

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 22-74—sHB 5169

Planning and Development Committee

AN ACT CONCERNING THE RECOMMENDATIONS OF THE INTERGOVERNMENTAL POLICY AND PLANNING DIVISION WITHIN THE OFFICE OF POLICY AND MANAGEMENT AND THE EXTENSION OF THE COMMISSION ON CONNECTICUT'S DEVELOPMENT AND FUTURE

TABLE OF CONTENTS:

[§ 1 — 100% DISABLED VETERANS' TAX EXEMPTION](#)

Expands eligibility by changing how income is calculated for a local option property tax exemption for 100% disabled veterans

[§ 2 — VETERANS' EXEMPTION PORTABILITY](#)

Makes portable certain property tax exemptions for veterans if an eligible veteran moves within the state during the tax year

[§§ 3 & 4 — RENTERS' REBATE PROGRAM](#)

Makes November 15 the deadline for requesting an application extension for the Renters' Rebate Program; makes OPM, not the Department of Housing, responsible for adjusting eligible income levels annually

[§ 5 — SPECIAL TAXING DISTRICTS](#)

Changes the conditions under which special taxing districts must report to the host municipality's town clerk and requires districts to report annually to OPM

[§ 6 — NEGLECTED CEMETERIES](#)

Expands municipal authority to maintain neglected cemeteries and burial grounds, in doing so expanding the purposes for which municipalities can use Neglected Cemetery Account Grant Program funds

[§ 7 — REGIONAL REVALUATIONS AND DATA SUBMISSION REQUIREMENT](#)

Requires municipalities to conduct revaluations pursuant to an OPM-designated regional revaluation schedule and submit parcel data to OPM

[§§ 8, 14, 15 & 17 — OTHER MINOR PROPERTY TAX CHANGES](#)

Makes several minor changes in the property tax statutes

[§ 9 — NOTICE OF ASSESSMENT INCREASE](#)

Changes the information that municipalities must include in an assessment increase notice

OLR PUBLIC ACT SUMMARY

§ 10 — ASSESSORS' DENIAL OF EXEMPTIONS

Requires assessors to notify taxpayers when they deny certain property tax exemptions

§ 11 — MUNICIPAL SPENDING CAP CERTIFICATION

Eliminates municipal reporting to OPM about the municipal spending cap under specified circumstances

§§ 12, 13 & 16 — ADD-ON TAX BILLS FOLLOWING PROPERTY TRANSFER

Extends tax collectors' timeframe for sending out add-on bills

§§ 18-19 & 23 — PAYMENTS IN LIEU OF TAXES (PILOT) PROGRAMS

Makes minor and technical changes to the state, municipal, and tribal property and college and hospital property PILOT programs

§ 20 — POSTING OF MUNICIPAL AFFORDABLE HOUSING PLANS

Eliminates the requirement that OPM post municipal affordable housing plans on its website

§ 21 — PA 490 PROGRAM

Eliminates the requirement that OPM set values for land classified as open space

§ 22 — COMMISSION ON CONNECTICUT'S DEVELOPMENT AND FUTURE

Allows the OPM secretary to appoint a designee to serve in his place on the Commission on Connecticut's Development and Future; extends the submission deadline for the commission's second report

§ 23 — REPEALERS

Eliminates (1) an obsolete pilot program authorization and (2) certain requirements related to identifying fiscally distressed municipalities

BACKGROUND

SUMMARY: This act makes various changes in (1) laws governing programs and requirements the Office of Policy and Management (OPM) oversees and (2) property tax laws.

EFFECTIVE DATE: Various; see below.

§ 1 — 100% DISABLED VETERANS' TAX EXEMPTION

Expands eligibility by changing how income is calculated for a local option property tax exemption for 100% disabled veterans

In conformity with existing practice, beginning in FY 24, the act requires municipalities that opt to provide low-income, 100% disabled veterans with three times the base state-mandated property tax exemption (see BACKGROUND) to calculate income eligibility using only the veteran's federal adjusted gross income

OLR PUBLIC ACT SUMMARY

(AGI), excluding veterans' disability payments. Under prior law, any other income not included in the veteran's federal AGI, other than veterans' disability payments, had to be added to it when determining income eligibility.

EFFECTIVE DATE: October 1, 2022, and applicable to assessment years beginning on or after that date.

