



House of Representatives

General Assembly

File No. 508

February Session, 2014

Substitute House Bill No. 5581

House of Representatives, April 10, 2014

The Committee on Planning and Development reported through REP. ROJAS of the 9th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING SEWER ASSESSMENT APPEALS AND THE APPROVAL OF CERTAIN PROPERTY TAX EXEMPTIONS.

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

1 Section 1. Section 7-250 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2014*):

3 (a) No assessment shall be made until after a public hearing before
4 the water pollution control authority at which the owner of the
5 property to be assessed shall have an opportunity to be heard
6 concerning the proposed assessment. Notice of the time, place and
7 purpose of such hearing shall be published at least ten days before the
8 date thereof in a newspaper having a general circulation in the
9 municipality, and a copy of such notice shall be mailed to the owner of
10 any property to be affected thereby at such owner's address as shown
11 in the last-completed grand list of the municipality or at any later
12 address of which the water pollution control authority may have
13 knowledge. A copy of the proposed assessment shall be on file in the

14 office of the clerk of the municipality and available for inspection by
15 the public for at least ten days before the date of such hearing. When
16 the water pollution control authority has determined the amount of the
17 assessment to be levied, it shall file a copy thereof in the office of the
18 clerk of the municipality. Not later than five days after such filing, it
19 shall cause a copy of such assessment to be published in a newspaper
20 having a general circulation in the municipality, and it shall mail a
21 copy of such assessment to the owner of any property to be affected
22 thereby at such owner's address as shown in the last-completed grand
23 list of the municipality or at any later address of which the water
24 pollution control authority may have knowledge. Such publication and
25 mailing shall state the date on which such assessment was filed and
26 that any appeals from such assessment must be taken within twenty-
27 one days after such filing. [Any] Except as provided in subsection (b)
28 of this section, any person aggrieved by any assessment may appeal to
29 the superior court for the judicial district wherein the property is
30 located and shall bring any such appeal to a return day of said court
31 not less than twelve nor more than thirty days after service thereof and
32 such appeal shall be privileged in respect to its assignment for trial.
33 Said court may appoint a state referee to appraise the benefits to such
34 property and to make a report of his doings to the court. The judgment
35 of said court, either confirming or altering such assessment, shall be
36 final. No such appeal shall stay proceedings for the collection of the
37 particular assessment upon which the appeal is predicated but the
38 appellant shall be reimbursed for any overpayments made if, as a
39 result of such appeal, his assessment is reduced.

40 (b) Any municipality may, by ordinance, authorize the board of
41 assessment appeals established pursuant to section 9-199 to hear
42 appeals of assessments made under this section. Any such appeal shall
43 be taken not later than the date twenty-one days after the date on
44 which the assessment was filed. The ordinance shall provide the
45 process by which such appeal shall be filed, heard and decided. Any
46 person aggrieved by a decision of the board of assessment appeals
47 may appeal to the Superior Court not later than the date twenty-one
48 days after the date of the decision of the board of assessment appeals

49 in accordance with the provisions of subsection (a) of this section.

50 Sec. 2. Subdivision (76) of section 12-81 of the 2014 supplement to
51 the general statutes is repealed and the following is substituted in lieu
52 thereof (*Effective October 1, 2014, and applicable to assessment years*
53 *commencing on and after said date*):

54 (76) Effective for assessment years commencing on or after October
55 1, 2011, machinery and equipment, including machinery and
56 equipment used in connection with biotechnology. For purposes of
57 this subdivision, "machinery" and "equipment", and "biotechnology"
58 shall have the same meaning as in subdivision (72) of this section. Any
59 person claiming the exemption provided under this subdivision shall,
60 not later than November first, file a request with the assessor on a form
61 prescribed by such assessor. Such person shall not be eligible to claim
62 the exemption provided under subdivision (60) or (70) of this section
63 for the same machinery and equipment;

64 Sec. 3. Section 12-81k of the general statutes is repealed and the
65 following is substituted in lieu thereof (*Effective October 1, 2014*):

66 Whenever any person claiming the exemption from property tax
67 under the provisions of subdivisions (59), (60), (70), (72), [and] (74) and
68 (76) of section 12-81, as amended by this act, has failed to file a claim
69 with the assessor or board of assessors as required in said
70 subdivisions, the assessor or board of assessors, upon receipt of a
71 request from such person, may allow an extension of time until the
72 fifteenth day of December for the filing of such claim, provided
73 whenever an extension of time is so allowed, such person shall be
74 required to pay a fee for late filing to the municipality in which the
75 property, with respect to which such claim is submitted, is situated,
76 unless such fee is waived by the assessor or board of assessors. Said fee
77 shall be calculated as follows: If the assessed value of the property
78 with respect to which such claim is submitted is one hundred
79 thousand dollars or less, said fee shall be fifty dollars; if the assessed
80 value of the property with respect to which such claim is submitted is
81 greater than one hundred thousand dollars but less than two hundred

82 fifty thousand dollars, said fee shall be one hundred fifty dollars; if the
83 assessed value of the property with respect to which such claim is
84 submitted is equal to or greater than two hundred fifty thousand
85 dollars but less than five hundred thousand dollars, said fee shall be
86 two hundred fifty dollars; if the assessed value of the property with
87 respect to which such claim is submitted is equal to or greater than five
88 hundred thousand dollars, said fee shall be five hundred dollars. If any
89 person is granted an extension of the November first date for filing a
90 tax list in accordance with section 12-42, the date by which he shall be
91 required to claim an exemption under subdivision (59), (60), (70), (72)
92 or (74) of section 12-81 shall be automatically extended to the fifteenth
93 day of December and such person shall not be required to request an
94 extension of the filing date for such claim.

