

---

---

## **OLR Bill Analysis**

### **SB 527**

#### ***AN ACT PERMITTING MUNICIPALITIES TO COMBINE THE PROPERTY ASSESSMENTS OF MULTIPLE ELECTRIC GENERATING FACILITIES.***

#### **SUMMARY**

By law, any municipality may treat a power plant that completes construction after July 1, 1998, as though it were located in an enterprise zone and used for commercial or retail purposes. This means that, with approval of its legislative body, it can fix the full amount of either the property taxes or assessment on the plant's real and personal property.

This bill allows any municipality, with the approval of its legislative body, to extend such tax benefits to existing power plants that completed construction before July 1, 1998, if a new plant is built on the same site and construction is completed after July 1, 2019. The existing and new plants may be treated as a single combined plant for purposes of fixing its tax and assessments.

Under the bill, for assessment years commencing on and after October 1, 2018, municipalities may fix the full amount of either the property tax or assessment on the combined plant's real and personal property before, during, and after construction of the new plant, despite the enterprise zone law's requirement that towns fix property taxes or assessments only after the property improvement occurs.

The taxes or assessments set by the municipality must approximate the combined plant's projected tax liability based on a reasonable estimate of its fair market value that the municipality determined using its best efforts.

Under existing law, municipalities that meet certain narrow conditions may treat power plants that complete construction after

July 1, 2003, in the same way, except that it allows them to fix the plant's taxes or assessment at less than the full amount.

EFFECTIVE DATE: Upon passage and applicable to assessment years beginning on and after October 1, 2018.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 22 Nay 0 (03/25/2019)