



House of Representatives

File No. 911

General Assembly

January Session, 2015

(Reprint of File No. 820)

Substitute House Bill No. 7060
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 28, 2015

AN ACT CONCERNING THE FAILURE TO FILE FOR CERTAIN TAX EXEMPTIONS, THE EXTENSION OF CERTAIN TAX CREDITS AND DEVELOPMENT PROGRAMS, EXEMPTIONS FROM CERTAIN FINANCIAL ASSISTANCE AND ADMISSIONS TAX REQUIREMENTS, AND VALIDATIONS.

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

1 Section 1. (*Effective July 1, 2015*) Notwithstanding the provisions of
2 subparagraph (B) of subdivision (72) of section 12-81 of the general
3 statutes, any person otherwise eligible for a 2014 grand list exemption
4 pursuant to said subdivision (72) in the town of Durham, except that
5 such person failed to file the required exemption application within
6 the time period prescribed, shall be regarded as having filed said
7 application in a timely manner if such person files said application not
8 later than thirty days after the effective date of this section, and pays
9 the late filing fee pursuant to section 12-81k of the general statutes.
10 Upon confirmation of the receipt of such fee and verification of the
11 exemption eligibility of the machinery and equipment included in such
12 application, the assessor shall approve the exemption for such
13 property. If taxes have been paid on the property for which such

14 exemption is approved, the town of Durham shall reimburse such
15 person in an amount equal to the amount by which such taxes exceed
16 the taxes payable if the application had been filed in a timely manner.

17 Sec. 2. (*Effective July 1, 2015*) Notwithstanding the provisions of
18 subparagraph (A) of subdivision (7) of section 12-81 of the general
19 statutes and section 12-87a of the general statutes, any person
20 otherwise eligible for a 2013 grand list exemption for all or part of the
21 assessment year pursuant to said subdivision (7) in the town of North
22 Branford, except that such person failed to file the required statement
23 within the time period prescribed, shall be regarded as having filed
24 such statement in a timely manner if such person files such statement
25 not later than thirty days after the effective date of this section and
26 pays the late filing fee pursuant to section 12-87a of the general
27 statutes. Upon confirmation of the receipt of such fee and verification
28 of the exemption eligibility of such property, the assessor shall
29 approve the exemption for such property. If taxes, interest or penalties
30 have been paid on the property for which such exemption is approved,
31 the town of North Branford shall reimburse such person in an amount
32 equal to the amount by which such taxes, interest and penalties exceed
33 any taxes payable if the statement had been filed in a timely manner.

34 Sec. 3. (*Effective July 1, 2015*) Notwithstanding the provisions of
35 subparagraph (B) of subdivision (72) of section 12-81 of the general
36 statutes, any person otherwise eligible for a 2014 grand list exemption
37 pursuant to said subdivision (72) in the town of Windsor, except that
38 such person failed to file the required exemption application within
39 the time period prescribed, shall be regarded as having filed said
40 application in a timely manner if such person files said application not
41 later than thirty days after the effective date of this section, and pays
42 the late filing fee pursuant to section 12-81k of the general statutes.
43 Upon confirmation of the receipt of such fee and verification of the
44 exemption eligibility of the machinery and equipment included in such
45 application, the assessor shall approve the exemption for such
46 property. If taxes have been paid on the property for which such
47 exemption is approved, the town of Windsor shall reimburse such

48 person in an amount equal to the amount by which such taxes exceed
49 the taxes payable if the application had been filed in a timely manner.

50 Sec. 4. (*Effective July 1, 2015*) Notwithstanding the provisions of
51 subparagraph (B) of subdivision (72) of section 12-81 of the general
52 statutes, any person otherwise eligible for a 2013 or a 2014 grand list
53 exemption pursuant to said subdivision (72) in the city of New Haven,
54 except that such person failed to file the required exemption
55 application within the time period prescribed, shall be regarded as
56 having filed said application in a timely manner if such person files
57 said application not later than thirty days after the effective date of this
58 section, and pays the late filing fee pursuant to section 12-81k of the
59 general statutes. Upon confirmation of the receipt of such fee and
60 verification of the exemption eligibility of the machinery and
61 equipment included in such application, the assessor shall approve the
62 exemption for such property. If taxes have been paid on the property
63 for which such exemption is approved, the city of New Haven shall
64 reimburse such person in an amount equal to the amount by which
65 such taxes exceed the taxes payable if the application had been filed in
66 a timely manner.