§ 2 — VETERANS' EXEMPTION PORTABILITY

Makes portable certain property tax exemptions for veterans if an eligible veteran moves within the state during the tax year

By law, most property tax exemptions for veterans are portable between municipalities. This means veterans who have established their entitlement to an exemption are still eligible for it if during the tax year they move to another municipality. (A mid-tax-year move might cause a veteran to miss the application deadline in the municipality he or she moves to.) The act adds the income-based and a local option veterans' property tax exemption to the list of portable tax exemptions (i.e., exemptions granted under CGS § 12-81g; see BACKGROUND). EFFECTIVE DATE: October 1, 2022, and applicable to assessment years beginning on or after that date.

§§ 3 & 4 — RENTERS' REBATE PROGRAM

Makes November 15 the deadline for requesting an application extension for the Renters' Rebate Program; makes OPM, not the Department of Housing, responsible for adjusting eligible income levels annually

By law, older adults or totally disabled people seeking a rebate under the Renters' Rebate Program apply annually to local assessors or their agents between April 1 and October 1 for reimbursement for payments made in the prior calendar year. The act requires renters with extenuating health circumstances or other good cause, as the OPM secretary determines, to apply to OPM by November 15, rather than December 15, for an application deadline extension.

Additionally, the act requires the OPM secretary, rather than the housing commissioner, to prepare annual Renters' Rebate income eligibility adjustments for distribution to municipal tax assessors, conforming to existing practice.

EFFECTIVE DATE: July 1, 2022

§ 5 — SPECIAL TAXING DISTRICTS

Changes the conditions under which special taxing districts must report to the host municipality's town clerk and requires districts to report annually to OPM

The act eliminates the requirement that the clerk of each special taxing district, whether established under the statutes or by a special act of the General Assembly, annually report to the town clerk of the host municipality. Instead, the act requires district clerks to notify the town clerk whenever the district's home rule charter or special act charter is amended. (Under prior law, any revised charter had to be

OLR PUBLIC ACT SUMMARY

included in the district's annual report.)

Beginning by July 1, 2022, and each year after that, the act requires each district's tax collector to submit to OPM a statement of the district's mill rate and tax levy for the prior year. The OPM secretary must make the form, which must require districts to give "complete information" about the district's mill rate and tax levy. Those who do not file true and correct statements must forfeit \$100 to the state.

EFFECTIVE DATE: Upon passage

§ 6 — NEGLECTED CEMETERIES

Expands municipal authority to maintain neglected cemeteries and burial grounds, in doing so expanding the purposes for which municipalities can use Neglected Cemetery Account Grant Program funds

Under prior law, municipalities could undertake certain maintenance of cemeteries and burial grounds that (1) had more than six places of interment; (2) were not under the control or management of a functioning cemetery association; and (3) showed certain signs of neglect, such as weeds or damage to fences. The act allows municipalities to perform maintenance on neglected cemeteries regardless of whether a functioning cemetery association oversees them. It also expands the type of work that can be done on memorial stones to include repairing and restoring them. (Under prior law, municipalities could only straighten the stones.)

By expanding municipal authority to maintain neglected cemeteries and burial grounds, the act also expands the purposes for which municipalities can use Neglected Cemetery Account Grant Program funds. By law, municipalities may use these OPM-distributed grants to pay for maintenance that the neglected cemetery and burial ground law authorizes (CGS § 19a-308b).

EFFECTIVE DATE: July 1, 2022

§ 7 — REGIONAL REVALUATIONS AND DATA SUBMISSION REQUIREMENT

Requires municipalities to conduct revaluations pursuant to an OPM-designated regional revaluation schedule and submit parcel data to OPM

Regional Revaluation Schedule

Under the act, the OPM secretary must use the state's planning region boundaries (i.e., councils of governments' boundaries) to designate five revaluation zones. Municipalities in each zone will do their revaluations in the same year as other municipalities in the zone. Beginning with the October 1, 2023, assessment year, municipalities must do their revaluations according to this OPM-designated revaluation schedule. The act requires certain municipalities that delayed implementing a revaluation during the 2003, 2004, or 2005 assessment year to implement future revaluations pursuant to OPM's regional revaluation schedule.

