



# House of Representatives

General Assembly

**File No. 820**

January Session, 2015

Substitute House Bill No. 7060

*House of Representatives, May 14, 2015*

The Committee on Finance, Revenue and Bonding reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***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.***

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

1 Section 1. (*Effective from passage*) 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 from passage*) 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 from passage*) 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. Section 12-63h of the general statutes is repealed and the  
51 following is substituted in lieu thereof (*Effective from passage*):

52 (a) The Secretary of the Office of Policy and Management shall  
53 establish a pilot program in up to three municipalities whereby the  
54 selected municipalities shall develop a plan for implementation of land  
55 value taxation that (1) classifies real estate included in the taxable  
56 grand list as (A) land or land exclusive of buildings, or (B) buildings on  
57 land; and (2) establishes a different mill rate for property tax purposes  
58 for each class, provided the higher mill rate shall apply to land or land  
59 exclusive of buildings. The different mill rates for taxable real estate in  
60 each class shall not be applicable to any property for which a grant is  
61 payable under section 12-19a or 12-20a.

62 (b) The secretary shall establish an application procedure and any  
63 other criteria for the program and shall send a copy of such application  
64 procedure and any other criteria to the joint standing committee of the  
65 General Assembly having cognizance of matters relating to planning  
66 and development. The secretary shall not select a municipality for the  
67 pilot program unless the legislative body of the municipality has  
68 approved the application. The secretary shall send a notice of selection  
69 for the pilot program to the chief executive officer of the municipality  
70 and to the joint standing committee of the General Assembly having  
71 cognizance of matters relating to planning and development.

72 (c) After receipt of the notice of selection provided by the Secretary  
73 of the Office of Policy and Management pursuant to subsection (b) of  
74 this section, the chief elected official of such municipality shall appoint  
75 a committee consisting of (1) a representative of the legislative body of  
76 the municipality or where the legislative body is the town meeting, a  
77 representative of the board of selectmen; (2) a representative from the  
78 business community; (3) a land use attorney; and (4) relevant  
79 taxpayers and stakeholders. Such committee shall prepare a plan for  
80 implementation of land value taxation. Such plan shall (A) provide a

81 process for implementation of differentiated tax rates; (B) designate  
82 geographic areas of the municipality where the differentiated rates  
83 shall be applied; and (C) identify legal and administrative issues  
84 affecting the implementation of the plan. The chief executive officer,  
85 the chief elected official, the assessor and the tax collector of the  
86 municipality shall have an opportunity to review and comment on the  
87 plan. On or before December 31, [2014] 2015, and upon approval of the  
88 plan by the legislative body, the plan shall be submitted to the joint  
89 standing committees of the General Assembly having cognizance of  
90 matters relating to planning and development, finance, revenue and  
91 bonding and commerce.

92 Sec. 5. Section 32-462b of the general statutes is repealed and the  
93 following is substituted in lieu thereof (*Effective from passage*):

94 In accordance with the provisions of section 32-462, during the  
95 period commencing January 1, 2010, and ending June 30, [2015] 2020,  
96 any agency, as defined in section 32-462, may provide financial  
97 assistance from existing programs to the Steel Point project for the  
98 purposes of development and improvements to property in the city of  
99 Bridgeport, in said time period, in an aggregate amount not to exceed  
100 forty million dollars.

101 Sec. 6. Subsection (o) of section 2 of public act 05-289, as amended  
102 by section 2 of public act 12-144, is repealed and the following is  
103 substituted in lieu thereof (*Effective from passage*):

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

110 Sec. 7. (*Effective July 1, 2015*) The limitations set forth in subdivision  
111 (1) of subsection (b) of section 32-462 of the general statutes shall not  
112 apply to any financial assistance, as defined in subsection (a) of section

113 32-462 of the general statutes, awarded to a mixed use development  
114 project prior to July 1, 2020, to fund any infrastructure improvements  
115 related to such project, if such project contains at least two hundred  
116 thousand square feet of retail and entertainment space within the area  
117 of the city of West Haven south of the New England Thruway and east  
118 of First Avenue.

