



# House of Representatives

General Assembly

**File No. 665**

January Session, 2015

Substitute House Bill No. 6953

*House of Representatives, April 16, 2015*

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT REQUIRING INFORMATION ON THE BIFURCATION OF MUNICIPAL TAX BILLS.**

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

1 Section 1. Section 12-130 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage and*  
3 *applicable to assessment years commencing on or after October 1, 2015*):

4 (a) When any community, authorized to raise money by taxation,  
5 lays a tax, it shall appoint a collector thereof; and the selectmen of  
6 towns, and the committees of other communities, except as otherwise  
7 specially provided by law, shall make out and sign rate bills containing  
8 the proportion which each individual is to pay according to the  
9 assessment list; and any judge of the Superior Court or any justice of  
10 the peace, on their application or that of their successors in office, shall  
11 issue a warrant for the collection of any sums due on such rate bills.  
12 Each collector shall mail or hand to each individual from whom taxes  
13 are due a bill for the amount of taxes for which such individual is

14 liable. In addition, the collector shall include with such bill, using one  
15 of the following methods (1) attachment, (2) enclosure, or (3) printed  
16 matter upon the face of the bill, a statement of: [state]

17 (A) State aid to municipalities, which shall be in the following form:

18 [The] "The (fiscal year) budget for the (city or town) estimates that  
19 ... Dollars will be received from the state of Connecticut for various  
20 state financed programs. Without this assistance your (fiscal year)  
21 property tax would be (herein insert the amount computed in  
22 accordance with subsection (b) of this section) [mills] mills", and

23 (B) The percentage and dollar amount of the total amount of taxes  
24 due under the bill attributable to the adopted (i) general government  
25 budgeted expenditures, and (ii) board of education budgeted  
26 expenditures. The sums of the percentages attributable to the general  
27 government and board of education budgeted expenditures shall equal  
28 one hundred per cent and such sums collectively shall equal the total  
29 dollar amount of taxes due under the bill. Such statement shall be in  
30 the following form:

31 "... per cent and ... dollars of the total amount of taxes due under  
32 this bill is attributable to general government budgeted expenditures  
33 and ... per cent and ... dollars of such total amount is attributable to  
34 board of education budgeted expenditures."

35 Failure to send out or receive any such bill or statement shall not  
36 invalidate the tax. For purposes of this subsection, "mail" includes to  
37 send by electronic mail, provided an individual from whom taxes are  
38 due consents in writing to receive a bill and statement electronically.  
39 Prior to sending any such bill or statement by electronic mail, a  
40 community shall provide the public with the appropriate electronic  
41 mail address of the community on the community's Internet web site  
42 and shall establish procedures to ensure that any individual who  
43 consents to receive a bill or statement electronically [(1)] (I) receives  
44 such bill or statement, and [(2)] (II) is provided the proper return  
45 electronic mail address of the community sending the bill or statement.

46 (b) The mill rate to be inserted in the statement of state aid to  
47 municipalities required by subsection (a) of this section shall be  
48 computed on the total estimated revenues required to fund the  
49 estimated expenditures of the municipality exclusive of assistance  
50 received or anticipated from the state.

51 Sec. 2. Section 7-344 of the general statutes is repealed and the  
52 following is substituted in lieu thereof (*Effective October 1, 2015, and*  
53 *applicable to assessment years commencing on and after October 1, 2015*):

54 Not less than two weeks before the annual town meeting, the board  
55 shall hold a public hearing, at which itemized estimates of the  
56 expenditures of the town for the ensuing fiscal year shall be presented  
57 and at which all persons shall be heard in regard to any appropriation  
58 which they are desirous that the board should recommend or reject.  
59 The board shall, after such public hearing, hold a public meeting at  
60 which it shall consider the estimates so presented and any other  
61 matters brought to its attention and shall thereupon prepare and cause  
62 to be published in a newspaper in such town, if any, otherwise in a  
63 newspaper having a substantial circulation in such town, a report in a  
64 form prescribed by the Secretary of the Office of Policy and  
65 Management containing: (1) An itemized statement of all actual  
66 receipts from all sources of such town during its last fiscal year; (2) an  
67 itemized statement by classification of all actual expenditures during  
68 the same year; (3) an itemized estimate of anticipated revenues during  
69 the ensuing fiscal year from each source other than from local property  
70 taxes and an estimate of the amount which should be raised by local  
71 property taxation for such ensuing fiscal year; (4) an itemized estimate  
72 of expenditures of such town for such ensuing fiscal year; [and] (5) the  
73 amount of revenue surplus or deficit of the town at the beginning of  
74 the fiscal year for which estimates are being prepared; (6) the  
75 percentage and dollar amount of the total estimated expenditures of  
76 the town for the ensuing fiscal year and the estimated mill rate  
77 attributable to the proposed general government budgeted  
78 expenditures; and (7) the percentage and dollar amount of the total  
79 estimated expenditures of the town for the ensuing fiscal year and the

