



House of Representatives

File No. 855

General Assembly

January Session, 2013

(Reprint of File No. 632)

House Bill No. 6565
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 24, 2013

**AN ACT ELIMINATING A TOWN'S ABILITY TO PHASE IN A REAL
PROPERTY ASSESSMENT DECREASE AND ALLOWING A
PROPERTY TAX ABATEMENT FOR EMERGENCY MEDICAL
TECHNICIANS.**

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

1 Section 1. Section 12-62c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2013, and*
3 *applicable to assessment years commencing on or after October 1, 2013*):

4 (a) (1) A town implementing a revaluation of all real property may
5 phase in a real property assessment increase, [or decrease,] or a portion
6 of such increase [or decrease] resulting from such revaluation, by
7 requiring the assessor to gradually increase [or decrease] the
8 assessment or the rate of assessment applicable to such property in the
9 assessment year preceding that in which the revaluation is
10 implemented, in accordance with one of the methods set forth in
11 subsection (b) [or (c)] of this section. The legislative body of the town
12 shall approve the decision to provide for such phase-in, the method by
13 which it is accomplished and its term, provided the number of

14 assessment years over which such gradual increases [or decreases] are
15 reflected shall not exceed five assessment years, including the
16 assessment year for which the revaluation is effective. If a town
17 chooses to phase in a portion of the increase [or decrease] in the
18 assessment of each parcel of real property resulting from said
19 revaluation, said legislative body shall establish a factor, which shall
20 be not less than twenty-five per cent, and shall apply such factor to
21 such increases [or decreases] for all parcels of real property, regardless
22 of property classification. A town choosing to phase in a portion of
23 assessment increase [or decrease] shall multiply such factor by the total
24 assessment increase [or decrease] for each such parcel to determine the
25 amount of such increase [or decrease] that shall not be subject to the
26 phase-in. The assessment increase [or decrease] for each parcel that
27 shall be subject to the gradual increases [or decreases] in amounts or
28 rates of assessment, as provided in subsection (b) [or (c)] of this
29 section, shall be (A) the difference between the result of said
30 multiplication and the total assessment increase [or decrease] for any
31 such parcel, or (B) [(i) in the case of an increase,] the result derived
32 when such factor is subtracted from the actual percentage by which the
33 assessment of each such parcel increased as a result of such
34 revaluation, over the assessment of such parcel in the preceding
35 assessment year and said result is multiplied by such parcel's total
36 assessment increase, [, or (ii) in the case of a decrease, the result
37 derived when the assessment of such parcel in the preceding
38 assessment year, over a number derived by when such factor is
39 subtracted from the actual percentage by which the assessment of each
40 parcel decreased as a result of such revaluation and said result is
41 multiplied by such parcel's total assessment decrease.]

42 (2) The legislative body may approve the discontinuance of a phase-
43 in of real property assessment increases [or decreases] resulting from
44 the implementation of a revaluation, at any time prior to the
45 completion of the phase-in term originally approved, provided such
46 approval shall be made on or before the assessment date that is the
47 commencement of the assessment year in which such discontinuance is

48 effective. In the assessment year following the completion or
49 discontinuance of the phase-in, assessments shall reflect the valuation
50 of real property established for such revaluation, subject to additions
51 for new construction and reductions for demolitions occurring
52 subsequent to the date of revaluation and on or prior to the date of its
53 completion or discontinuance, and the rate of assessment applicable in
54 such year, as required by section 12-62a.

