General Assembly **Amendment**

February Session, 2012 LCO No. **5276**

SB0039905276SD0

Offered by:

SEN. LOONEY, 11th Dist.
SEN. DAILY, 33rd Dist.
SEN. FONFARA, 1st Dist.
SEN. COLEMAN, 2nd Dist.
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To: Subst. Senate Bill No. **399** File No. 578 Cal. No. 415

"AN ACT CONCERNING ANNUAL ADJUSTMENTS TO ASSESSMENT RATES ADOPTED FOR APARTMENT AND RESIDENTIAL PROPERTIES."

Strike everything after the enacting clause and substitute the following in lieu thereof:

"Section 1. Section 12-62r of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to assessment years commencing on or after October 1, 2011*):

(a) For the purposes of this section:

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

(2) "Residential property" means (1) a building containing three or fewer dwelling units used for human habitation, the parcel of land on which such building is situated, and any accessory buildings or other improvements located on such parcel, (2) common interest communities, as defined in section 47-202, and (3) condominiums, as defined in section 47-68a, that are used for residential purposes;

(3) "Base year" means the assessment year commencing October 1, 2010; and

(4) "Adjusted tax levy" means the total amount of taxes raised by taxation in a fiscal year by a municipality as provided in the most recent budget adopted by the legislative body and signed by the chief elected official of such municipality, with further adjustments as required by subsection (e) of this section.

(b) Notwithstanding any provision of the general statutes or any special act, municipal charter or any home rule ordinance, any municipality in which the provisions of section 12-62n were effective for the [assessment year commencing October 1, 2010] base year, shall make annual adjustments to the assessment rate charged to apartment and residential property in accordance with the provisions of this section, but in no event shall the assessment rate for any class of property be in excess of seventy per cent, nor shall the municipality simultaneously apply the provisions of section 12-62c.

(c) For the assessment year commencing October 1, 2011, in any municipality that adopts the property tax system under this section, apartment property shall be assessed at a rate of [fifty] sixty per cent. [For assessment years commencing on and after October 1, 2012, the assessor shall determine a rate of assessment for apartment property that will have the effect of phasing in proportionate increases in the rate so that, by the assessment year commencing October 1, 2015, the assessment rate for apartment property shall be seventy per cent.] For the assessment year commencing October 1, 2012, apartment property shall be assessed at a rate of sixty-five per cent. For the assessment

44 years commencing on and after October 1, 2013, apartment property
45 shall be assessed at a rate of seventy per cent.

46 (d) [In any municipality that adopts the property tax system under
47 this section, for the assessment year commencing October 1, 2011, and
48 only for said assessment year, the assessor shall determine a rate of
49 assessment for residential property that will have the effect of
50 increasing the average property tax for residential property as a result
51 of revaluation by three and one-half per cent over the property tax for
52 such property class in the base year, but in no event shall the
53 assessment rate be less than twenty-three per cent.] For the assessment
54 year commencing October 1, 2011, in any municipality that adopts the
55 property tax system under this section, residential property shall be
56 assessed at a minimum rate of thirty and one-half per cent. For
57 assessment years commencing on and after October 1, [2011] 2012, the
58 assessor shall then calculate an additional adjustment to the rate of
59 assessment for residential property in accordance with [subsection (e)]
60 subsections (e) and (f) of this section.

61 (e) (1) Prior to the completion of the 2012 grand list, and each
62 assessment year thereafter, the assessor shall calculate any grand list
63 growth attributable to new construction or major remodeling that
64 results in an annual assessment increase of seven hundred thousand
65 dollars or more to any one property, regardless of the amount of tax
66 levied on such property, provided such property is in one of the
67 following classes: commercial, class code 200; industrial, class code
68 300; utility, class code 400; or apartments, class code 800. No such
69 assessment increase due to a revaluation, an increase in the apartment
70 or residential assessment ratios or assessment penalties on real and
71 personal property shall be included in such calculation.

