



# House of Representatives

## File No. 785

General Assembly

January Session, 2023

**(Reprint of File No. 408)**

Substitute House Bill No. 6801  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 18, 2023

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

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Section 12-63c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) In determining the present true and actual value in any town of  
4 real property used primarily for purposes of producing rental income,  
5 the assessor, which term whenever used in this section shall include  
6 [assessor or] the board of assessors, may require in the conduct of any  
7 appraisal of such property pursuant to the capitalization of net income  
8 method, as provided in section 12-63b, that the owner of such property  
9 annually submit to the assessor not later than the first day of June, on a  
10 form provided by the assessor not later than forty-five days before said  
11 first day of June, the best available information disclosing the actual  
12 rental and rental-related income and operating expenses applicable to

13 such property. Submission of such information may be required  
14 whether or not the town is conducting a revaluation of all real property  
15 pursuant to section 12-62. Upon determination that there is good cause,  
16 the assessor may grant an extension [of not more than thirty days] to not  
17 later than the first day of July to submit such information, if the owner  
18 of such property files a request for an extension with the assessor not  
19 later than [May] June first.

20 (b) Any such information related to actual rental and rental-related  
21 income and operating expenses and not already a matter of public  
22 record that is submitted to the assessor shall not be subject to the  
23 provisions of section 1-210.

24 (c) If upon receipt of information as required under subsection (a) of  
25 this section the assessor finds that such information does not appear to  
26 reflect actual rental and rental-related income or operating expenses  
27 related to the current use of such property, additional verification  
28 concerning such information may be requested by the assessor. All  
29 information received by the assessor under subsection (a) of this section  
30 shall be subject to audit by the assessor or a designee of the assessor.  
31 Any person claiming to be aggrieved by the action of the assessor  
32 [hereunder] under this section may appeal the actions of the assessor to  
33 the board of assessment appeals and the Superior Court as otherwise  
34 provided in this chapter.

35 (d) (1) Any owner of such real property required to submit  
36 information to the assessor in accordance with subsection (a) of this  
37 section for any assessment year, who fails to submit such information as  
38 required under said subsection (a) or who submits information in  
39 incomplete or false form with intent to defraud, shall (A) for assessment  
40 years commencing prior to October 1, 2023, be subject to a penalty equal  
41 to a ten per cent increase in the assessed value of such property for such  
42 assessment year, and (B) for assessment years commencing on or after  
43 October 1, 2023, be subject to a penalty equal to a ten per cent increase  
44 in the assessed value of such property for such assessment year, which  
45 the assessor shall add by issuance of a certificate of correction for failure

46 to file. Upon receipt of any such certificate of correction, the tax collector  
 47 of the town shall apply the mill rate for the current fiscal year and, if  
 48 such certificate of correction is received after the normal billing date, not  
 49 later than thirty days after such receipt, mail or hand deliver a bill to  
 50 such owner based on the addition of the penalty described in this  
 51 subdivision. Such tax shall be due and payable and collectible as other  
 52 municipal taxes and subject to the same liens and processes of collection,  
 53 provided such tax shall be due and payable in an initial or single  
 54 installment due and payable not sooner than thirty days after the date  
 55 prescribed by the tax collector and appearing on such bill, and in any  
 56 remaining, regular installments, as such installments are due and  
 57 payable, and the several installments of a tax so due and payable shall  
 58 be equal.

59 (2) Notwithstanding the provisions of this subsection, an assessor or  
 60 board of assessment appeals shall waive such penalty if the owner of  
 61 the real property required to submit the information is not the owner of  
 62 such property on the assessment date for the grand list to which such  
 63 penalty is added. Such assessor or board may waive such penalty upon  
 64 receipt of such information in any town in which the legislative body  
 65 adopts an ordinance allowing for such a waiver.

66 (e) Any income and expense disclosure form described in subsection  
 67 (a) of this section received by the assessor to which such form is due that  
 68 is in an envelope bearing a postmark, as defined in section 1-2a, showing  
 69 a date within the allowed filing period, shall not be deemed delinquent.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	12-63c

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

The bill, which makes changes regarding information that owners of income-producing real property are required to report to local assessors, has no fiscal impact as it provides clarity to existing laws and loosens the deadline for filing extensions.

House "A" makes minor changes regarding when certain tax bills are due which have no fiscal impact.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

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**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)