



Senate

General Assembly

File No. 146

January Session, 2023

Senate Bill No. 999

Senate, March 21, 2023

The Committee on Planning and Development reported through SEN. RAHMAN of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT INCREASING THE UNIFORM ASSESSMENT RATE FOR PROPERTY TAX.

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

1 Section 1. Subsection (b) of section 12-62a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2023, and applicable to assessment years commencing on or after October 1,*
4 *2023*):

5 (b) Each such municipality shall assess all property for purposes of
6 the local property tax at a uniform rate of [seventy] seventy-five per cent
7 of present true and actual value, as determined under section 12-63.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2023, and applicable to assessment years commencing on or after October 1, 2023</i>	12-62a(b)
-----------	---	-----------

PD Joint Favorable

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.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
All Municipalities (Except Hartford)	Grand List Increase	None	Potential Significant
Various Municipalities	Cost	Potential	Potential

Explanation

The bill results in a Grand List increase in FY 25 associated with the increased assessment rate from 70 percent to 75 percent and a cost to various municipalities in FY 24 and FY 25 to issue assessment increase notices and compensate firms for software changes.

If this policy had been in place for FY 23, grand list year 21, the impact on grand lists would have been an increase of approximately \$27.6 billion across all municipalities. This estimate excludes Hartford as the Hartford assessment rate is set separately from the state. This grand list increase results in an average revenue gain of 8.6 percent to each municipality.

The bill also results in a cost to various municipalities for assessment increase notices to all owners of real property and potential costs for municipalities that have contracts with software vendors to update the valuation and administration software.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and changes in mill rates.

Assuming a constant mill rate for each municipality, the bill would also result in a cost to the Office of Policy and Management in the out years associated with an increased cost of the Tiered PILOT grant as the grant formula is based on assessed value. Using FY 23 data, grand list year 21, it is estimated that the additional cost of Tiered PILOT would have been approximately \$15.8 million in FY 24 if the policy would have affected Tiered PILOT immediately.

OLR Bill Analysis**SB 999*****AN ACT INCREASING THE UNIFORM ASSESSMENT RATE FOR PROPERTY TAX.*****SUMMARY**

This bill raises, from 70% to 75%, the statewide uniform assessment ratio that applies to real and personal property. The assessment ratio is the percent of a property's value that is subject to the property tax. Tax assessors multiply the ratio by the property's value (e.g., its fair market value for most real property) to determine the property's assessed value. Tax collectors calculate tax bills by multiplying a property's assessed value, minus any applicable property tax exemptions, by the municipality's mill rate.

The statewide uniform assessment ratio does not apply to Hartford, as it operates under a law that generally sets a lower assessment ratio for qualifying residential property compared with other real and personal property (CGS § 12-62r).

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

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 13 Nay 8 (03/08/2023)