72 (2) The assessor shall provide a report to the public, not later than
73 fifteen days after signing the grand list, that lists the properties
74 included in the calculation required pursuant to subdivision (1) of this
75 subsection. Such report shall include the name of the owner, the
76 property address, the previous assessed value, the new assessed value,

77 the class code, the reason for the change in assessed value, and any
78 other information deemed relevant by the assessor. Such report shall
79 be published in a newspaper having substantial circulation in such
80 municipality or may be publicized by any other method provided for
81 by local ordinance.

82 (3) In determining the adjusted tax levy in subsection (f) of this
83 section, the assessor shall subtract from such adjusted tax levy thirty-
84 five per cent of the total amount of taxes that are attributable to
85 increases in assessments, as described in subdivision (1) of this
86 subsection and contained in the notice required in subdivision (2) of
87 this subsection.

88 **[**(e)**]** (f) **[**Not later than January thirty-first or the completion of the
89 grand list, whichever is later, the assessor shall annually**]** Prior to the
90 completion of the 2012 grand list, and each assessment year thereafter,
91 the assessor shall first subtract from such adjusted tax levy thirty-five
92 per cent of the total amount of taxes attributable to increases in
93 assessments, as described in subsection (e) of this section. The assessor
94 shall then calculate the difference in the adjusted tax levy by such
95 municipality in the current fiscal year and the prior fiscal year **[**. The
96 assessor shall then adjust the adjusted tax levy for the current fiscal
97 year in accordance with any change in the consumer price index for all
98 urban consumers in the northeast region in the preceding fiscal year.
99 If, after such adjustment, (1) the adjusted tax levy in the current fiscal
100 year exceeds the adjusted tax levy in the prior fiscal year by more than
101 one hundred per cent of the rate of inflation, as determined in
102 accordance with such consumer price index, the assessor, in his or her
103 calculation of the assessment ratios for the next grand list, shall
104 increase the rate of assessment for residential properties from the prior
105 grand list year by five per cent; (2) the adjusted tax levy in the current
106 fiscal year exceeds the adjusted tax levy in the prior fiscal year by more
107 than fifty per cent, but not more than one hundred per cent, of such
108 rate of inflation, the assessor shall increase such rate of assessment by
109 three and one-half per cent; (3) the adjusted tax levy in the current
110 fiscal year exceeds the adjusted tax levy in the prior fiscal year by not

111 more than fifty per cent of such rate of inflation, the assessor shall
112 increase such rate of assessment by two and one-half per cent; (4) the
113 adjusted tax levy in the current fiscal year is equal to the adjusted tax
114 levy in the prior fiscal year, or is less than one-half per cent less than
115 the adjusted tax levy in the prior fiscal year, the assessor shall increase
116 such rate of assessment by one and one-half per cent; and (5) the
117 adjusted tax levy in the current fiscal year is less than the adjusted tax
118 levy in the prior fiscal year by at least one-half per cent, the assessor
119 shall make no change in such rate of assessment.**]** by comparing the
120 adjusted tax levy used to calculate the mill rate in the current fiscal
121 year to the adjusted tax levy used to calculate the mill rate for the
122 immediately preceding fiscal year. If, after calculating such difference:

123 (1) There is a reduction or no increase in the adjusted tax levy in
124 such municipality in the current fiscal year from the preceding fiscal
125 year, the assessor, in his or her calculation of the residential assessment
126 ratios for the next grand list, shall increase the rate of assessment for
127 residential properties from the preceding assessment year by one-half
128 percentage point;

129 (2) The difference in the adjusted tax levy by such municipality
130 between the current fiscal year and the preceding fiscal year is greater
131 than zero, and equal to or less than three million five hundred
132 thousand dollars, then the assessor, in his or her calculation of the
133 assessment ratios for the next grand list, shall increase the rate of
134 assessment for residential properties from the preceding assessment
135 year by two percentage points;

136 (3) The difference in the adjusted tax levy by such municipality
137 between the current fiscal year and the preceding fiscal year is greater
138 than three million five hundred thousand dollars, but less than or
139 equal to five million dollars, then the assessor, in his or her calculation
140 of the assessment ratios for the next grand list, shall increase the rate of
141 assessment for residential properties from the prior assessment year by
142 three percentage points;

