



House of Representatives

General Assembly

File No. 226

February Session, 2024

Substitute House Bill No. 5172

House of Representatives, April 3, 2024

The Committee on Planning and Development reported through REP. KAVROS DEGRAW of the 17th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE ASSESSMENT OF MOTOR VEHICLES FOR PROPERTY TAXATION.

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

1 Section 1. Subdivision (2) of subsection (a) of section 14-33 of the 2024
2 supplement to the general statutes is repealed and the following is
3 substituted in lieu thereof (*Effective July 1, 2024, and applicable to*
4 *assessment years commencing on or after October 1, 2024*):

5 (2) For assessment years commencing on or after October 1, 2024, if
6 any property tax, or any installment thereof, laid by any city, town,
7 borough or other taxing district upon a motor vehicle remains unpaid,
8 [regardless of whether such motor vehicle is classified on the grand list
9 as a registered motor vehicle or personal property pursuant to section
10 12-41,] the tax collector of such city, town, borough or other taxing
11 district shall notify the Commissioner of Motor Vehicles of such
12 delinquency in accordance with subsection (e) of this section and
13 guidelines and procedures established by the commissioner. The

14 commissioner shall not issue registration for such motor vehicle for the
15 next registration period if, according to the commissioner's records, it is
16 then owned by the person against whom such tax has been assessed or
17 by any person to whom such vehicle has not been transferred by bona
18 fide sale. Unless notice has been received by the commissioner under
19 the provisions of section 14-33a, no such registration shall be issued
20 until the commissioner receives notification that the tax obligation has
21 been legally discharged; nor shall the commissioner register any other
22 motor vehicle, snowmobile, all-terrain vehicle or vessel in the name of
23 such person, except that the commissioner may continue to register
24 other vehicles owned by a leasing or rental firm licensed pursuant to
25 section 14-15, and may issue such registration to any private owner of
26 three or more paratransit vehicles in direct proportion to the percentage
27 of total tax due on such vehicles which has been paid and notice of
28 payment on which has been received. The Commissioner of Motor
29 Vehicles may immediately suspend or cancel all motor vehicle,
30 snowmobile, all-terrain vehicle or vessel registrations issued in the
31 name of any person (A) who has been reported as delinquent and whose
32 registration was renewed through an error or through the production of
33 false evidence that the delinquent tax on any motor vehicle had been
34 paid, or (B) who has been reported by a tax collector as having paid a
35 property tax on a motor vehicle with a check which was dishonored by
36 a bank and such tax remains unpaid.

37 Sec. 2. Subsection (b) of section 12-71d of the 2024 supplement to the
38 general statutes is repealed and the following is substituted in lieu
39 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
40 *on or after October 1, 2024*):

41 (b) Not later than October 1, 2024, and annually thereafter, the
42 Secretary of the Office of Policy and Management shall, in consultation
43 with the [Connecticut Association of Assessing Officers, recommend a
44 schedule of motor vehicle plate classes] Department of Motor Vehicles,
45 establish guidelines for the valuation of motor vehicles, which shall be
46 used by assessors in each municipality in determining the
47 [classification] use of motor vehicles for purposes of property taxation.

48 The value for each motor vehicle shall be determined by the schedule of
49 depreciation described in subdivision (7) of subsection (b) of section 12-
50 63, as amended by this act. The determination of the assessed value of
51 any vehicle for which a manufacturer's suggested retail price cannot be
52 obtained for purposes of the property tax assessment list in any
53 municipality shall be the responsibility of the assessor in such
54 municipality, in consultation with the Connecticut Association of
55 Assessing Officers, and shall be based upon the original selling price of
56 such vehicle minus depreciation. Any appeal from the findings of
57 assessors concerning motor vehicle values shall be made in accordance
58 with provisions related to such appeals under this chapter.

59 Sec. 3. Subsection (b) of section 12-63 of the 2024 supplement to the
60 general statutes is repealed and the following is substituted in lieu
61 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
62 *on or after October 1, 2024*):

63 (b) (1) For the purposes of this subsection, (A) "electronic data
64 processing equipment" means computers, printers, peripheral computer
65 equipment, bundled software and any computer-based equipment
66 acting as a computer, as defined in Section 168 of the Internal Revenue
67 Code of 1986, or any subsequent corresponding internal revenue code
68 of the United States, as from time to time amended; (B) "leased personal
69 property" means tangible personal property which is the subject of a
70 written or oral lease or loan on the assessment date, or any such
71 property which has been so leased or loaned by the then current owner
72 of such property for three or more of the twelve months preceding such
73 assessment date; and (C) "original selling price" means the price at
74 which tangible personal property is most frequently sold in the year that
75 it was manufactured.

76 (2) Any municipality may, by ordinance, adopt the provisions of this
77 subsection to be applicable for the assessment year commencing
78 October first of the assessment year in which a revaluation of all real
79 property required pursuant to section 12-62 is performed in such
80 municipality, and for each assessment year thereafter. If so adopted, the

81 present true and actual value of tangible personal property, other than
 82 motor vehicles, shall be determined in accordance with the provisions
 83 of this subsection. If such property is purchased, its true and actual
 84 value shall be established in relation to the cost of its acquisition,
 85 including transportation and installation, and shall reflect depreciation
 86 in accordance with the schedules set forth in subdivisions (3) to (6),
 87 inclusive, of this subsection. If such property is developed and produced
 88 by the owner of such property for a purpose other than wholesale or
 89 retail sale or lease, its true and actual value shall be established in
 90 relation to its cost of development, production and installation and shall
 91 reflect depreciation in accordance with the schedules provided in
 92 subdivisions (3) to (6), inclusive, of this subsection. The provisions of
 93 this subsection shall not apply to property owned by a public service
 94 company, as defined in section 16-1.