67 Sec. 5. (*Effective July 1, 2015*) Notwithstanding the provisions of
68 subdivision (76) of section 12-81 of the general statutes, any person
69 otherwise eligible for a 2013 grand list exemption pursuant to said
70 subdivision (76) in the city of New Haven, except that such person
71 failed to file the required personal property declarations within the
72 time period prescribed, shall be regarded as having filed such
73 declarations in a timely manner if such person files such declarations
74 not later than thirty days after the effective date of this section. Upon
75 verification of the exemption eligibility of the machinery and
76 equipment included in such declarations, the assessor shall approve
77 the exemptions for such property. If taxes have been paid on the
78 property for which such exemptions are approved, the city of New
79 Haven shall reimburse such person in an amount equal to the amount
80 by which such taxes exceed the taxes payable if the declarations had
81 been filed in a timely manner.

82 Sec. 6. (*Effective July 1, 2015*) Notwithstanding the provisions of
83 subparagraph (B) of subdivision (74) of section 12-81 of the general
84 statutes, any person otherwise eligible for a 2014 grand list exemption
85 pursuant to said subdivision (74) in the city of Hartford, except that
86 such person failed to file the required exemption applications within
87 the time period prescribed, shall be regarded as having filed said
88 applications in a timely manner if such person files said applications
89 not later than thirty days after the effective date of this section and
90 pays the late filing fees pursuant to section 12-81k of the general
91 statutes. Upon confirmation of the receipt of such fees and verification
92 of the exemption eligibility of the vehicle included in such
93 applications, the assessor shall approve the exemptions for such
94 property. If taxes have been paid on the property for which such
95 exemptions are approved, the city of Hartford shall reimburse such
96 person in an amount equal to the amount by which such taxes exceed
97 the taxes payable if the applications had been filed in a timely manner.

98 Sec. 7. Section 12-63h of the general statutes is repealed and the
99 following is substituted in lieu thereof (*Effective from passage*):

100 (a) The Secretary of the Office of Policy and Management shall
101 establish a pilot program in up to three municipalities whereby the
102 selected municipalities shall develop a plan for implementation of land
103 value taxation that (1) classifies real estate included in the taxable
104 grand list as (A) land or land exclusive of buildings, or (B) buildings on
105 land; and (2) establishes a different mill rate for property tax purposes
106 for each class, provided the higher mill rate shall apply to land or land
107 exclusive of buildings. The different mill rates for taxable real estate in
108 each class shall not be applicable to any property for which a grant is
109 payable under section 12-19a or 12-20a.

110 (b) The secretary shall establish an application procedure and any
111 other criteria for the program and shall send a copy of such application
112 procedure and any other criteria to the joint standing committee of the
113 General Assembly having cognizance of matters relating to planning
114 and development. The secretary shall not select a municipality for the

115 pilot program unless the legislative body of the municipality has
116 approved the application. The secretary shall send a notice of selection
117 for the pilot program to the chief executive officer of the municipality
118 and to the joint standing committee of the General Assembly having
119 cognizance of matters relating to planning and development.

