

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No.: SB-1234
AN ACT CONCERNING THE FAILURE TO FILE FOR CERTAIN GRAND LIST
Title: EXEMPTIONS.
Vote Date: 04/18/2023
Vote Action: Joint Favorable
PH Date: 3/24/2023
File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Finance, Revenue and Bonding Committee

REASONS FOR BILL:

Organizations located in the municipalities of Berlin, Thomaston, Thompson, West Hartford and West Haven failed to file property tax exemptions for eligible properties in certain grand list years. This bill allows those organizations to file for property tax exemptions, notwithstanding certain statutory deadlines. They must do so within 30 days of the bill's passage and pay any late fees incurred.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Jeffrey Beckham, Secretary, Office of Policy and Management \(OPM\)](#) asserted that Senate Bill 1234 is unnecessary because Section 12-94e of the Connecticut General Statutes permits a municipal option to grant certain previously waived exemptions:

Sec. 12-94e. Municipal option to grant certain previously waived exemptions. Whenever any person claiming the exemption from property tax under the provisions of subdivision (59), (60), (70), (72), (74) or (76) of section 12-81 has failed to file a claim with the assessor or board of assessors as required in said subdivisions and has further failed to apply for an extension of time under section 12-81k, the municipality, upon receipt of a request from such person, may, by vote of its legislative body or, where the legislative body is a town meeting, by a vote of its board of selectmen, grant such exemption according to criteria established by the municipality, including, but not limited to, allowing for any hardship experienced by the person which may account for the failure to claim the exemption or to file for an extension of time and whether the exemption would provide a net benefit to economic development in the municipality. No payment in lieu of tax under this chapter shall be made with regard to any property exempted from tax under this section.

OPM emphasized that maintaining local authority over such exemptions is important due to the financial impact on the municipality. This is particularly notable from OPM's perspective given the frequent requests from municipal governments for more financial support from the state. Furthermore, the municipality itself is better positioned to judge whether the failure to file was legitimate due to some unforeseen issue the taxpayer had, as well as the extent to which the taxpayer is in actual need of the dispensation, and whether the municipality would benefit from the dispensation.

[Christian Johnson, Finance Director, Town of Windham, Connecticut](#) noted that the Mill Rate and Tax Levy Reports for Windham, Windham District #2 (District #2), and Windham First Taxing District (District #1) were filed incorrectly for the Reporting Period July 1, 2022 - June 30, 2023 due to an issue with the software used by the tax billing company. This resulted in no motor vehicle tax billings to Districts #1 and #2, and ultimately led to Districts #1 and #2 receiving no motor vehicle tax reimbursement grants in the Governor's FY 2024 – 2025 proposed budget.

To correct this mistake, the Town of Windham requested legislation to update the motor vehicle mill rates and motor vehicle tax levies for Windham, District #1, and District #2 to receive the motor vehicle grants; estimated to be \$178,921 and \$1,008,517 in FY 2024, respectively.

NATURE AND SOURCES OF SUPPORT:

[Brenda McVerry, Administrative Coordinator, Montessori School of Greater Hartford](#) testified that the school functions under a tax-exempt status. Loss of this status would pose a significant hardship.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Jason Snukis

Date: April 20, 2023