OLR PUBLIC ACT SUMMARY

As under existing law, municipalities must do revaluations every five years. The act keeps provisions in existing law governing revaluation methods, processes, and other requirements.

Existing law, unchanged by the act, allows municipalities to enter into agreements to set regional revaluation schedules, subject to OPM's approval (CGS § 12-62q).

Submission of Parcel Data to OPM

The act requires assessors to file with the OPM secretary parcel data from each implemented revaluation. The data must be filed on forms he creates, and he must provide the forms to assessors at least 30 days before they are due.

EFFECTIVE DATE: July 1, 2022, and applicable to assessment years beginning on or after October 1, 2023.

§§ 8, 14, 15 & 17 — OTHER MINOR PROPERTY TAX CHANGES

Makes several minor changes in the property tax statutes

The act also makes the following minor property tax changes:

1. clarifying how calculations are rounded when property tax exemptions for veterans increase after a municipality implements a revaluation (§ 8);
2. explicitly requiring a real, personal, or motor vehicle tax overpayment to be applied to other delinquent taxes the taxpayer owes in the same municipality (§ 14);
3. explicitly authorizing tax collectors to refund motor vehicle tax payments when a vehicle was taxed in a municipality in which it was not taxable (§ 15); and
4. (a) making assessors, rather than tax collectors, responsible for veterans' tax benefit determinations in cases where a veteran was erroneously denied specified tax benefits and applies for a certificate of correction and (b) specifying the modified process for the veteran to apply to the tax collector for a refund from a municipality (§ 17).

EFFECTIVE DATE: July 1, 2022, except the veterans' exemption calculation change is effective October 1, 2022.

§ 9 — NOTICE OF ASSESSMENT INCREASE

Changes the information that municipalities must include in an assessment increase notice

By law, a municipality must provide an assessment increase notice when it increases an assessment (valuation) on property other than a motor vehicle in a non-revaluation year. Under prior law, it only had to notify the property owner of the old and new valuation. The act instead requires municipalities to provide information on the new and old gross valuation, exemptions, and net valuation.

EFFECTIVE DATE: October 1, 2022

OLR PUBLIC ACT SUMMARY

§ 10 — ASSESSORS' DENIAL OF EXEMPTIONS

Requires assessors to notify taxpayers when they deny certain property tax exemptions

Existing law requires boards of assessors (i.e., assessors) to determine what portion of the property held by scientific, educational, literary, historical, charitable, agricultural, and cemetery organizations is exempt and assess any property they determine is taxable. They must do so by inspecting the statements or applications the organizations must file to claim their property tax exemptions.

The act requires assessors, when denying a tax exemption application for most property tax exemptions (including those under CGS § 12-81), to mail a written notice of the decision to the applicant's last known address and include with it (1) the gross assessed value of the property; (2) the amount of any exemption granted; (3) the net taxable property value; and (4) a statement that the assessor's decision is appealable.

The notice must be mailed on or after the October 1 assessment date, but no more than 10 calendar days after the grand list is signed.

EFFECTIVE DATE: October 1, 2022, and applicable to assessment years beginning on or after that date.

§ 11 — MUNICIPAL SPENDING CAP CERTIFICATION

Eliminates municipal reporting to OPM about the municipal spending cap under specified circumstances

Under existing law, each year municipalities must certify to the OPM secretary whether they comply with the municipal spending cap law. The act waives this requirement for any fiscal year in which the OPM secretary publishes a list of payments made to municipalities by state agencies on its website.

EFFECTIVE DATE: July 1, 2022

§§ 12, 13 & 16 — ADD-ON TAX BILLS FOLLOWING PROPERTY TRANSFER

Extends tax collectors' timeframe for sending out add-on bills

The act gives tax collectors 30, instead of 10, days to send out add-on tax bills in situations where a change in property ownership affects a tax exemption or abatement. The act applies the new 30-day timeframe to tax bills sent out following the transfer of property that is the subject of relief under (1) the Freeze Tax Relief Program (§ 12), (2) the Circuit Breaker Program (§ 13), or (3) any other provision that made it tax-exempt or eligible for an abatement prior to the transfer (§ 16).