120 (c) After receipt of the notice of selection provided by the Secretary
121 of the Office of Policy and Management pursuant to subsection (b) of
122 this section, the chief elected official of such municipality shall appoint
123 a committee consisting of (1) a representative of the legislative body of
124 the municipality or where the legislative body is the town meeting, a
125 representative of the board of selectmen; (2) a representative from the
126 business community; (3) a land use attorney; and (4) relevant
127 taxpayers and stakeholders. Such committee shall prepare a plan for
128 implementation of land value taxation. Such plan shall (A) provide a
129 process for implementation of differentiated tax rates; (B) designate
130 geographic areas of the municipality where the differentiated rates
131 shall be applied; and (C) identify legal and administrative issues
132 affecting the implementation of the plan. The chief executive officer,
133 the chief elected official, the assessor and the tax collector of the
134 municipality shall have an opportunity to review and comment on the
135 plan. On or before December 31, [2014] 2015, and upon approval of the
136 plan by the legislative body, the plan shall be submitted to the joint
137 standing committees of the General Assembly having cognizance of
138 matters relating to planning and development, finance, revenue and
139 bonding and commerce. Any municipality that has previously applied
140 for and participated in the pilot program established pursuant to this
141 section shall be ineligible for subsequent selection to participate in the
142 pilot program.

143 Sec. 8. Section 32-462b of the general statutes is repealed and the
144 following is substituted in lieu thereof (*Effective from passage*):

145 In accordance with the provisions of section 32-462, during the
146 period commencing January 1, 2010, and ending June 30, [2015] 2020,
147 any agency, as defined in section 32-462, may provide financial

148 assistance from existing programs to the Steel Point project for the
149 purposes of development and improvements to property in the city of
150 Bridgeport, in said time period, in an aggregate amount not to exceed
151 forty million dollars.

152 Sec. 9. Subsection (o) of section 2 of public act 05-289, as amended
153 by section 2 of public act 12-144, is repealed and the following is
154 substituted in lieu thereof (*Effective from passage*):

155 (o) At the option of the city of Bridgeport by vote of the city council
156 of the city of Bridgeport, the district shall be merged into the city of
157 Bridgeport if no bonds are issued by the district not later than [ten]
158 fifteen years after July 1, 2005, or after the bonds authorized by this
159 section are no longer outstanding and any property which is owned by
160 the district shall be distributed to the city of Bridgeport.

161 Sec. 10. (*Effective July 1, 2015*) The limitations set forth in subdivision
162 (1) of subsection (b) of section 32-462 of the general statutes shall not
163 apply to any financial assistance, as defined in subsection (a) of section
164 32-462 of the general statutes, awarded to a mixed use development
165 project prior to July 1, 2020, or to fund any infrastructure
166 improvements related to such project, if such project contains at least
167 two hundred thousand square feet of retail and entertainment space
168 within the area of the city of West Haven south of the New England
169 Thruway and east of First Avenue.

170 Sec. 11. Section 12-541 of the general statutes is repealed and the
171 following is substituted in lieu thereof (*Effective July 1, 2015*):

172 (a) There is hereby imposed a tax of ten per cent of the admission
173 charge to any place of amusement, entertainment or recreation, except
174 that no tax shall be imposed with respect to any admission charge (1)
175 when the admission charge is less than one dollar or, in the case of any
176 motion picture show, when the admission charge is not more than five
177 dollars, (2) when a daily admission charge is imposed which entitles
178 the patron to participate in an athletic or sporting activity, (3) to any
179 event, other than events held at the stadium facility, as defined in