143 (4) The difference in the adjusted tax levy by such municipality
144 between the current fiscal year and the preceding fiscal year is greater
145 than five million dollars, but less than or equal to seven million five
146 hundred thousand dollars, then the assessor, in his or her calculation
147 of the assessment ratios for the next grand list, shall increase the rate of
148 assessment for residential properties from the prior assessment year by
149 four percentage points;

150 (5) The difference in the adjusted tax levy by such municipality
151 between the current fiscal year and the preceding fiscal year is greater
152 than seven million five hundred thousand dollars, but less than or
153 equal to ten million dollars, then the assessor, in his or her calculation
154 of the assessment ratios for the next grand list, shall increase the rate of
155 assessment for residential properties from the preceding assessment
156 year by five percentage points;

157 (6) The difference in the adjusted tax levy by such municipality
158 between the current fiscal year and the preceding fiscal year is greater
159 than ten million dollars, then the assessor, in his or her calculation of
160 the assessment ratios for the next grand list, shall increase the rate of
161 assessment for residential properties from the preceding assessment
162 year by six percentage points; and

163 (7) In each year, the established rate of assessment for residential
164 properties becomes the base residential assessment ratio for calculation
165 of the following year's residential assessment ratio.

166 **[**(f)**]** (g) Not later than June fifteenth in any year in which the
167 **[**adjusted tax levy in the current fiscal year increases by**]** legislative
168 body of the municipality adopts a budget for the following fiscal year
169 that establishes a projected increase in the adjusted tax levy of more
170 than **[**two and six-tenths per cent**]** six million dollars over the adjusted
171 tax levy in the **[**prior**]** current fiscal year, one per cent of the total
172 number of electors of such municipality may petition in writing for a
173 referendum on the budget establishing such increase. Any such
174 referendum shall be held not more than ten days after receipt of such

175 petition by the town clerk and shall be conducted in accordance with
176 the provisions of chapter 90. Such budget shall not become effective
177 unless a majority of the electors voting in such referendum vote in
178 favor thereof. Only one referendum may be held, and, if the vote is
179 against the budget, **[**such municipality shall so adjust the budget as to
180 limit any increase to be equal to or less than two and six-tenths per
181 cent.**]** the budget as adopted in the preceding fiscal year, as adjusted
182 by the amount necessary for legally and contractually required
183 increases as certified by the finance director, shall be deemed to be the
184 budget of such municipality for the ensuing fiscal year, and
185 expenditures shall be made in accordance therewith.

186 (h) Notwithstanding the provisions of section 12-55 regarding the
187 date of publication of the grand list, the assessor or board of assessors
188 in any municipality that adopts the property tax system under this
189 section shall publish the grand list for such municipality for the
190 assessment year commencing October 1, 2011, not later than fifteen
191 days after the effective date of this section. In each case of any increase
192 in valuation of a property above the valuation of such property in the
193 last-preceding grand list, the assessor or board of assessors shall mail a
194 written notice of assessment increase to the last-known address of the
195 owner of the property the valuation of which has increased, as
196 provided in subsection (c) of section 12-55.

197 (i) (1) Except as provided in subdivision (2) of this subsection,
198 notwithstanding the provisions of section 12-112, for the assessment
199 year commencing October 1, 2011, any person claiming to be aggrieved
200 by the actions of the assessor or board of assessors pursuant to this
201 section may proceed as provided in section 12-111, provided (A) such
202 appeal shall be filed, in writing, on or before the twentieth calendar
203 day after the assessor or board of assessors certifies the grand list for
204 such municipality, provided such person may only file one such
205 appeal regarding the claimed aggrievement for the assessment year
206 commencing October 1, 2011, (B) the board of assessment appeals shall
207 notify each aggrieved person who filed a written appeal in the proper
208 form and in a timely manner, not later than September 1, 2012, of the

209 date, time and place of the appeal hearing, and (C) such board shall
210 notify such person not later than September 1, 2012, that such board
211 has elected not to conduct an appeal hearing, in which case the
212 appellant may appeal directly to the Superior Court pursuant to
213 section 12-117a.