EFFECTIVE DATE: July 1, 2022

§§ 18-19 & 23 — PAYMENTS IN LIEU OF TAXES (PILOT) PROGRAMS

OLR PUBLIC ACT SUMMARY

Makes minor and technical changes to the state, municipal, and tribal property and college and hospital property PILOT programs

The act specifies that PILOT grants should be paid to municipalities and fire districts annually by May 30. It correspondingly eliminates the prior process by which OPM certified to the comptroller the amounts due, which were then paid by September 30 (§ 23).

Additionally, in keeping with existing practice, the act specifies that only fire districts, rather than all special taxing districts, are eligible for PILOT grants.

EFFECTIVE DATE: July 1, 2022

§ 20 — POSTING OF MUNICIPAL AFFORDABLE HOUSING PLANS

Eliminates the requirement that OPM post municipal affordable housing plans on its website

The act eliminates the requirement that OPM post municipalities' submitted affordable housing plans on its agency website.

Existing law requires every municipality, at least once every five years, to prepare or amend and adopt an affordable housing plan specifying how the municipality will increase the number of affordable housing developments in its jurisdiction. By law and unchanged by the act, municipalities must post their plans on their websites.

EFFECTIVE DATE: Upon passage

§ 21 — PA 490 PROGRAM

Eliminates the requirement that OPM set values for land classified as open space

The act eliminates a provision that required the OPM secretary, in consultation with the agriculture commissioner, to develop a schedule of unit prices for property classified as open space under the PA 490 Program.

Connecticut's PA 490 Program allows four classifications of land – farm, forest, open space, and maritime heritage – to be assessed at their current use value rather than their fair market value.

EFFECTIVE DATE: July 1, 2022

§ 22 — COMMISSION ON CONNECTICUT'S DEVELOPMENT AND FUTURE

Allows the OPM secretary to appoint a designee to serve in his place on the Commission on Connecticut's Development and Future; extends the submission deadline for the commission's second report

Prior law required the OPM secretary to serve on the Commission on Connecticut's Development and Future. The act instead allows him to appoint a designee to serve in his place.

Prior law also required the commission to submit a report to the Planning and Development, Environment, Housing, and Transportation committees and to the

OLR PUBLIC ACT SUMMARY

OPM secretary by January 1, 2022, and again by January 1, 2023. The act extends the second report's deadline to January 1, 2024. It correspondingly specifies that the commission will not terminate until it submits its final report or until January 1, 2024, whichever is later.

By law, the commission must evaluate policies related to land use, conservation, housing affordability, and infrastructure.

EFFECTIVE DATE: Upon passage

§ 23 — REPEALERS

Eliminates (1) an obsolete pilot program authorization and (2) certain requirements related to identifying fiscally distressed municipalities

The act eliminates an obsolete pilot program enacted in 2014 under which assessors would have been able to value commercial property based on net profit rather than income and expenses. The pilot program never commenced (CGS §§ 12-63i & 12-63j).

The act also eliminates certain requirements related to fiscally distressed municipalities to reflect other structures (e.g., the Municipal Accountability Review Board, created in 2017) for identifying and overseeing these municipalities. Specifically, the act eliminates a requirement that the OPM secretary annually submit to the governor information on municipal fiscal disparities, including a list of municipalities with comparatively high mill rates and low per capita grand list values; information on low-income municipalities; and municipalities with a decreasing population. It also eliminates the required responses to the OPM report (i.e., a gubernatorially-convened meeting of municipal leaders and a report to the legislature) (CGS § 7-148dd).

EFFECTIVE DATE: July 1, 2022

BACKGROUND

Veterans' Property Tax Exemptions

By law, municipalities must exempt from taxation a base amount of \$1,000 to \$3,500 (adjusted each revaluation to reflect increases in a town's taxable grand list) of the property owned by a qualifying veteran or his or her surviving spouse (CGS §§ 12-62g and 12-81(19) & (20)). (This is often called the basic exemption.) Veterans who receive this basic exemption are also eligible for the additional income-based exemption.

For a veteran whose income falls below a certain limit, the additional exemption is equal to 200% of the basic exemption (CGS § 12-81g(a)). For a veteran whose income exceeds the limit, the additional exemption is 50% of the basic exemption (CGS § 12-81g(d)). (This is often called the income-based exemption.)

Instead of the income-based exemption, municipalities may opt to provide 100% disabled veterans who meet specified income requirements with three times the amount provided under the basic exemption (CGS § 12-81g(b)). (This is a municipal option exemption.)