180 section 32-651, if all of the proceeds from the event inure exclusively to
181 an entity which is exempt from federal income tax under the Internal
182 Revenue Code, provided such entity actively engages in and assumes
183 the financial risk associated with the presentation of such event, (4) to
184 any event, other than events held at the stadium facility, as defined in
185 section 32-651, which, in the opinion of the commissioner, is conducted
186 primarily to raise funds for an entity which is exempt from federal
187 income tax under the Internal Revenue Code, provided the
188 commissioner is satisfied that the net profit which inures to such entity
189 from such event will exceed the amount of the admissions tax which,
190 but for this subdivision, would be imposed upon the person making
191 such charge to such event, (5) other than for events held at the stadium
192 facility, as defined in section 32-651, paid by centers of service for
193 elderly persons, as described in subdivision (d) of section 17a-310, (6)
194 to any production featuring live performances by actors or musicians
195 presented at Gateway's Candlewood Playhouse, Ocean Beach Park or
196 any nonprofit theater or playhouse in the state, provided such theater
197 or playhouse possesses evidence confirming exemption from federal
198 tax under Section 501 of the Internal Revenue Code, (7) to any carnival
199 or amusement ride, (8) to any interscholastic athletic event held at the
200 stadium facility, as defined in section 32-651, (9) if the admission
201 charge would have been subject to tax under the provisions of section
202 12-542 of the general statutes, revision of 1958, revised to January 1,
203 1999, [or] (10) to any event at (A) the XL Center in Hartford, or (B) the
204 Webster Bank Arena in Bridgeport, or (11) from July 1, 2015, to June 30,
205 2017, to any athletic event presented by a member team of the Atlantic
206 League of Professional Baseball at the Ballpark at Harbor Yard in
207 Bridgeport. On and after July 1, 2000, the tax imposed under this
208 section on any motion picture show shall be eight per cent of the
209 admission charge and, on and after July 1, 2001, the tax imposed on
210 any such motion picture show shall be six per cent of such charge.

211 (b) The tax shall be imposed upon the person making such charge
212 and reimbursement for the tax shall be collected by such person from
213 the purchase. Such reimbursement, termed "tax", shall be paid by the

214 purchaser to the person making the admission charge. Such tax, when
 215 added to the admission charge, shall be a debt from the purchaser to
 216 the person making the admission charge and shall be recoverable at
 217 law. The amount of tax reimbursement, when so collected, shall be
 218 deemed to be a special fund in trust for the state of Connecticut.

219 Sec. 12. (*Effective from passage*) Any and all actions of the registrars of
 220 voters of the town of Bozrah, or the deputy, assistant or special
 221 assistant registrars of voters of the town of Bozrah, taken between
 222 January 7, 2015, and the effective date of this section, otherwise valid
 223 except that the registrars of voters or deputy, assistant or special
 224 assistant registrars of voters performing such actions were not
 225 properly appointed pursuant to section 9-192 of the general statutes,
 226 are validated.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	New section
Sec. 2	<i>July 1, 2015</i>	New section
Sec. 3	<i>July 1, 2015</i>	New section
Sec. 4	<i>July 1, 2015</i>	New section
Sec. 5	<i>July 1, 2015</i>	New section
Sec. 6	<i>July 1, 2015</i>	New section
Sec. 7	<i>from passage</i>	12-63h
Sec. 8	<i>from passage</i>	32-462b
Sec. 9	<i>from passage</i>	PA 05-289, Sec. 2(o)
Sec. 10	<i>July 1, 2015</i>	New section
Sec. 11	<i>July 1, 2015</i>	12-541
Sec. 12	<i>from passage</i>	New section

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:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Department of Revenue Services	GF - Revenue Loss	350,000	350,000
Various	GF - Cost	Potential	Potential

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 16 \$	FY 17 \$
Various Municipalities	Cost	Potential	None

Explanation

The bill establishes an Admissions Tax exemption, limited to FY 16 and FY 17 only, for athletic events held at the Ballpark at Harbor Yard. This results in an estimated revenue loss of \$350,000 in each of FY 16 and FY 17.

The bill also allows taxpayers in Hartford, New Haven, Durham, North Branford and Windsor who would have been eligible for certain tax exemptions, if they had not missed the deadline to file a claim, to receive such exemptions.

These exemptions are based on past grand lists, for which taxes have already been levied. Due to this, the bill results in either a revenue loss to affected municipalities or a cost to reimburse taxpayers for taxes that have already been paid.

The bill removes a limit, for certain projects in the Town of West Haven, on financial assistance from the state for economic development projects. To the extent that this increases the amount of

funding the state provides for such projects, there is a cost.

The bill expands certain deadlines relating to: 1) a land value taxation pilot program; and 2) the Steel Point Taxation District and certain economic development projects in Bridgeport. These changes have no fiscal impact.

