



General Assembly

February Session, 2016

Raised Bill No. 449

LCO No. 2042



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING THE PILOT PROGRAM FOR THE ALTERNATIVE METHOD OF ASSESSMENT FOR COMMERCIAL PROPERTIES.

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

1 Section 1. Section 12-63i of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 (a) The Secretary of the Office of Policy and Management shall
4 establish a pilot program for not more than five municipalities of
5 varying sizes and in different regions of the state to allow for the
6 assessment of a commercial property based on the net profits of the
7 business or businesses occupying such property. Municipalities shall
8 apply to said office in the manner and form directed by the secretary
9 for inclusion in the pilot program.

10 (b) Notwithstanding any provision of the general statutes, any
11 municipal charter, any special act or any home rule ordinance, each
12 municipality selected to participate in the pilot program shall, by
13 ordinance, provide for the assessment of [not more than three]

14 commercial properties based upon the net profits from the previous
15 calendar year of the business or businesses occupying each commercial
16 property or, if such commercial property was vacant, on the net profits
17 anticipated by a new business tenant of such commercial property. A
18 participating municipality shall include in the ordinance adopting
19 such assessment method (1) a description of commercial properties
20 that are eligible for such assessment method, (2) a requirement that all
21 parties affected by the use of such assessment method, including the
22 owner or owners of the commercial property, the business or
23 businesses occupying such property and the municipality, agree to the
24 use of such assessment method, (3) a description of how the rate of
25 assessment for such commercial properties will be determined, based
26 upon such net profits or anticipated net profits, (4) provision for an
27 application process, including documentation required from the owner
28 of a commercial property to demonstrate the benefits to the
29 municipality and such commercial property of such assessment
30 method, and (5) provision for the phase-out of such assessment
31 method on individual commercial properties, so such properties may
32 be returned to the assessment method otherwise required by this
33 chapter.

34 (c) The Secretary of the Office of Policy and Management shall, not
35 later than January 1, 2015, and annually thereafter, report in
36 accordance with the provisions of section 11-4a to the joint standing
37 committee of the General Assembly having cognizance of matters
38 relating to finance, revenue and bonding, regarding the program
39 established by this section. Such report shall include a description of
40 (1) efforts made by the office to inform municipalities about the
41 program, (2) the application process developed by the office, (3)
42 inquiries and applications received from municipalities regarding
43 participation in the program, and (4) legislative changes that may be
44 considered to improve the program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	12-63i

Statement of Purpose:

To eliminate the cap on commercial properties eligible for property tax assessment based on net profits under the existing pilot program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]