80 estimated mill rate attributable to the proposed board of education  
81 budgeted expenditures provided any town which, according to the  
82 most recent federal census, has a population of less than five thousand  
83 may, by ordinance, waive such publication requirement, in which case  
84 the board shall provide for the printing or mimeographing of copies of  
85 such report in a number equal to ten per cent of the population of such  
86 town according to such federal census, which copies shall be available  
87 for distribution five days before the annual budget meeting of such  
88 town. The board shall submit such estimate with its recommendations  
89 to the annual town meeting next ensuing, and such meeting shall take  
90 action upon such estimate and recommendations, and make such  
91 specific appropriations as appear advisable, but no appropriation shall  
92 be made exceeding in amount that for the same purpose recommended  
93 by the board and no appropriation shall be made for any purpose not  
94 recommended by the board. Such estimate and recommendations may  
95 include, if submitted to a vote by voting tabulator, questions to  
96 indicate whether the budget is too high or too low. The vote on such  
97 questions shall be for advisory purposes only, and not binding upon  
98 the board. Immediately after the board of assessment appeals has  
99 finished its duties and the grand list has been completed, the board of  
100 finance shall meet and, with due provision for estimated uncollectible  
101 taxes, abatements and corrections, shall lay such tax on such list as  
102 shall be sufficient, in addition to the other estimated yearly income of  
103 such town and in addition to such revenue surplus, if any, as may be  
104 appropriated, not only to pay the expenses of the town for such  
105 current year, but also to absorb the revenue deficit of such town, if any,  
106 at the beginning of such current year. The board shall prescribe the  
107 method by which and the place where all records and books of  
108 accounts of the town, or of any department or subdivision thereof,  
109 shall be kept. The provisions of this section shall not be construed as  
110 preventing a town from making further appropriations upon the  
111 recommendation of its board of finance at a special town meeting held  
112 after the annual town meeting and prior to the laying of the tax for the  
113 current year, and any appropriations made at such special town  
114 meeting shall be included in the amount to be raised by the tax laid by

115 the board of finance under the provisions of this section.

116 Sec. 3. (NEW) (*Effective October 1, 2015, and applicable to assessment*  
 117 *years commencing on and after October 1, 2015*) Notwithstanding any  
 118 municipal charter, home rule ordinance or special act, a town that has  
 119 not established a board of finance pursuant to section 7-340 of the  
 120 general statutes shall, not less than two weeks before adopting a  
 121 budget, prepare and cause to be published in a newspaper in such  
 122 town, if any, otherwise in a newspaper having a substantial circulation  
 123 in such town, a report in a form prescribed by the Secretary of the  
 124 Office of Policy and Management, containing the percentage and  
 125 dollar amount of the total estimated expenditures of the town for the  
 126 ensuing fiscal year and the estimated mill rate attributable to the  
 127 proposed (1) general government budgeted expenditures, and (2)  
 128 board of education budgeted expenditures, if applicable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to assessment years commencing on or after October 1, 2015</i>	12-130
Sec. 2	<i>October 1, 2015, and applicable to assessment years commencing on and after October 1, 2015</i>	7-344
Sec. 3	<i>October 1, 2015, and applicable to assessment years commencing on and after October 1, 2015</i>	New section

**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:** None**Explanation**

The bill requires municipalities to provide taxpayers and residents with additional information about their town general government and educational expenditures and the property taxes levied to support those expenditures.

This has no fiscal impact, as the bill requires municipalities to provide this information in conjunction with other information municipalities are currently required to provide.

**The Out Years****State Impact:** None**Municipal Impact:** None

---

**OLR Bill Analysis**

**sHB 6953**

***AN ACT REQUIRING INFORMATION ON THE BIFURCATION OF MUNICIPAL TAX BILLS.***

**SUMMARY:**

This bill requires municipalities to provide taxpayers and residents with additional information about their general government and educational expenditures and the property taxes levied to support those expenditures.

The bill requires all municipal tax collectors to include a statement on property tax bills indicating the percentage and amount of the tax bill attributable to general government and board of education expenditures. It also generally requires municipalities to publish information on proposed general government and board of education expenditures, and the estimated mill rates attributed to them, before adopting their annual budgets.