214 (2) Notwithstanding the provisions of subdivision (1) of this
215 subsection, any municipality that adopts the property tax system
216 under this section shall follow all provisions of chapter 203 with regard
217 to the claim of any person who, prior to the effective date of this
218 section, brought an appeal to the board of assessment appeals in
219 compliance with the provisions of sections 12-111 and 12-112. Such
220 person shall retain the right to appeal to the Superior Court, as
221 provided in section 12-117a.

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

225 (1) "Residential property" means a building containing four or fewer
226 dwelling units used for human habitation, the parcel of land on which
227 such building is situated and any accessory buildings or other
228 improvements located on such parcel; and

229 (2) "Base amount" means the assessment amount for a residential
230 property for a rate bill issued on July 1, 2011, in a municipality that has
231 suspended the phase in of a real property assessment increase
232 pursuant to subsection (b) of section 12-62p of the general statutes.

233 (b) Notwithstanding any provision of the general statutes, any
234 municipal charter, any special act, any home rule ordinance or any
235 other local law, any municipality that suspended the phase in of a real
236 property assessment increase pursuant to subsection (b) of section 12-
237 62p of the general statutes for the assessment year commencing
238 October 1, 2010, may, by ordinance, adopt the property tax system
239 described in this section, provided the assessor of such municipality
240 determines that without the adoption of such property tax system, the

241 implementation of a revaluation for the assessment year commencing
242 October 1, 2011, will result in an assessment increase for some
243 residential properties of more than fifty per cent.

244 (c) (1) A municipality that adopts the property tax system described
245 in this section may phase in a real property assessment increase for
246 residential properties by requiring the assessor to gradually increase
247 the assessment applicable to such properties in the assessment year
248 preceding that in which the revaluation is implemented. In any such
249 municipality, the assessor shall calculate the rate of assessment by
250 subtracting, for each residential property, the base amount from the
251 assessment of such residential property in the assessment year in
252 which the revaluation is implemented. The amount of the annual
253 incremental assessment increase for each such residential property
254 shall be the result of such subtraction divided by the number of
255 assessment years for the phase in.

256 (2) The legislative body of any municipality adopting the property
257 tax system described in this section shall determine the number of
258 years of the phase in, provided no such phase in shall exceed five
259 assessment years, including the assessment year in which the
260 revaluation is implemented.

261 (3) The legislative body of any municipality adopting the property
262 tax system described in this section may approve the discontinuance of
263 a phase in implemented pursuant to this section at any time prior to
264 the completion of the term originally approved for the phase in,
265 provided such approval shall be made on or before October first of the
266 assessment year in which such discontinuance is effective. In the
267 assessment year following the completion or discontinuance of the
268 phase in, assessments shall reflect (1) the valuation of real property
269 established for the revaluation scheduled prior to such phase-in,
270 subject to additions for new construction and reductions for
271 demolitions occurring after the date of such revaluation and on or
272 prior to the date of its completion or discontinuance, and (2) the rate of
273 assessment applicable in such year, as required by section 12-62a of the

274 general statutes.

275 (d) New construction that first becomes subject to taxation during
276 an assessment year that is within the term of a phase in shall be
277 assessed in the same manner as all other comparable real property in
278 such assessment year, so that the total of incremental increases
279 applicable to such other comparable real property are reflected in the
280 assessment of such new construction prior to the proration of such
281 assessment pursuant to section 12-53a of the general statutes.

282 (e) Not later than thirty business days after the date a municipality's
283 legislative body votes to phase in real property assessment increases
284 pursuant to this section, or votes to discontinue such a phase in, the
285 chief executive officer of the municipality shall notify the Secretary of
286 the Office of Policy and Management, in writing, of such action. Any
287 chief executive officer that fails to submit a written notice to said
288 secretary as required by this subsection shall forfeit one hundred
289 dollars to the state for each such failure.

