

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 11-239—sSB 1162

Finance, Revenue and Bonding Committee

**AN ACT CONCERNING FILING DEADLINES FOR CERTAIN
PROPERTY TAX EXEMPTIONS AND DELAYS IN REVALUATION
FOR CERTAIN TOWNS, AND MAKING A TECHNICAL CORRECTION**

SUMMARY: This act allows six towns, with the approval of their respective legislative bodies, to delay a revaluation that is scheduled to occur prior to the 2012 assessment year.

It 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.

The act requires Middletown to waive interest and penalties due on property tax owed by a nonprofit organization for property that it operates as affordable senior housing.

It also makes a technical correction to PA 11-61.

EFFECTIVE DATE: Upon passage, except for the technical correction, which is effective July 1, 2011.

REVALUATION DELAY

The act allows Cromwell, East Windsor, Orange, Farmington, Stamford, and Windham to delay a revaluation to the October 1, 2012 assessment year. Thus, these municipalities may continue taxing property based on its value as of the date of the decision to delay, after which each must revalue the property. The subsequent revaluation must re-commence at the point in the schedule that the municipality was following prior to the delay. In the event of a delayed revaluation, the act allows the person or entity authorized by law to prepare rate bills in these six municipalities to prepare new rate bills based on the delay, notwithstanding any law or municipal charter, special act, or home rule ordinance to the contrary.

FILING DEADLINE WAIVERS

Machinery (MME) and Commercial Vehicle Exemptions

The act allows taxpayers in six towns to receive certain property tax exemptions for particular grand list years even though they missed the statutory filing deadlines for the exemptions. The exemptions are five-year exemptions for

OLR PUBLIC ACT SUMMARY

eligible:

1. machinery and equipment used for manufacturing, biotechnology, or recycling (CGS § 12-81 (72)) and
2. commercial trucks and other vehicles used to transport freight for hire (CGS § 12-81 (74)).

By law, property owners must apply to local assessors for these exemptions by November 1, annually. The act 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 by August 11, 2011 and pay the statutory late fee. In each case, the local assessor must (1) verify eligibility for and approve the exemption and (2) refund any taxes paid on the property.

TABLE 1: EXEMPTION APPLICATION DEADLINE WAIVERS

<i>Town</i>	<i>Grand List</i>	<i>Type of Property</i>
Bloomfield	2009	Manufacturing machinery and equipment
Franklin	2009, 2010	Commercial trucks
Hartford	2006, 2007, 2008	Manufacturing machinery and equipment
New Haven	2007	Manufacturing machinery and equipment
Windsor	2008, 2010	Manufacturing machinery and equipment
Danbury	2006	Manufacturing machinery and equipment

Requests to Reconsider Denial or Modification of MME Exemption

The act allows taxpayers in Sprague and Seymour to file written requests to the OPM secretary to reconsider his 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 2008 assessment year.

The act gives the taxpayers until August 11, 2011 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 date he receives the request and supporting documentation to reconsider and send the taxpayers his decision in writing. 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 exemption, he must notify them and the towns' assessors. Sprague and Seymour must reimburse the taxpayers for any taxes paid, in an amount equal to the exemption.

Exemption for Nonprofit Organization Property

OLR PUBLIC ACT SUMMARY

The act allows a nonprofit organization (i.e., 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). The organization must apply for the exemption by August 11, 2011 and pay the statutory late fee to be considered to have filed the statement in a timely manner.

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.

INTEREST AND PENALTY WAIVER FOR NONPROFIT ORGANIZATION IN MIDDLETOWN

The act requires the city of Middletown to waive any interest and penalties due on property tax owed for the 2009 assessment year by any nonprofit organization that, relying on a statement by the Middletown assessor that the property would be tax-exempt:

1. owns and operates affordable senior housing in Middletown and
2. was not assessed property tax for the 2002 through 2009 assessment years.

By law and with certain exceptions, government subsidized low- and moderate-income housing is ineligible for the property tax exemption for real property owned by or held in trust for a nonprofit organization.

OLR Tracking: RP:RC:JL:ts