55 (b) A town shall use one of the following methods to determine the
56 phase-in of real property assessment increases or the phase-in of a
57 portion of such increases resulting from the implementation of a
58 revaluation:

59 (1) The assessment of each parcel of real property for the assessment
60 year preceding that in which such revaluation is effective shall be
61 subtracted from the assessment of each such parcel in the effective year
62 of said revaluation, and the annual amount of incremental assessment
63 increase for each such parcel shall be the total of such subtraction
64 divided by the number of years of the phase-in term, provided if a
65 town chooses to phase in a portion of the assessment increase for each
66 real property parcel, the amount of such increase that is not subject to
67 the phase-in shall not be reflected in said calculation; or

68 (2) The ratio of the total assessed value of all taxable real property
69 for the assessment year preceding that in which a revaluation is
70 effective and the total fair market value of such property as
71 determined from records of actual sales in said year, shall be
72 subtracted from the rate of assessment set forth in section 12-62a, and
73 the annual incremental rate of assessment increase applicable to all
74 parcels of real property shall be the result of such subtraction divided
75 by the number of years of the phase-in term. Prior to determining such
76 annual incremental rate of assessment increase, a town that chooses to
77 phase in a portion of the assessment increase for each real property
78 parcel shall multiply the result of said subtraction by the factor
79 established in accordance with subsection (a) of this section, to
80 determine the rate of assessment that shall not be subject to such

81 phase-in; or

82 (3) The ratio of the total assessed value of all taxable real property in
83 each of the following property classes for the assessment year
84 preceding that in which a revaluation is effective and the total fair
85 market value of such property in each class as determined from
86 records of actual sales in said year, shall be subtracted from the rate of
87 assessment set forth in section 12-62a, and the annual incremental rate
88 of assessment increase applicable to all parcels of real property in each
89 such class shall be the result of such subtraction divided by the
90 number of years of the phase-in term, where such property classes are:
91 (A) Residential property; (B) commercial property, including
92 apartments containing five or more dwelling units, industrial property
93 and public utility property; and (C) vacant land. In the event the
94 assessor determines that there are no records of actual sales of real
95 property in any such property class in said year or that the number of
96 such actual sales is insufficient for purposes of determining a rate of
97 increase under this subdivision, the annual incremental rate of
98 assessment increase determined under subdivision (2) of this
99 subsection shall be used for said property class.

100 [(c) A town shall use one of the following methods to determine the
101 phase-in of real property assessment decreases or the phase-in of a
102 portion of such decreases resulting from the implementation of a
103 revaluation:

104 (1) The assessment of each parcel of real property in the effective
105 year of said revaluation shall be subtracted from the assessment of
106 each such parcel for the assessment year preceding that in which such
107 revaluation is effective, and the annual amount of incremental
108 assessment decrease for each such parcel shall be the total of such
109 subtraction divided by the number of years of the phase-in term,
110 provided if a town chooses to phase in a portion of the assessment
111 decrease for each real property parcel, the amount of such decrease
112 that is not subject to the phase-in shall not be reflected in said
113 calculation; or

114 (2) The rate of assessment set forth in section 12-62a shall be
115 subtracted from the ratio of the total assessed value of all taxable real
116 property for the assessment year preceding that in which a revaluation
117 is effective and the total fair market value of such property as
118 determined from records of actual sales in said year, and the annual
119 incremental rate of assessment decrease applicable to all parcels of real
120 property shall be the result of such subtraction divided by the number
121 of years of the phase-in term. Prior to determining such annual
122 incremental rate of assessment decrease, a town that chooses to phase
123 in a portion of the assessment decrease for each real property parcel
124 shall multiply the result of said subtraction by the factor established in
125 accordance with subsection (a) of this section, to determine the rate of
126 assessment that shall not be subject to such phase-in; or

127 (3) The rate of assessment set forth in section 12-62a shall be
128 subtracted from the ratio of the total assessed value of all taxable real
129 property in each of the following property classes for the assessment
130 year preceding that in which a revaluation is effective and the total fair
131 market value of such property in each class as determined from
132 records of actual sales in said year, and the annual incremental rate of
133 assessment decrease applicable to all parcels of real property in each
134 such class shall be the result of such subtraction divided by the
135 number of years of the phase-in term, where such property classes are:
136 (A) Residential property; (B) commercial property, including
137 apartments containing five or more dwelling units, industrial property
138 and public utility property; and (C) vacant land. In the event the
139 assessor determines that there are no records of actual sales of real
140 property in any such property class in said year or that the number of
141 such actual sales is insufficient for purposes of determining a rate of
142 decrease under this subdivision, the annual incremental rate of
143 assessment decrease determined under subdivision (2) of this
144 subsection shall be used for said property class.]

