

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 19-81—SB 527

*Planning and Development Committee
Finance, Revenue and Bonding Committee*

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

SUMMARY: By law, a municipality may treat a power plant built 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 act allows a municipality, with the approval of its legislative body, to extend such tax benefits to existing power plants built before July 1, 1998, if a new plant is added 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 act, 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.

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