



General Assembly

Substitute Bill No. 1156

January Session, 2011

* _____SB01156PD_____052611_____*

AN ACT CONCERNING A MUNICIPAL OPTION TO LIMIT PROPERTY TAX INCREASES ON RESIDENTIAL PROPERTY AND IMPOSITION OF A MUNICIPAL SPENDING CAP.

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

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

4 (1) "Apartment property" means a building containing five or more
5 dwelling units used for human habitation, the parcel of land on which
6 such building is situated, and any accessory buildings or other
7 improvements located on such parcel; and

8 (2) "Residential property" means a building containing four or fewer
9 dwelling units used for human habitation, the parcel of land on which
10 such building is situated, and any accessory buildings or other
11 improvements located on such parcel.

12 (b) Notwithstanding any provision of the general statutes or any
13 special act, municipal charter or any home rule ordinance, any
14 municipality in which the provisions of section 12-62n of the general
15 statutes are effective for the assessment year commencing October 1,
16 2010, may, by ordinance, establish a property tax surcharge of not
17 more than seven and one-half per cent on all property other than

18 apartment property and residential property and may levy such
19 surcharge for assessment years commencing on and after October 1,
20 2011.

21 Sec. 2. (NEW) (*Effective from passage and applicable to fiscal years*
22 *commencing on or after July 1, 2011*) (a) As used in this section:

23 (1) "Increase in inflation" means the increase in the consumer price
24 index for urban consumers during the preceding twelve-month period,
25 according to United States Bureau of Labor Statistics data; and

26 (2) "General budget expenditures" means expenditures from
27 appropriated funds, provided (1) general budget expenditures shall
28 not include expenditures for payment of the principal of and interest
29 on bonds, notes or other evidences of indebtedness, and (2)
30 expenditures (A) for the implementation of court orders, and (B)
31 arising out of increases in statutory grants received from the state shall
32 not be considered general budget expenditures for the first fiscal year
33 in which such expenditures are authorized, but shall be considered
34 general budget expenditures for such year for the purposes of
35 determining general budget expenditures for the ensuing fiscal year.

36 (b) Any municipality that establishes the property tax surcharge
37 described in section 1 of this act shall not authorize an increase in
38 general budget expenditures for any fiscal year above the amount of
39 general budget expenditures authorized for the previous fiscal year by
40 a percentage that exceeds two per cent or the percentage increase in
41 inflation, whichever is less.

42 (c) Notwithstanding the provisions of subsection (b) of this section,
43 any municipality may authorize an increase in general budget
44 expenditures for any fiscal year of more than two per cent or the rate
45 of inflation if such increase is approved by a referendum conducted
46 under the provisions of chapter 90 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to assessment years commencing on or after October 1, 2011</i>	New section
Sec. 2	<i>from passage and applicable to fiscal years commencing on or after July 1, 2011</i>	New section

FIN *Joint Favorable Subst.*

PD *Joint Favorable*