
OLR Bill Analysis

sHB 5055 (as amended by House "A")*

AN ACT ELIMINATING MUNICIPAL MANDATES.

SUMMARY:

This bill authorizes municipalities to delay a revaluation scheduled to be implemented in the 2013 or 2014 assessment year until, at the latest, the 2015 assessment year. It allows a similar delay for municipalities phasing in assessment increases from an earlier revaluation.

The bill (1) eliminates the requirement that municipalities pay to participate in the Department of Motor Vehicles' (DMV) delinquent property tax enforcement program and (2) requires municipalities participating in this program to report property tax delinquencies to DMV at least once a month.

The bill also repeals a requirement that municipalities annually report to the Connecticut Siting Council on the location, type, and height of existing telecommunications towers and existing and proposed antennae subject to local jurisdiction.

*House Amendment "A" (1) allows municipalities scheduled to implement a revaluation in the 2014 assessment year to delay it for one year; (2) makes the revaluation provisions effective upon passage; and (3) requires municipalities to report to DMV at least once a month, instead of between the first and 15th of each month.

EFFECTIVE DATE: Upon passage, except for the Connecticut Siting Council provision, which is effective July 1, 2014, and the DMV provision, which is effective July 1, 2015.

DELAYING REVALUATION OR PHASED-IN REVALUATION

The bill allows a municipality, by vote of its legislative body, to delay a revaluation scheduled to be implemented in the 2013 or 2014

assessment year until, at the latest, the 2015 assessment year. Municipalities opting to delay their 2013 or 2014 revaluations must implement their next revaluation within five years after the date the delayed revaluation takes effect (e.g., if a 2013 assessment year revaluation is delayed until the 2015 assessment year, the next revaluation must occur during or before the 2020 assessment year). The bill also allows a municipality in the process of a revaluation phase-in as of July 1, 2014, by vote of its legislative body, to suspend it until, at the latest, the 2015 assessment year. Presumably, the existing phase-in schedule for a municipality that adopts a one- or two-year suspension may resume after the suspension at the point where the suspension started.

The bill requires the assessor or board of assessors in a municipality that delays a revaluation or suspends a phase-in to prepare a revised grand list that reflects the assessments for the 2012 assessment year, subject only to changes in ownership, new construction, and demolitions. The assessor must send to the affected individual's last-known address, notice of (1) any increase in the valuation of real estate over its 2012 valuation or (2) for new real estate, the valuation that will appear on the 2013 grand list. The individual can appeal the increase or valuation during the next regular session of the board of assessment appeals at which appeals may be heard. The bill allows the individual or entity authorized by law to prepare rate bills in a municipality to prepare new rate bills.

DELINQUENT PROPERTY TAX ENFORCEMENT PROGRAM

DMV's delinquent property tax enforcement program prevents individuals with delinquent motor vehicle or snowmobile property taxes from registering a motor vehicle, snowmobile, all-terrain vehicle, or vessel. Under current law, to participate in this program, municipalities must (1) notify DMV when a taxpayer is delinquent on his or her motor vehicle or snowmobile property taxes and (2) pay annually their proportionate share, based on population, of the cost to administer the program. The bill eliminates the requirement that municipalities pay to participate.

The bill also specifies that municipal tax collectors must notify DMV of delinquent property taxes at least once a month. Under the bill, during a month in which a tax collector fails to provide this information, DMV is not required to deny registrations or registration renewals. By law, municipal tax collectors must immediately notify DMV when a taxpayer previously reported as delinquent is no longer delinquent (CGS § 14-33a).

BACKGROUND

Revaluation

The law requires municipalities to tax property based on its fair market value as of October 1 annually. Municipalities begin taxing property based on those values during the next fiscal year. For example, municipalities that revalued property as of October 1, 2012 had to tax it based on those values in the fiscal year beginning July 1, 2013.

Because market values change over time, the law requires municipalities to revalue all property at least once every five years. The law allows municipalities to phase-in some or all of an increase or decrease in a property's assessed value over a period of up to five years.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 15 Nay 0 (03/12/2014)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 41 Nay 9 (04/11/2014)