties of registration of  
225 aircraft as set forth in sections 13b-39a to [13b-39h] 13b-39f, inclusive,  
226 as amended by this act, and shall furnish, in writing, the name, address  
227 and telephone number of each such official. The municipality shall  
228 immediately notify the commissioner upon any changes relative to the  
229 municipal registration official.

230 Sec. 5. Section 13b-39g of the general statutes is repealed and the  
231 following is substituted in lieu thereof (*Effective July 1, 2011*):

232 Each municipality [which] that issues and renews registrations for  
233 aircraft in accordance with sections 13b-39a to [13b-39h] 13b-39f,  
234 inclusive, as amended by this act, may retain for its own use and  
235 purposes [, as a grant in lieu of property taxes,] all revenue received  
236 from the receipt of aircraft registration fees. Each such participating  
237 municipality shall furnish the commissioner with such reports  
238 concerning the total amount of fees received pursuant to sections 12-  
239 71, as amended by this act, and 13b-39a to [13b-39h] 13b-39f, inclusive,  
240 as amended by this act, the number of registrations issued, the names  
241 of registrants and the descriptions of aircraft registered.



242        Sec. 6. Subsection (b) of section 15-144 of the general statutes is  
 243 repealed and the following is substituted in lieu thereof (*Effective July*  
 244 *1, 2011*):

245        (b) (1) The owner shall pay a fee to the Commissioner of Motor  
 246 Vehicles for deposit with the State Treasurer for each vessel so  
 247 numbered or registered in accordance with the following schedule and  
 248 subdivisions of this subsection:

T1	Overall Length			Overall Length		
T2	at least	less than	fee	at least	less than	fee
T3	(feet)	(feet)		(feet)	(feet)	
T4		12	\$ 7.50	40	41	\$270.00
T5	12	13	11.25	41	42	292.50
T6	13	14	15.00	42	43	315.00
T7	14	15	18.75	43	44	322.50
T8	15	16	22.50	44	45	330.00
T9	16	17	30.00	45	46	337.50
T10	17	18	37.50	46	47	345.00
T11	18	19	45.00	47	48	352.50
T12	19	20	52.50	48	49	360.00
T13	20	21	60.00	49	50	367.50
T14	21	22	67.50	50	51	375.00
T15	22	23	75.00	51	52	382.50
T16	23	24	82.50	52	53	390.00
T17	24	25	90.00	53	54	397.50
T18	25	26	97.50	54	55	405.00
T19	26	27	105.00	55	56	412.50
T20	27	28	112.50	56	57	420.00
T21	28	29	120.00	57	58	427.50
T22	29	30	127.50	58	59	435.00
T23	30	31	135.00	59	60	442.50
T24	31	32	142.50	60	61	450.00
T25	32	33	150.00	61	62	457.50

T26	33	34	157.50	62	63	465.00
T27	34	35	165.00	63	64	472.50
T28	35	36	172.50	64	65	480.00
T29	36	37	180.00	65 and over		525.00
T30	37	38	202.50			
T31	38	39	225.00			
T32	39	40	247.50			

249 For purposes of this schedule "overall length" is the horizontal  
 250 distance between the foremost part of the stem and the aftermost part  
 251 of the stern, excluding bowsprits, bumpkins, rudders, outboard motor  
 252 brackets and similar fittings or attachments. (2) The fee payable under  
 253 this subsection with respect to any vessel used primarily for purposes  
 254 of commercial fishing shall not exceed twenty-five dollars, provided in  
 255 the tax year of the owner of such vessel ending immediately preceding  
 256 the date of registration, not less than fifty per cent of the adjusted gross  
 257 income of such owner as determined for purposes of the federal  
 258 income tax is derived from commercial fishing, subject to proof  
 259 satisfactory to the Commissioner of Motor Vehicles. (3) The fee payable  
 260 under this subsection with respect to any vessel constructed primarily  
 261 of wood, the construction of which is completed not less than fifteen  
 262 years prior to the date such fee is paid, shall be in an amount equal to  
 263 fifty per cent of the fee otherwise payable, or if such construction is  
 264 completed not less than twenty-five years prior to the date such fee is  
 265 paid, such fee shall be in an amount equal to twenty-five per cent of  
 266 the fee otherwise payable. (4) Fees payable under this subsection shall  
 267 not be required with respect to (A) any vessel owned by a flotilla of the  
 268 United States Coast Guard Auxiliary or owned by a nonprofit  
 269 corporation acting on behalf of such a flotilla, provided no more than  
 270 two vessels from any such flotilla or nonprofit corporation shall be  
 271 granted such an exemption and (B) any vessel built by students in an  
 272 educational institution and used for the purposes of such institution,  
 273 including such research as may require the use of such vessel. (5) The  
 274 fee payable under this subsection with respect to any pontoon boat,