The latter requirement applies to municipalities that operate (1) under the statutory budget publication requirement or (2) under a charter, home rule ordinance, or special act and do not have a board of finance. The bill does not address municipalities that have a board of finance, but operate under a charter, home rule ordinance, or special act that establishes a different budget adoption and publication requirement (see BACKGROUND).

**EFFECTIVE DATE:** October 1, 2015, except the provision concerning property tax bill statements is effective upon passage; all of the bill's provisions are applicable to assessment years beginning on and after October 1, 2015.

**PROPERTY TAX BILL STATEMENTS**

The bill requires municipal tax collectors to include, as part of property tax bills, a statement indicating the percentage and amount of the tax bill attributable to the municipality's budgeted expenditures for (1) general government and (2) board of education purposes. The sum of the percentages and amounts must equal 100% and the total amount of taxes due, respectively.

The statement must be in the following form:

"... per cent and ... dollars of the total amount of taxes due under this bill is attributable to general government budgeted expenditures and ... per cent and ... dollars of such total amount is attributable to board of education budgeted expenditures."

By law, failure to send out or receive a tax bill or statement does not invalidate the tax.

## **BUDGET REPORT**

### ***Municipalities Operating Under the Statutes***

By law, municipalities operating under the statutes must publish a report before their annual budget meeting providing specific information about the proposed budget. The bill expands the report's required contents to include the (1) percentage and amount of total expenditures attributed to the municipality's budgeted expenditures for general government and board of education purposes and (2) estimated mill rates attributed to such purposes.

By law, the municipality must publish the report (1) in a newspaper that is published in the town or that has substantial circulation there and (2) in a form the Office of Policy and Management (OPM) secretary prescribes. It must show:

1. an itemized statement of all actual receipts from all sources during the last fiscal year;
2. an itemized statement by classification of all actual expenditures during the same year;

3. an itemized estimate of anticipated revenues from each source, other than local property taxes, and an estimate of the amount that will be raised by local property taxes for the next fiscal year;
4. an itemized estimate of expenditures for the next fiscal year;
5. the amount of revenue surplus or deficit at the beginning of the fiscal year for which the estimates are being prepared;
6. actual receipts and expenditures for the year before the one in which the budget is being prepared;
7. estimated receipts and expenditures for the year in which the budget is being prepared and the subsequent fiscal year (CGS §§ 7-344 and 7-390).

By law, municipalities with fewer than 5,000 residents may, by ordinance, waive the publication requirement. In that case, the municipality's board of finance must print a number of copies of the report equal to 10% of the municipality's population and make them available five days before the annual budget meeting.

***Certain Municipalities Operating Under a Charter, Home Rule Ordinance, or Special Act***

The bill requires each municipality that has not established a board of finance according to the statute to publish a budget report indicating the (1) percentage and amount of total expenditures attributed to the municipality's budgeted expenditures for general government and board of education purposes and (2) estimated mill rates attributed to such purposes. The bill's requirement supersedes any local charter, home rule ordinance, or special act.

Municipalities must publish the budget report (1) at least two weeks prior to adopting their budgets, (2) in a newspaper published in the town or that has substantial circulation there, and (3) in a form the OPM secretary prescribes.

**BACKGROUND*****Budget Publication Requirements***

A municipality's existing budget publication requirement depends on whether it operates under (1) the statutes or (2) a charter, home rule ordinance, or special act.

Municipalities that operate under the statutes must follow the statutory provision requiring them to publish a budget report before their annual budget meeting, though those with fewer than 5,000 residents may waive the requirement (CGS §§ 7-344 and 7-390). In municipalities with a board of finance, the board itself must publish the report (CGS § 7-344). In municipalities without a board of finance, the selectmen or other budget-making authority must do so (CGS § 7-388).

Municipalities operating under a charter, home rule ordinance, or special act must follow the budget publication provisions in their charters, ordinances, or acts. These provisions may (1) incorporate the statutory budget publication requirements by reference or (2) establish their own requirements.

***Related Case***

In *Board of Education v. Naugatuck* (268 Conn. 295 (2004)), the state Supreme Court ruled that the statutory budget approval process in CGS § 7-344 does not apply to municipalities that have charter provisions addressing the budget adoption process. The court held that local budgetary policy is a matter of local, rather than statewide, concern and thus municipal charter provisions supersede statutory provisions on the same subject.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 1 (03/27/2015)