



General Assembly

Raised Bill No. 6565

January Session, 2013

LCO No. 3987



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT ELIMINATING A TOWN'S ABILITY TO PHASE IN A REAL PROPERTY ASSESSMENT DECREASE.

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 Section 12-62c of the general statutes is repealed and the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.

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

FIN *Joint Favorable*

PD *Joint Favorable*