275 exclusive of any houseboat, shall be forty dollars. (6) The fee payable  
276 under this subsection with respect to any canoe with a motor or any  
277 vessel owned by a nonprofit organization shall be seven dollars and  
278 fifty cents. (7) The fee payable under this subsection with respect to  
279 any vessel less than fifteen feet in length equipped with a motor the  
280 horsepower of which is less than fifteen, shall be seven dollars and  
281 fifty cents. (8) The owner of any vessel used actively, as required under  
282 this subdivision, in operational activities of the United States Coast  
283 Guard Auxiliary shall not be required to pay the applicable fee in  
284 accordance with the schedule in this subsection, provided (A) if the  
285 applicable fee under the schedule for such vessel is greater than one  
286 hundred eighty dollars, the owner shall be required to pay the amount  
287 of fee in excess of one hundred eighty dollars and (B) the owner shall  
288 not be entitled to exemption from the applicable fee as allowed in this  
289 subdivision for any vessel registration year unless the application for  
290 registration of such vessel includes a statement, certified by an officer  
291 of the United States Coast Guard, that in the preceding year such  
292 vessel was used actively in not less than three separate operational  
293 activities of the United States Coast Guard Auxiliary. (9) Beginning  
294 October 1, 2011, and annually thereafter, all revenue received by the  
295 state for the twelve-month period from November first to October  
296 thirty-first, inclusive, in fees for the numbering and registration of  
297 vessels under this section shall be deposited with the Treasurer who  
298 shall deposit such revenue in the General Fund.

299 Sec. 7. Subsection (b) of section 13b-39a of the general statutes is  
300 repealed and the following is substituted in lieu thereof (*Effective July*  
301 *1, 2011*):

302 (b) The Commissioner of Transportation, subject to the provisions of  
303 chapter 54, shall adopt such regulations as deemed necessary by said  
304 commissioner to implement the provisions of section 12-71, as  
305 amended by this act, this section and sections 13b-39b to [13b-39h] 13b-  
306 39f, inclusive, as amended by this act.

307        Sec. 8. Sections 13b-39h, 15-155, 15-155d and 15-155e of the general  
 308 statutes are repealed. (*Effective July 1, 2011*)

309        Sec. 9. Subdivision (64) of section 12-81 of the general statutes is  
 310 repealed. (*Effective July 1, 2011, and applicable to assessment years*  
 311 *commencing on or after 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>	12-71
Sec. 2	<i>July 1, 2011, and applicable to assessment years commencing on or after October 1, 2011</i>	New section
Sec. 3	<i>July 1, 2011, and applicable to assessment years commencing on or after October 1, 2011</i>	New section
Sec. 4	<i>July 1, 2011</i>	13b-39b
Sec. 5	<i>July 1, 2011</i>	13b-39g
Sec. 6	<i>July 1, 2011</i>	15-144(b)
Sec. 7	<i>July 1, 2011</i>	13b-39a(b)
Sec. 8	<i>July 1, 2011</i>	Repealer section
Sec. 9	<i>July 1, 2011, and applicable to assessment years commencing on or after October 1, 2011</i>	Repealer section

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*