



Substitute House Bill No. 5155

Public Act No. 18-170

AN ACT CONCERNING THE TAX IMPOSED ON AMBULATORY SURGICAL CENTERS AND ANNUAL ADJUSTMENTS TO ASSESSMENT RATES ADOPTED FOR CERTAIN UNITS OF COMMON INTEREST COMMUNITIES AND CONDOMINIUMS UNDER COMMON OWNERSHIP.

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

Section 1. Subsection (b) of section 12-263i of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2018*):

(b) (1) For each calendar quarter commencing on or after October 1, 2015, there is hereby imposed a tax on each ambulatory surgical center in this state to be paid each calendar quarter. The tax imposed by this section shall be at the rate of six per cent of the gross receipts of each ambulatory surgical center, except that:

(A) Prior to July 1, 2019, such tax shall not be imposed on any amount of such gross receipts that constitutes either [(A)] (i) the first million dollars of gross receipts of the ambulatory surgical center in the applicable fiscal year, or [(B)] (ii) net revenue of a hospital that is subject to the tax imposed under section [602 of public act 17-2 of the June special session.] 12-263q; and

Substitute House Bill No. 5155

(B) On and after July 1, 2019, such tax shall not be imposed on any amount of such gross receipts that constitutes any of the following: (i) The first million dollars of gross receipts of the ambulatory surgical center in the applicable fiscal year, excluding Medicaid and Medicare payments, (ii) net revenue of a hospital that is subject to the tax imposed under section 12-263q, (iii) Medicaid payments received by the ambulatory surgical center, and (iv) Medicare payments received by the ambulatory surgical center.

(2) Nothing in this section shall prohibit an ambulatory surgical center from seeking remuneration for the tax imposed by this section.

[(2)] (3) Each ambulatory surgical center shall, on or before January 31, 2016, and thereafter on or before the last day of January, April, July and October of each year, render to the commissioner a return, on forms prescribed or furnished by the commissioner, reporting the name and location of such ambulatory surgical center, the entire amount of gross receipts generated by such ambulatory surgical center during the calendar quarter ending on the last day of the preceding month and such other information as the commissioner deems necessary for the proper administration of this section. The tax imposed under this section shall be due and payable on the due date of such return. Each ambulatory surgical center shall be required to file such return electronically with the department and to make payment of such tax by electronic funds transfer in the manner provided by chapter 228g, regardless of whether such ambulatory surgical center would have otherwise been required to file such return electronically or to make such tax payment by electronic funds transfer under the provisions of chapter 228g.

Sec. 2. (*Effective from passage*) (a) The Commissioner of Social Services, in consultation with the Connecticut Association of Ambulatory Surgery Centers, shall establish a pilot program to study ways to increase access to medical care and decrease costs for such care

Substitute House Bill No. 5155

under the Medicaid program by having certain medical procedures performed at ambulatory surgical centers, as defined in section 12-263i of the general statutes. The pilot program shall include the establishment of (1) an application procedure and participation criteria, (2) a list of the medical procedures to be considered, (3) the appropriate reimbursement rates for such procedures, and (4) a requirement that any administrative services organization handling case management for Medicaid recipients refer them to such centers for medically appropriate treatment, as determined by the commissioner.

(b) Not later than December 31, 2019, the commissioner shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, regarding the pilot program, any cost savings to the state resulting from the program, and the commissioner's recommendations to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, human services and public health. The Department of Social Services and the Office of Policy and Management may establish state-funded rate enhancements within available appropriations for certain medical procedures for Medicaid recipients performed at ambulatory surgical centers.

Sec. 3. Section 12-62r of the general statutes, as amended by section 45 of public act 18-169, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2018, and applicable to assessment years commencing on or after October 1, 2018*):

(a) For the purposes of this section:

(1) "Apartment property" means a building containing four or more dwelling units used for human habitation, the parcel of land on which such building is situated, any accessory buildings or other improvements located on such parcel and condominium units

Substitute House Bill No. 5155

converted after July 1, 2018, unless such conversion is made pursuant to subsection (i) of this section;

(2) "Residential property" means (A) a building containing three or fewer dwelling units used for human habitation, the parcel of land on which such building is situated, and any accessory buildings or other improvements located on such parcel, (B) common interest communities, as defined in section 47-202, including common interest communities converted from apartment properties prior to July [31] 1, 2018, or (C) condominiums, as defined in section 47-68a, that are used for residential purposes, including condominiums converted from apartment properties prior to July [31] 1, 2018; [except that if four or more units of a common interest community or four or more units of a condominium are under common ownership, such units shall not be considered residential property;]

(3) "Base year" means the assessment year commencing October 1, 2010;

(4) "Adjusted tax levy" means the total amount of taxes raised by taxation in a fiscal year by a municipality;

(5) "Owner-occupied residential property" means a dwelling unit in a residential property that is occupied as a primary residence by the owner of the property; and

(6) "Common ownership" means that more than fifty per cent of the voting control of the owner of a unit described in subdivision (2) of this subsection is directly or indirectly owned by a common owner or owners, either corporate or noncorporate. Whether voting control is indirectly owned shall be determined in accordance with Section 318 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time.