95 Sec. 4. Section 12-94e of the general statutes is repealed and the
96 following is substituted in lieu thereof (*Effective October 1, 2014*):

97 Whenever any person claiming the exemption from property tax
98 under the provisions of subdivision (59), (60), (70), (72), [or] (74) or (76)
99 of section 12-81, as amended by this act, has failed to file a claim with
100 the assessor or board of assessors as required in said subdivisions and
101 has further failed to apply for an extension of time under section 12-
102 81k, as amended by this act, the municipality, upon receipt of a request
103 from such person, may, by vote of its legislative body or, where the
104 legislative body is a town meeting, by a vote of its board of selectmen,
105 grant such exemption according to criteria established by the
106 municipality, including, but not limited to, allowing for any hardship
107 experienced by the person which may account for the failure to claim
108 the exemption or to file for an extension of time and whether the
109 exemption would provide a net benefit to economic development in
110 the municipality. No payment in lieu of tax under this chapter shall be
111 made with regard to any property exempted from tax under this
112 section.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2014</i>	7-250
Sec. 2	<i>October 1, 2014, and applicable to assessment years commencing on and after said date</i>	12-81(76)
Sec. 3	<i>October 1, 2014</i>	12-81k
Sec. 4	<i>October 1, 2014</i>	12-94e

PD *Joint Favorable Subst.*

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 15 \$	FY 16 \$
Various Municipalities	Revenue Gain/ Loss	None	Potential

Explanation

The bill allows municipalities to: 1) extend the deadline for filing for certain Manufacturing Machinery & Equipment exemptions to December 15, and impose a late fee; and 2) allows municipalities to vote to retroactively grant Manufacturing and Machinery Equipment exemptions to filers who miss the regular and extended deadlines.

These provisions result in: 1) a revenue gain to municipalities to the extent that municipalities grant extensions and impose late fees; and 2) a revenue loss to the extent that municipalities retroactively grant exemptions.

The bill also allows municipalities to adopt ordinances authorizing their Board of Assessment Appeals to hear appeals of municipal sewer benefit assessments. This would preclude the Superior Court from hearing such appeals. This has no fiscal impact to the state or municipalities.

As the bill is effective as of October, 2014, FY 16 is the first year any impact would be realized to municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis

sHB 5581

AN ACT CONCERNING SEWER ASSESSMENT APPEALS AND THE APPROVAL OF CERTAIN PROPERTY TAX EXEMPTIONS.

SUMMARY:

This bill allows municipalities to adopt an ordinance authorizing their boards of assessment appeals to hear appeals of municipal sewer system benefit assessments (i.e., sewer charges not related to a customer's usage). Under current law, anyone contesting a sewer benefit assessment must appeal directly to the Superior Court.

The bill requires owners claiming the property tax exemption for manufacturing or biotechnology machinery and equipment (MME) to annually file a request for the exemption by November 1. Current law for other machinery and equipment-related tax exemptions allows for filing deadline extensions and retroactive exemption approval. The bill extends these provisions to include the MME exemption. It also allows the board of selectman to grant retroactive exemptions if the local legislative body is a town meeting.

EFFECTIVE DATE: October 1, 2014. The MME exemption filing requirement is applicable to assessment years starting on or after October 1, 2014.

SEWER BENEFIT ASSESSMENT APPEALS

The bill allows municipalities to adopt ordinances authorizing their boards of assessment appeals to hear benefit assessment appeals related to a municipal sewer system. An appeal to the board must be made within 21 days after the assessment is filed in the town clerk's office. The ordinance must specify the process for filing, hearing, and deciding an appeal. Within 21 days after the board renders its decision, an aggrieved party may appeal the board's decision to the

Superior Court under the same process the court must otherwise use for these appeals.

In municipalities that do not adopt such an ordinance, anyone aggrieved by a sewer benefit assessment must appeal to the Superior Court, as under current law.

CLAIMING THE MME EXEMPTION

The bill requires owners claiming the MME exemption to apply to local assessors, on a form they prescribe, by November 1 annually.

Filing Extension

For certain other machinery and equipment-related tax exemptions with November 1 application deadlines, the law allows an assessor or board of assessors to extend the deadline to December 15, if an applicant requests it and pays a late fee. The bill extends this provision to also allow extensions for MME exemptions. Unless waived, the late fee is as follows:

<i>Assessed Value of Property</i>	<i>Fee</i>
\$100,000 or less	\$50
\$100,001 - \$249,999	\$150
\$250,000 - \$499,999	\$250
\$500,000 or more	\$500

Retroactive Exemption

The bill also extends to the MME exemption a law allowing a municipality, by vote of its legislative body, to grant certain retroactive machinery and equipment-related exemptions to an applicant who misses both the regular and extended filing deadlines. As is the case for these other exemptions, a municipality may set criteria for granting a retroactive MME exemption, including consideration of (1) a hardship that may account for the applicant's failure to meet the deadlines and (2) whether the exemption provides a net benefit to the municipality's economic development.

The bill additionally specifies that if the legislative body is a town meeting, the board of selectman can grant the retroactive exemption.

This provision is applicable to MME exemptions and exemptions for:

1. manufacturing or service facilities in distressed municipalities, targeted investment communities, enterprise zones, or airport development zones (CGS § 12-81(59));
2. machinery and equipment in such facilities (CGS § 12-81(60));
3. machinery and equipment used to upgrade a manufacturing process (CGS § 12-81(70));
4. machinery and equipment used in manufacturing, recycling, and biotechnology facilities (CGS § 12-81(72)); and
5. large commercial trucks (CGS § 12-81(74)).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/25/2014)