The bill also validates certain actions by officials from the registrars of voters by the town of Bozrah occurring after January 7, 2015. This has no fiscal impact.

House "A" strikes the underlying bill and results in the above identified fiscal impact.

The Out Years

The annualized, ongoing fiscal impact identified above continues into the future subject to inflation.

OLR Bill Analysis**sHB 7060 (as amended by House "A")******AN ACT CONCERNING THE FAILURE TO FILE FOR CERTAIN TAX EXEMPTIONS, THE EXTENSION OF CERTAIN TAX CREDITS AND DEVELOPMENT PROGRAMS, AND EXEMPTIONS FROM CERTAIN FINANCIAL ASSISTANCE AND ADMISSIONS TAX REQUIREMENTS.*****SUMMARY:**

This bill exempts:

1. from the admissions tax Atlantic League professional baseball games played at Bridgeport's Harbor Yard Ballpark from July 1, 2015 to June 30, 2017 (§ 11) and
2. state economic development funds awarded before July 1, 2020 to a West Haven project or related infrastructure from the law requiring legislative approval when total project funding exceeds \$10 million (§ 10).

The bill extends the statutory deadlines for:

1. Bridgeport's Steel Point Special Taxing District to obtain state funds and issue bonds to finance infrastructure improvements (§§ 8 & 9),
2. taxpayers in specified towns to file claims for certain property tax exemptions (§§ 1-6), and
3. municipalities participating in the Land Value Taxation Pilot Program to submit implementation plans to specified legislative committees (§ 7).

Lastly, the bill limits the number of times municipalities may

participate in the pilot program and validates the actions Bozrah's registrar of voters and deputy, assistant, or special assistant registrars of voters took between January 7, 2015 and the bill's passage. The validation applies only to acts that were otherwise valid except for the fact that these officials were not appointed as the statutes require (CGS § 9-192) (§ 12).

*House Amendment "A" (1) gives taxpayers in more municipalities more time to file for specified property tax exemptions, (2) changes the effective date of these extensions in Durham, North Branford, and Windsor from upon passage to July 1, 2015, (3) allows municipalities to participate only once in the Land Value Pilot Program, (4) exempts from legislative approval state assistance awarded before July 1, 2020 to a West Haven mixed use project, and (5) adds the provision validating the Bozrah registrars' actions.

EFFECTIVE DATE: July 1, 2015, except that the Bozrah validation and the deadline extensions for the land value pilot program and Steel Point Special Taxing District take effect upon passage.

§ 10 — WEST HAVEN MIXED USE PROJECT

The bill exempts state economic development financial assistance for a West Haven mixed-use project or related infrastructure improvements from the law requiring legislative approval for such assistance above a specified threshold. The project must be located south of the New England Thruway and east of First Avenue and have at least 200,000 square feet of retail and entertainment space. The exemption applies only to assistance awarded before July 1, 2020.

By law, the Department of Economic and Community Development (DECD) and Connecticut Innovations, Inc. (CII) must obtain such approval for assistance totaling over \$10 million in two years for economic development projects (CGS § 32-462(b)).

§§ 8 & 9 — STEEL POINT SPECIAL TAXING DISTRICT

The bill gives Bridgeport's Steel Point Special Taxing District five

additional years to obtain funds for making public improvements. It extends, from June 30, 2015 to June 30, 2020, the deadline by which DECD and CII may provide up to \$40 million in financial assistance under their existing programs to develop and improve property in Bridgeport.

The bill also gives the district more time to issue its own bonds for these purposes before Bridgeport's city council may vote to merge the district with the city. Current law allows the council to do so if the district fails to issue bonds by July 1, 2015. The bill extends this deadline to July 1, 2020.

§§ 1-6 — FILING DEADLINES FOR CERTAIN PROPERTY TAX EXEMPTIONS

Pre 2011 Machinery and Equipment Tax Exemption

By law, machinery and equipment that was newly acquired before 2011 qualifies for the statutory five-year property tax exemption (CGS § 12-81 (72)). The exemption applies to machinery and equipment used for manufacturing, biotechnology, and recycling, and taxpayers must annually file for it by November 1.