290 Sec. 3. (NEW) (*Effective from passage and applicable to assessment years*
291 *commencing on and after October 1, 2012*) (a) For the purposes of this
292 section:

293 (1) "Base amount" means the assessment amount for a parcel of real
294 property for a rate bill issued on July 1, 2012, in an eligible
295 municipality;

296 (2) "Eligible municipality" means any municipality with a
297 population of more than seventy-three thousand and less than
298 seventy-three thousand five hundred, according to the most recent
299 federal census; and

300 (3) "Revaluation amount" means the assessment amount for a parcel
301 of real property for a rate bill issued on July 1, 2013, prior to
302 implementing a phase in pursuant to this section.

303 (b) Notwithstanding any provision of the general statutes, any

304 municipal charter, any special act, any home rule ordinance or any
305 other local law, for the assessment year commencing October 1, 2012,
306 any eligible municipality implementing a revaluation of all real
307 property may phase in a portion of a change to a real property
308 assessment in accordance with the provisions of subsection (c) of this
309 section. The legislative body of the municipality shall approve the
310 decision to provide for such phase in, the method to determine the
311 phase in and the phase in term, provided no phase in term shall be
312 longer than five assessment years, including the assessment year in
313 which the revaluation is implemented.

314 (c) A municipality shall phase in real property assessment increases
315 or decreases by establishing an exemption rate approved by the
316 legislative body, provided such exemption rate shall not be less than
317 twenty-five per cent. The amount of the increase or decrease in the
318 assessment for each parcel of real property shall be determined by
319 subtracting the base amount for each parcel from the revaluation
320 amount. The amount of the increase or decrease shall be multiplied by
321 the exemption rate to determine the amount that shall be exempt from
322 payment by or credit to the property owner during the phase in term.
323 The amount of the assessment for each property owner during the
324 phase in term shall be determined by (1) subtracting the amount
325 exempt from payment or credit from the revaluation assessment, or (2)
326 subtracting the exemption rate from the percentage of the difference
327 between the base amount and the revaluation amount, and
328 multiplying the result by the revaluation assessment.

329 (d) The legislative body of any municipality adopting the property
330 tax system described in this section may approve the discontinuance of
331 a phase in implemented pursuant to this section at any time prior to
332 the completion of the phase in term originally approved, provided
333 such approval shall be made on or before the assessment date that is
334 the commencement of the assessment year in which such
335 discontinuance is effective. In the assessment year following the
336 completion or discontinuance of the phase in, assessments shall reflect
337 the valuation of real property established for such revaluation, subject

338 to additions for new construction and reductions for demolitions
339 occurring subsequent to the date of revaluation and on or prior to the
340 date of its completion or discontinuance, and the rate of assessment
341 applicable in such year, as required by section 12-62a of the general
342 statutes.

343 (e) The assessment of any new construction that first becomes
344 subject to taxation during an assessment year encompassed within the
345 term of a phase-in shall be determined in the same manner as the
346 assessment of all other comparable real property in such assessment
347 year, such that the total of the increases applicable to such other
348 comparable real property are reflected in the assessment of such new
349 construction prior to the proration of such assessment pursuant to
350 section 12-53a of the general statutes.

351 (f) Not later than thirty business days after the date a municipality's
352 legislative body votes to phase in real property assessment increases
353 pursuant to this section, or votes to discontinue such a phase in, the
354 chief executive officer of the municipality shall notify the Secretary of
355 the Office of Policy and Management, in writing, of such action. Any
356 chief executive officer that fails to submit a written notice to said
357 secretary as required by this subsection shall forfeit one hundred
358 dollars to the state for each such failure."

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage and applicable to assessment years commencing on or after October 1, 2011*	12-62r
Sec. 2	*from passage and applicable to assessment years commencing on and after October 1, 2011*	New section

Sec. 3	*from passage and applicable to assessment years commencing on and after October 1, 2012*	New section