
OLR Bill Analysis

sHB 6801 (as amended by House "A")*

AN ACT CONCERNING THE SUBMISSION OF INCOME AND EXPENSE INFORMATION IN CONNECTION WITH THE ASSESSMENT OF INCOME-PRODUCING REAL PROPERTY.

SUMMARY

By law, assessors may require rental property owners to file annual income and operating expense statements to assist in their property valuations. Under current law, property owners who must file, but fail to do so by June 1 or request an extension by May 1, are subject to a penalty. (Failing to file includes filing late, incomplete, or fraudulent statements.)

This bill creates more flexible deadlines, beginning with the statements due June 1, 2024, by (1) extending the deadline to request an extension to June 1 and (2) allowing filings and extension requests that are postmarked on or by that date to qualify as timely, regardless of when the municipality receives them.

To conform with a Connecticut Supreme Court decision (see BACKGROUND), the bill specifies that penalties for failing to file these statements (i.e., a 10% increase in the property's assessed value) must be billed within 30 days after the assessor issues a certificate of correction, which will generally be in the same year the violation occurred. Specifically, if the tax collector receives the certificate of correction after the normal billing date, he or she must mail or hand deliver a new bill, which incorporates the penalty, to the property owner within 30 days. The bill requires the penalty to be calculated using the property's assessed value for that assessment year and the current fiscal year's mill rate.

The bill also specifies that the new tax bill (1) cannot be due less than 30 days after a due date set by the tax collector and printed on the bill; (2) is due and payable in the same way as other municipal taxes (e.g.,

any installments must be due in equal amounts); and (3) is subject to the same lien and collections process as other municipal taxes.

*House Amendment "A" specifies that the due date for new tax bills incorporating the failure to file penalty cannot be less than 30 days after a tax collector-set date, rather than after the date the bill is mailed or delivered to the taxpayer as the underlying bill specifies. It also eliminates from the underlying bill a provision specifying that the late filing penalty and related provisions apply to any assessments the board of assessment appeals or Superior Court adjusts.

EFFECTIVE DATE: July 1, 2023

BACKGROUND

In 2021, the Connecticut Supreme Court held that penalties for late, incomplete, or fraudulent income and expense statements must be imposed before a tax assessor takes and subscribes to the oath on the grand list (*Wilton Campus 1691, LLC v. Town of Wilton*, 339 Conn. 157 (2021)).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 1 (03/17/2023)