145 [(d)] (c) The assessment of any new construction that first becomes
146 subject to taxation pursuant to subdivision (1) of subsection (a) of
147 section 12-53a during an assessment year encompassed within the

148 term of a phase-in shall be determined in the same manner as the
 149 assessment of all other comparable real property in said assessment
 150 year, such that the total of incremental increases applicable to such
 151 other comparable real property are reflected in the assessment of such
 152 new construction prior to the proration of such assessment pursuant to
 153 section 12-53a.

154 [(e)] (d) Not later than thirty business days after the date a town's
 155 legislative body votes to phase in real property assessment increases
 156 [or decreases] resulting from such revaluation, or votes to discontinue
 157 such a phase-in, the chief executive officer of the town shall notify the
 158 Secretary of the Office of Policy and Management, in writing, of the
 159 action taken. Any chief executive officer failing to submit a notification
 160 to said secretary as required by this subsection, shall forfeit one
 161 hundred dollars to the state for each such failure.

162 Sec. 2. Section 12-81x of the general statutes is repealed and the
 163 following is substituted in lieu thereof (*Effective October 1, 2013*):

164 The legislative body of any municipality may establish, by
 165 ordinance, a program to abate all or a portion of the property taxes due
 166 with respect to real property owned and occupied as the principal
 167 residence of the surviving spouse of a police officer, [or] firefighter or
 168 emergency medical technician who dies while in the performance of
 169 such officer's, [or] firefighter's or technician's duties.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013, and applicable to assessment years commencing on or after October 1, 2013</i>	12-62c
Sec. 2	<i>October 1, 2013</i>	12-81x

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 14 \$	FY 15 \$
Various Municipalities	Grand List Reduction	None	See Below

Explanation

The bill 1) expands an optional tax abatement to include spouses of emergency medical technicians who die in the line of duty; and 2) prohibits a municipality from phasing in a property assessment decrease.

A municipality that chooses to offer tax abatement to spouses of emergency medical technicians killed in the line of duty would experience a grand list reduction, which will result in a loss of tax levy, given a constant mill rate.

Prohibiting a municipality from phasing in a property assessment decrease has no fiscal impact, as it changes the timing of a tax burden shift away from properties that have had the greatest decreases in value, to properties that have had smaller decreases in value.

House "A" expands an optional tax abatement to include spouses of emergency medical technicians who die in the line of duty, which results in the above identified fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to the number of people eligible for the property tax abatement and changes in municipal grand lists and mill rates.

OLR Bill Analysis**HB 6565 (as amended by House "A")******AN ACT ELIMINATING A TOWN'S ABILITY TO PHASE IN A REAL PROPERTY ASSESSMENT DECREASE.*****SUMMARY:**

This bill eliminates a municipality's authority to phase in all or part of the decreases in real property assessments after a property revaluation. PA 12-2, June 12 Special Session, gave municipalities the option to do so, using methods comparable to those the law allows for phasing in increases in property values.

The bill also extends a local option property tax abatement program for surviving spouses of police officers or firefighters killed in the line of duty to surviving spouses of emergency medical technicians killed in the line of duty. By law, municipalities may establish the program, by ordinance, to abate all or part of property taxes due on an eligible spouse's principal residence.

*House Amendment "A" adds the property tax abatement provision.

EFFECTIVE DATE: The revaluation phase-in provision is effective July 1, 2013, and applicable to assessment years beginning on or after that date; the property tax abatement provision is effective October 1, 2013.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 49 Nay 0 (04/12/2013)

Planning and Development Committee

Joint Favorable

Yea 17 Nay 1 (05/21/2013)