Substitute House Bill No. 5155

(b) Notwithstanding any provision of the general statutes or any special act, municipal charter or any home rule ordinance, any municipality in which the provisions of section 12-62n were effective for the assessment year commencing October 1, 2010, shall make annual adjustments to the assessment rate charged to apartment and residential property in accordance with the provisions of this section, but in no event shall the assessment rate for any class of property be in excess of seventy per cent.

(c) For the assessment year commencing October 1, 2011, in any municipality that adopts the property tax system under this section, apartment property shall be assessed at a rate of fifty per cent. For assessment years commencing on and after October 1, 2012, the assessor shall determine a rate of assessment for apartment property that will have the effect of phasing in proportionate increases in the rate so that, by the assessment year commencing October 1, 2015, the assessment rate for apartment property shall be seventy per cent.

(d) In any municipality that adopts the property tax system under this section, for the assessment year commencing October 1, 2011, and only for said assessment year, the assessor shall determine a rate of assessment for residential property that will have the effect of increasing the average property tax for residential property as a result of revaluation by three and one-half per cent over the property tax for such property class in the base year, but in no event shall the assessment rate be less than twenty-three per cent. For assessment years commencing on and after October 1, 2011, the assessor shall then calculate an adjustment to the rate of assessment for residential property in accordance with subsection (e) of this section.

(e) Not later than January thirty-first or the completion of the grand list, whichever is later, the assessor shall annually calculate the residential assessment ratio. The assessor shall first adjust the adjusted tax levy for the preceding fiscal year in accordance with any change in

Substitute House Bill No. 5155

the consumer price index for all urban consumers in the northeast region in the preceding fiscal year, as reported generally in February for the year-over-year January index. If, after such adjustment, (1) the adjusted tax levy in the current fiscal year exceeds the adjusted tax levy in the prior fiscal year by more than one hundred per cent of the rate of inflation, as determined in accordance with such consumer price index, the assessor, in his or her calculation of the assessment ratios for the next grand list, shall increase the rate of assessment for residential properties from the prior grand list year by five per cent; (2) the adjusted tax levy in the current fiscal year exceeds the adjusted tax levy in the prior fiscal year by more than fifty per cent, but not more than one hundred per cent, of such rate of inflation, the assessor shall increase such rate of assessment by three and one-half per cent; (3) the adjusted tax levy in the current fiscal year exceeds the adjusted tax levy in the prior fiscal year by not more than fifty per cent of such rate of inflation, the assessor shall increase such rate of assessment by two and one-half per cent; (4) the adjusted tax levy in the current fiscal year is equal to the adjusted tax levy in the prior fiscal year, or is less than one-half per cent less than the adjusted tax levy in the prior fiscal year, the assessor shall increase such rate of assessment by one and one-half per cent; and (5) the adjusted tax levy in the current fiscal year is less than the adjusted tax levy in the prior fiscal year by at least one-half per cent, the assessor shall make no change in such rate of assessment.

(f) For assessment years commencing on and after October 1, 2016, any municipality that adopts the property tax system under this section may, by vote of its legislative body, enact an ordinance to establish a program to encourage homeownership by adjusting the annual assessment rate for nonowner-occupied residential properties so that, while the annual assessment rate for owner-occupied residential properties shall be calculated at all times in accordance with subsection (e) of this section, the annual assessment rate for nonowner-occupied residential properties shall be calculated at a rate that shall

Substitute House Bill No. 5155

keep the annual assessment rate for owner-occupied residential properties lower than that of nonowner-occupied residential properties. Any ordinance enacted pursuant to this subsection may be amended only in a year in which such municipality conducts a revaluation of real property pursuant to section 12-62.

(g) Not later than June fifteenth in any year in which the adjusted tax levy in the current fiscal year increases by more than two and six-tenths per cent over the adjusted tax levy in the prior fiscal year, one per cent of the total number of electors of such municipality may petition in writing for a referendum on the budget establishing such increase. Any such referendum shall be held not more than ten days after receipt of such petition by the town clerk and shall be conducted in accordance with the provisions of chapter 90. Such budget shall not become effective unless a majority of the electors voting in such referendum vote in favor thereof. Only one referendum may be held, and, if the vote is against the budget, such municipality shall so adjust the budget as to limit any increase to be equal to or less than two and six-tenths per cent.

(h) Nothing in this section shall change the assessment of apartment property created or converted by the Capital Region development Authority created pursuant to section 20-601. Such apartment property shall continue to be assessed as residential property.

(i) If a purchaser of a building containing four or more residential units invests an amount in excess of thirty-five per cent of the purchase price of such building within three years after the purchase date recorded on the land records, then the purchaser shall be entitled to convert the building into a common interest community and such form of ownership shall remain in perpetuity, unless dissolved by the owner of such building. Such property shall be treated as residential property for tax purposes.

Substitute House Bill No. 5155

(j) Verification of investments made pursuant to subsection (i) of this section shall be determined by the assessor for the municipality in which the building is located. If an owner disagrees with the decision of the assessor, such owner may take an appeal pursuant to section 12-117a.

Sec. 4. Section 45 of public act 18-169 shall take effect July 1, 2018, and be applicable to assessment years commencing on or after October 1, 2018.

Approved June 14, 2018