119 Sec. 8. Section 12-541 of the general statutes is repealed and the  
120 following is substituted in lieu thereof (*Effective July 1, 2015*):

121 (a) There is hereby imposed a tax of ten per cent of the admission  
122 charge to any place of amusement, entertainment or recreation, except  
123 that no tax shall be imposed with respect to any admission charge (1)  
124 when the admission charge is less than one dollar or, in the case of any  
125 motion picture show, when the admission charge is not more than five  
126 dollars, (2) when a daily admission charge is imposed which entitles  
127 the patron to participate in an athletic or sporting activity, (3) to any  
128 event, other than events held at the stadium facility, as defined in  
129 section 32-651, if all of the proceeds from the event inure exclusively to  
130 an entity which is exempt from federal income tax under the Internal  
131 Revenue Code, provided such entity actively engages in and assumes  
132 the financial risk associated with the presentation of such event, (4) to  
133 any event, other than events held at the stadium facility, as defined in  
134 section 32-651, which, in the opinion of the commissioner, is conducted  
135 primarily to raise funds for an entity which is exempt from federal  
136 income tax under the Internal Revenue Code, provided the  
137 commissioner is satisfied that the net profit which inures to such entity  
138 from such event will exceed the amount of the admissions tax which,  
139 but for this subdivision, would be imposed upon the person making  
140 such charge to such event, (5) other than for events held at the stadium  
141 facility, as defined in section 32-651, paid by centers of service for  
142 elderly persons, as described in subdivision (d) of section 17a-310, (6)  
143 to any production featuring live performances by actors or musicians  
144 presented at Gateway's Candlewood Playhouse, Ocean Beach Park or  
145 any nonprofit theater or playhouse in the state, provided such theater  
146 or playhouse possesses evidence confirming exemption from federal

147 tax under Section 501 of the Internal Revenue Code, (7) to any carnival  
 148 or amusement ride, (8) to any interscholastic athletic event held at the  
 149 stadium facility, as defined in section 32-651, (9) if the admission  
 150 charge would have been subject to tax under the provisions of section  
 151 12-542 of the general statutes, revision of 1958, revised to January 1,  
 152 1999, [or] (10) to any event at (A) the XL Center in Hartford, or (B) the  
 153 Webster Bank Arena in Bridgeport, or (11) from July 1, 2015, to June 30,  
 154 2017, to any athletic event presented by a member team of the Atlantic  
 155 League of Professional Baseball at the Ballpark at Harbor Yard in  
 156 Bridgeport. On and after July 1, 2000, the tax imposed under this  
 157 section on any motion picture show shall be eight per cent of the  
 158 admission charge and, on and after July 1, 2001, the tax imposed on  
 159 any such motion picture show shall be six per cent of such charge.

160 (b) The tax shall be imposed upon the person making such charge  
 161 and reimbursement for the tax shall be collected by such person from  
 162 the purchase. Such reimbursement, termed "tax", shall be paid by the  
 163 purchaser to the person making the admission charge. Such tax, when  
 164 added to the admission charge, shall be a debt from the purchaser to  
 165 the person making the admission charge and shall be recoverable at  
 166 law. The amount of tax reimbursement, when so collected, shall be  
 167 deemed to be a special fund in trust for the state of Connecticut.

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

**FIN**            *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:**

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Revenue Serv., Dept.	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/ Revenue Loss	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 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 in Bridgeport. These changes have no fiscal impact.

***The Out Years***

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

**OLR Bill Analysis**

**sHB 7060**

***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 (§ 8) and
2. state economic development funds for a West Haven project from the law requiring legislative approval, when the total amount of such funds for an economic development project exceeds \$10 million (§ 7).

Lastly, 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 (§§ 5-6),
2. taxpayers in specified towns to file claims for certain property tax exemptions (§§ 1-3), and
3. municipalities participating in the Land Value Taxation Pilot Program to submit implementation plans to specified legislative committees (§ 4).

**EFFECTIVE DATE:** Upon passage, except that the admissions tax exemption and Steel Point deadline extensions take effect July 1, 2015.

---

**§ 7 — WEST HAVEN MIXED USE PROJECT**

The bill exempts state economic development financial assistance for a West Haven mixed-use project 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.

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)). The bill exempts from this requirement economic development assistance for constructing the project's infrastructure.

**§§ 5-6 — 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.

**§§ 1-3 — FILING DEADLINES FOR CERTAIN PROPERTY TAX EXEMPTIONS*****Machinery and Equipment Tax Exemption***

By law, taxpayers that are eligible for the statutory property tax exemption for machinery and equipment used for manufacturing, biotechnology, or recycling must file annually for these exemptions by November 1. The bill allows taxpayers in Durham and Windsor to

claim this machinery and equipment exemption on the October 1, 2014 grand list even though they missed the mandatory November 1, 2014 filing deadline (CGS § 12-81(72)).

The bill waives this deadline if the taxpayers file for the exemption within 30 days after the bill's passage and pay the statutory late fee. In each case, the local tax assessor must verify the taxpayers' eligibility for the exemption and approve it, and the town must refund any taxes paid on the machinery and equipment. (Property on the October 1, 2014 grand list is taxed during FY 16.)

### ***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. 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 within 30 days of the bill's passage 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.

### **§ 4 — 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.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 38 Nay 9 (04/30/2015)