



# House of Representatives

General Assembly

**File No. 652**

*January Session, 2015*

Substitute House Bill No. 6945

*House of Representatives, April 15, 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 CONCERNING ATTORNEY FEE AGREEMENTS IN MUNICIPAL TAX APPEALS.**

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

1 Section 1. Section 12-117a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) Any person, including any lessee of real property whose lease  
4 has been recorded as provided in section 47-19 and who is bound  
5 under the terms of his lease to pay real property taxes, claiming to be  
6 aggrieved by the action of the board of tax review or the board of  
7 assessment appeals, as the case may be, in any town or city may,  
8 within two months from the date of the mailing of notice of such  
9 action, make application, in the nature of an appeal therefrom, with  
10 respect to the assessment list for the assessment year commencing  
11 October 1, 1989, October 1, 1990, October 1, 1991, October 1, 1992,  
12 October 1, 1993, October 1, 1994, or October 1, 1995, and with respect  
13 to the assessment list for assessment years thereafter, to the superior

14 court for the judicial district in which such town or city is situated,  
15 which shall be accompanied by a citation to such town or city to  
16 appear before said court. Such citation shall be signed by the same  
17 authority and such appeal shall be returnable at the same time and  
18 served and returned in the same manner as is required in case of a  
19 summons in a civil action. The authority issuing the citation shall take  
20 from the applicant a bond or recognizance to such town or city, with  
21 surety, to prosecute the application to effect and to comply with and  
22 conform to the orders and decrees of the court in the premises. Any  
23 such application shall be a preferred case, to be heard, unless good  
24 cause appears to the contrary, at the first session, by the court or by a  
25 committee appointed by the court. The pendency of such application  
26 shall not suspend an action by such town or city to collect not more  
27 than seventy-five per cent of the tax so assessed or not more than  
28 ninety per cent of such tax with respect to any real property for which  
29 the assessed value is five hundred thousand dollars or more, and upon  
30 which such appeal is taken. If, during the pendency of such appeal, a  
31 new assessment year begins, the applicant may amend his application  
32 as to any matter therein, including an appeal for such new year, which  
33 is affected by the inception of such new year and such applicant need  
34 not appear before the board of tax review or board of assessment  
35 appeals, as the case may be, to make such amendment effective. The  
36 court shall have power to grant such relief as to justice and equity  
37 appertains, upon such terms and in such manner and form as appear  
38 equitable, and, if the application appears to have been made without  
39 probable cause, may tax double or triple costs, as the case appears to  
40 demand; and, upon all such applications, costs may be taxed at the  
41 discretion of the court. If the assessment made by the board of tax  
42 review or board of assessment appeals, as the case may be, is reduced  
43 by said court, the applicant shall be reimbursed by the town or city for  
44 any overpayment of taxes, together with interest and any costs  
45 awarded by the court, or, at the applicant's option, shall be granted a  
46 tax credit for such overpayment, interest and any costs awarded by the  
47 court. Upon motion, said court shall, in event of such overpayment,  
48 enter judgment in favor of such applicant and against such city or

49 town for the whole amount of such overpayment, less any lien  
50 recording fees incurred under sections 7-34a and 12-176, together with  
51 interest and any costs awarded by the court. The amount to which the  
52 assessment is so reduced shall be the assessed value of such property  
53 on the grand lists for succeeding years until the tax assessor finds that  
54 the value of the applicant's property has increased or decreased.

55 (b) A contingency fee agreement between an attorney and an  
56 applicant is prohibited in any appeal brought pursuant to this section  
57 where the property that is the subject of the appeal is commercially  
58 used property having an assessed value of five hundred thousand  
59 dollars or more.

60 Sec. 2. Section 12-119 of the general statutes is repealed and the  
61 following is substituted in lieu thereof (*Effective October 1, 2015*):

62 (a) When it is claimed that a tax has been laid on property not  
63 taxable in the town or city in whose tax list such property was set, or  
64 that a tax laid on property was computed on an assessment which,  
65 under all the circumstances, was manifestly excessive and could not  
66 have been arrived at except by disregarding the provisions of the  
67 statutes for determining the valuation of such property, the owner  
68 thereof or any lessee thereof whose lease has been recorded as  
69 provided in section 47-19 and who is bound under the terms of his  
70 lease to pay real property taxes, prior to the payment of such tax, may,  
71 in addition to the other remedies provided by law, make application  
72 for relief to the superior court for the judicial district in which such  
73 town or city is situated. Such application may be made within one year  
74 from the date as of which the property was last evaluated for purposes  
75 of taxation and shall be served and returned in the same manner as is  
76 required in the case of a summons in a civil action, and the pendency  
77 of such application shall not suspend action upon the tax against the  
78 applicant. In all such actions, the Superior Court shall have power to  
79 grant such relief upon such terms and in such manner and form as to  
80 justice and equity appertains, and costs may be taxed at the discretion  
81 of the court. If such assessment is reduced by said court, the applicant

82 shall be reimbursed by the town or city for any overpayment of taxes  
83 in accordance with the judgment of said court.

84 (b) A contingency fee agreement between an attorney and an  
85 applicant is prohibited in any appeal brought pursuant to this section  
86 where the property that is the subject of the appeal is commercially  
87 used property having an assessed value of five hundred thousand  
88 dollars or more.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	12-117a
Sec. 2	October 1, 2015	12-119

**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.

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**OFA Fiscal Note****State Impact:** None**Municipal Impact:** None**Explanation**

The bill prohibits attorneys from entering into contingency fee arrangements with property owners for certain property assessment appeals in Superior Court.

The bill has no fiscal impact, as it is not expected to significantly reduce the number of assessment appeals in any municipality.

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

**OLR Bill Analysis****sHB 6945*****AN ACT CONCERNING ATTORNEY FEE AGREEMENTS IN MUNICIPAL TAX APPEALS.*****SUMMARY:**

This bill prohibits attorneys from entering into contingency fee arrangements (i.e., a fee payable only if there is a favorable result) with property owners or lessors pursuing certain appeals in Superior Court concerning real property assessments for commercially used properties assessed at \$500,000 or more. The prohibition applies to appeals made by a taxpayer:

1. aggrieved by a decision of the board of tax review or assessment appeals;
2. following a board's decision not to hear an appeal concerning commercial, industrial, utility, or apartment property assessed at over \$1 million; or
3. alleging an illegal tax.

By law, a tax is illegal if it taxes nontaxable property or is based on a manifestly excessive assessment (see BACKGROUND).

EFFECTIVE DATE: October 1, 2015

**BACKGROUND*****Appealing Assessments***

Property owners can appeal their assessment to a municipality's board of tax review or assessment appeals. The appeals board must hold a hearing on each appeal, except for those for commercial, industrial, utility, or apartment properties assessed at over \$1 million. A taxpayer aggrieved by an appeals board's decision can appeal to

Superior Court (CGS § 12-117a).

There are two circumstances under which a taxpayer can appeal directly to Superior Court:

1. when the appeals board declines to hear an appeal on commercial, industrial, utility, or apartment properties assessed at over \$1 million (CGS § 12-111) and
2. when the taxpayer alleges that the tax was (a) assessed on property not subject to tax or (b) “computed on an assessment which, under all circumstances, was manifestly excessive and could not have been arrived at except by disregarding the provisions of the statutes for determining the valuation of such property” (CGS § 12-119).

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 2 (03/27/2015)