The bill allows taxpayers in Durham, New Haven, and Windsor to claim this exemption for machinery and equipment on specified grand lists even though they missed the mandatory November 1 filing deadline (CGS § 12-81(72)). The Durham and Windsor taxpayers may claim the exemption for such property on the October 1, 2014 grand list and the New Haven taxpayer may claim it for such property on the October 2013 or October 2014 grand lists.

The bill waives this deadline if the taxpayers file for the exemption by July 31, 2015 and pay the statutory late fee. In each case, the local tax assessor must verify the property's eligibility for the exemption and approve it, and the municipality must refund any taxes paid on the machinery and equipment if the application was filed in a timely manner. (Property on the October 1, 2013 grand list is taxed during FY 15; property on the October 1, 2014 grand list is taxed in FY 16.)

Post 2011 Machinery and Equipment Tax Exemption

Beginning with the October 1, 2011 grand list year, the law permanently exempts from the property tax machinery and equipment used for manufacturing, biotechnology, and recycling regardless of when it was acquired (CGS § 12-81 (76)). But taxpayers must still include this property in their annual personal property declarations, which they must submit to their assessors by November 1. The bill allows taxpayers in New Haven to claim this exemption for machinery and equipment on the October 1, 2013 grand list even though they missed the mandatory November 1 filing deadline.

The bill waives this deadline if the taxpayers file their declarations by July 31, 2015 and pay the statutory late fee. The city's assessor must verify the property's eligibility for the exemption and approve it, and the city must refund any taxes paid on the property if the declaration was filed in a timely manner.

New Commercial Vehicles Tax Exemption

By law, taxpayers eligible for the statutory property tax exemption for specific types of new commercial motor vehicles must also file for this exemption by November 1 (CGS § 12-81 (74)). The bill allows taxpayers in Hartford to claim this exemption for eligible motor vehicles on the 2014 grand list even though they missed the mandatory November 1, 2014 filing deadline.

The bill waives the deadline if the taxpayers file for the exemption by July 31, 2015 and pay the statutory late fee. Hartford's assessor must verify the taxpayers' eligibility for the exemption and approve it, and the city must refund any taxes paid on the vehicles if the application was filed in a timely manner.

Nonprofit Property Tax Exemption

By law, property owners eligible for the statutory property tax exemption for land and buildings owned by nonprofit organizations must file quadrennially for this exemption by November 1 (CGS § 12-81 (7)). The bill allows a nonprofit organization in North Branford to

claim the exemption for property on the 2013 grand list even though it missed this statutory filing deadline.

The nonprofit must file for the exemption by July 31, 2015 and pay the statutory late fee. The town’s assessor must verify the organization’s eligibility and approve the exemption. The town must refund any taxes, interest, and penalties paid on the property.

§ 7 — LAND VALUE TAXATION PILOT PROGRAM

The bill gives municipalities more time to comply with one of the procedural requirements for participating in the Land Value Taxation Pilot Program, under which they can tax land at a higher rate than buildings instead of taxing both at the same rate.

Municipalities that want to impose the higher land tax may do so only by participating in the pilot program. They must apply to the Office of Policy and Management, which may accept up to three municipalities into the program. These municipalities must prepare plans for assessing the tax and submit them to their legislative bodies for approval. They must also submit the approved plans to the Commerce; Planning and Development; and Finance, Revenue and Bonding committees. The bill extends, from December 31, 2014 to December 31, 2015, the deadline for submitting the plans to these committees.

The bill allows municipalities to participate in the pilot program only once, making those selected for the program ineligible for subsequent selection. By law, a participating municipality may limit the land value tax to areas designated in its plan for implementing this tax. Under the bill, it cannot reapply to the program for designating other areas.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 38 Nay 9 (04/30/2015)