



# OLR RESEARCH REPORT

April 4, 2013

2013-R-0208

## **PLANNING AND DEVELOPMENT COMMITTEE BILLS REFERRED TO THE FINANCE, REVENUE AND BONDING COMMITTEE**

By: Rute Pinho, Associate Analyst

You asked for brief summaries of the bills the Planning and Development Committee favorably reported to the Finance Committee.

### **sSB 693 – AN ACT CONCERNING TAX RELIEF FOR BUSINESSES AFFECTED BY MAJOR CONSTRUCTION ACTIVITIES**

This bill requires municipalities to abate the real and personal property taxes of any business whose operations are disrupted for at least six months due to certain state or municipal construction projects. The bill applies to state or municipal (1) sewer projects and (2) water supply system or road improvement, construction, or repair projects. The municipality must (1) calculate the abatement on a pro rata basis based on the project's term and (2) apply it to the business' tax levy for the assessment year or years in which the construction occurs.

The bill (1) requires the state to reimburse municipalities for the resulting revenue loss whenever a state agency undertakes such projects and (2) establishes an administrative process for issuing these payments.

EFFECTIVE DATE: October 1, 2013

## **SB 706 – AN ACT CONCERNING THE GOVERNING BOARD OF THE HARBOR POINT DISTRICT**

This bill staggers the terms of certain members of Stamford's Harbor Point special taxing district's board of directors.

It requires the district's four directors, elected by district voters at the first annual meeting held after July 1, 2013, to serve staggered terms, from one to four years. At each annual meeting thereafter, the directors must be elected to serve four-year terms.

EFFECTIVE DATE: July 1, 2013

## **sSB 965 – AN ACT CONCERNING CHANGES TO MUNICIPAL REVENUE COLLECTION STATUTES**

This bill makes numerous changes to the municipal tax collection statutes. Among other things, it:

1. allows special taxing districts and their treasurers to enforce tax liens like other municipalities (§ 2);
2. allows municipal officers and their agents to inspect, for tax collection purposes, commercial and financial information included in personal property tax declarations (§ 3);
3. requires municipalities to obtain the Office of Policy and Management secretary's approval before waiving taxes or interest assessed on certain people and businesses (§§ 6-8);
4. gives tax liens issued under a specific property tax deferral program precedence over any previously recorded mortgage on the property (§ 7);
5. allows tax collectors to deny a property tax refund if a taxpayer is delinquent in other taxes or has other debt (§ 10);
6. eliminates a requirement that tax collectors include, as part of tax bills, a statement of the year and amount of any back taxes due (§ 11);
7. eliminates various tax collector fees (§ 17);

8. modifies the order in which tax collectors must apply tax payments, giving priority to expenses incurred related to the tax and delinquency-related charges before the principal on the oldest outstanding tax (§ 20);
9. authorizes a municipality's legislative body to waive property taxes that total less than \$25 after they are due (§ 21);
10. makes all subsequent installments of a tax due and payable if the first installment becomes delinquent (§ 23);
11. modifies provisions on partial payments for a delinquent tax (§ 23);
12. allows municipalities and district health departments to withhold or revoke a business license or permit if the business owes taxes on any property, not just personal property, it owns or uses (§ 24);
13. allows a tax collector or his or her agent to sell a taxpayer's real or personal property without making a personal or written demand for the payment if the tax assessor, after making reasonable efforts, is unable to identify the owner or person responsible for the delinquent taxes or charges (§ 29);
14. allows a person to seek to stop a tax sale under the same process that currently applies to a person contesting the validity of a sale (§ 32);
15. reduces the period of time for contesting the validity of a collector's deed (§ 34);
16. explicitly bars tax collectors from (a) compromising or releasing any tax amount without legal authority to do so and (b) knowingly submitting a false report to remove a motor vehicle from the delinquent tax list (§§ 38-39);
17. allows a tax lien assignee to recover the municipality's expenses for preparing and recording the lien assignment, in addition to collection expenses and fees the law already allows them to recover (§ 41);
18. eliminates an obsolete requirement that tax collectors use duplicate records-receipt books (§ 43); and

19. makes other technical, minor, and conforming changes.

EFFECTIVE DATE: October 1, 2013, and applicable to assessment years starting on or after that date.

RP:car