

Condominium Property Taxes

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November 16, 2020 | 2020-R-0224

Issue

Since 2010, has the legislature considered bills that would tax condominiums at a different rate than other residences (e.g., detached single family homes)?

Summary

With limited exceptions, Connecticut law requires municipalities to determine real property's fair market value and tax it at 70% of that value ([CGS §§ 12-62a](#) & [12-63](#)).

We identified only one piece of proposed legislation in the past 10 years that would have changed how the property tax applies to condominium property. [Proposed S.B. 524](#) (2011) would have authorized municipalities to reduce taxes owed on condominium common elements that did not receive municipal services (e.g., private roads that are not plowed by the local public works department). The bill was referred to the Planning and Development Committee but did not receive a public hearing.

We identified one related bill, [Proposed H.B. 6073](#) (2015), which would have exempted property owners in older adult (i.e., 55+) communities, including condominiums, from paying the portion of the property tax that represents the cost of operating public schools. The bill never received a public hearing.

By law, under the Common Interest Ownership Act (CIOA), each condominium unit and its interest in the common areas is real property, subject to the property tax ([CGS §§ 47-202\(9\)](#) & [47-204](#)). Individuals hold (1) fee simple title to a unit and (2) a percentage interest in common areas. Condominium units are separately assessed in the names of their owners. Similar provisions apply under the Condominium Act ([CGS §§ 47-73](#) & [47-79](#)), which governs certain older condominiums (see Background).

Under CIOA, any portion of the common elements for which a declarant (i.e., the developer) has reserved development rights must be separately assessed in the declarant's name ([CGS § 47-204](#)).

Background

CIOA and Condominium Act

CIOA governs the creation, alteration, management, termination, and sale of condominiums and other common interest communities formed in Connecticut on and after January 1, 1984 ([CGS § 47-200 et seq.](#)). Certain CIOA provisions also apply to common interest communities created before January 1, 1984, but do not invalidate existing provisions of their governing instruments. Common interest communities created before that date can amend their governing instruments to conform to portions of CIOA that do not automatically apply ([CGS §§ 47-214, 216, & 218](#)).

The Condominium Act ([CGS § 47-68a et seq.](#)) governs condominiums created from 1977 through 1983, except when CIOA applies.

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