



# House of Representatives

General Assembly

**File No. 186**

February Session, 2018

House Bill No. 5287

*House of Representatives, April 4, 2018*

The Committee on Planning and Development reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

**AN ACT CONCERNING A MUNICIPAL OPTION FOR PROPERTY TAX ABATEMENTS FOR ARTS AND CULTURE.**

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

- 1 Section 1. (NEW) (*Effective October 1, 2018, and applicable to assessment*
- 2 *years commencing on or after October 1, 2018*) Any municipality may, by
- 3 vote of its legislative body or, in a municipality where the legislative
- 4 body is a town meeting, by vote of the board of selectmen, abate up to
- 5 one hundred per cent of the property taxes due for any property used
- 6 for arts or culture, including, but not limited to, art galleries, art
- 7 studios, installation galleries, performance venues and retailers
- 8 catering to or relating to the arts.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2018, and applicable to assessment years commencing on or after October 1, 2018</i>	New section
-----------	---	-------------

**PD** Joint Favorable

---

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:** None

**Municipal Impact:**

Municipalities	Effect	FY 19 \$	FY 20 \$
Various Municipalities	Grand List Reduction	None	See Below

**Explanation**

There is a potential grand list reduction to various municipalities resulting from the bill, which allows towns to abate up to one hundred percent of property tax owed for buildings used for the purposes of arts and culture. To the extent that a town chooses to provide such abatement, there is a shift in tax burden to other properties due to an increased mill rate needed to offset the revenue loss from the abatement.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to municipal grand lists and mill rates.

**OLR Bill Analysis****HB 5287*****AN ACT CONCERNING A MUNICIPAL OPTION FOR PROPERTY TAX ABATEMENTS FOR ARTS AND CULTURE.*****SUMMARY**

This bill authorizes municipalities to establish a property tax relief program for property used for arts or culture, including art galleries, art studios, installation galleries, performance venues, and retailers catering or relating to the arts. Under their programs, municipalities may abate up to 100% of property taxes due on such property. Municipalities may establish such a program by vote of their legislative bodies, or board of selectmen where the town meeting is the legislative body.

Existing law exempts real and personal property used exclusively for scientific, educational, literary, historical, or charitable purposes from property taxes (CGS § 12-81(7)).

EFFECTIVE DATE: October 1, 2018, and applicable to assessment years beginning on or after that date.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 17    Nay 5    (03/16/2018)