95 (3) The following schedule of depreciation shall be applicable with
 96 respect to electronic data processing equipment:

97 (A) Group I: Computer and peripheral hardware, including, but not
 98 limited to, personal computers, workstations, terminals, storage
 99 devices, printers, scanners, computer peripherals and networking
 100 equipment:

T1		Depreciated Value
T2		As Percentage
T3	Assessment Year	Of Acquisition
T4	Following Acquisition	Cost Basis
T5	First year	Seventy per cent
T6	Second year	Forty per cent
T7	Third year	Twenty per cent
T8	Fourth year and thereafter	Ten per cent

101 (B) Group II: Other hardware, including, but not limited to, mini-
 102 frame and main-frame systems with an acquisition cost of more than
 103 twenty-five thousand dollars:

T9		Depreciated Value
T10		As Percentage
T11	Assessment Year	Of Acquisition
T12	Following Acquisition	Cost Basis
T13	First year	Ninety per cent
T14	Second year	Sixty per cent
T15	Third year	Forty per cent
T16	Fourth year	Twenty per cent
T17	Fifth year and thereafter	Ten per cent

104 (4) The following schedule of depreciation shall be applicable with
 105 respect to copiers, facsimile machines, medical testing equipment, and
 106 any similar type of equipment that is not specifically defined as
 107 electronic data processing equipment, but is considered by the assessor
 108 to be technologically advanced:

T18		Depreciated Value
T19		As Percentage
T20	Assessment Year	Of Acquisition
T21	Following Acquisition	Cost Basis
T22	First year	Ninety-five per cent
T23	Second year	Eighty per cent
T24	Third year	Sixty per cent
T25	Fourth year	Forty per cent
T26	Fifth year and thereafter	Twenty per cent

109 (5) The following schedule of depreciation shall be applicable with
 110 respect to machinery and equipment used in the manufacturing process:

T27		Depreciated Value
T28		As Percentage
T29	Assessment Year	Of Acquisition
T30	Following Acquisition	Cost Basis
T31	First year	Ninety per cent
T32	Second year	Eighty per cent

T33	Third year	Seventy per cent
T34	Fourth year	Sixty per cent
T35	Fifth year	Fifty per cent
T36	Sixth year	Forty per cent
T37	Seventh year	Thirty per cent
T38	Eighth year and thereafter	Twenty per cent

111 (6) The following schedule of depreciation shall be applicable with
 112 respect to all tangible personal property other than that described in
 113 subdivisions (3) to (5), inclusive, and subdivision (7) of this subsection:

T39		Depreciated Value
T40		As Percentage
T41	Assessment Year	Of Acquisition
T42	Following Acquisition	Cost Basis
T43	First year	Ninety-five per cent
T44	Second year	Ninety per cent
T45	Third year	Eighty per cent
T46	Fourth year	Seventy per cent
T47	Fifth year	Sixty per cent
T48	Sixth year	Fifty per cent
T49	Seventh year	Forty per cent
T50	Eighth year and thereafter	Thirty per cent

114 (7) For assessment years commencing on or after October 1, 2024, the
 115 following schedule of depreciation shall be applicable with respect to
 116 motor vehicles based on the manufacturer's suggested retail price of
 117 such motor vehicles, provided no motor vehicle shall be [valued]
 118 assessed at an amount less than five hundred dollars:

T51		Percentage of
T52		Manufacturer's Suggested
T53	Age of Vehicle	Retail Price
T54	Up to year one	Eighty per cent
T55	Year two	Seventy-five per cent
T56	Year three	Seventy per cent

T57	Year four	Sixty-five per cent
T58	Year five	Sixty per cent
T59	Year six	Fifty-five per cent
T60	Year seven	Fifty per cent
T61	Year eight	Forty-five per cent
T62	Year nine	Forty per cent
T63	Year ten	Thirty-five per cent
T64	Year eleven	Thirty per cent
T65	Year twelve	Twenty-five per cent
T66	Year thirteen	Twenty per cent
T67	Year fourteen	Fifteen per cent
T68	Years fifteen to nineteen	Ten per cent
T69	Years twenty and beyond	Not less than
T70		five hundred dollars

119 (8) The present true and actual value of leased personal property
120 other than motor vehicles shall be determined in accordance with the
121 provisions of this subdivision. Such value for any assessment year shall
122 be established in relation to the original selling price for self-
123 manufactured property or acquisition cost for acquired property and
124 shall reflect depreciation in accordance with the schedules provided in
125 subdivisions (3) to (6), inclusive, of this subsection. If the assessor is
126 unable to determine the original selling price of leased personal
127 property other than a motor vehicle, the present true and actual value
128 thereof shall be its current selling price.

129 (9) With respect to any personal property which is prohibited by law
130 from being sold, the present true and actual value of such property shall
131 be established with respect to such property's original manufactured
132 cost increased by a ratio the numerator of which is the total proceeds
133 from the manufacturer's salable equipment sold and the denominator of
134 which is the total cost of the manufacturer's salable equipment sold.
135 Such value shall then be depreciated in accordance with the appropriate
136 schedule in this subsection.

137 (10) The schedules of depreciation set forth in subdivisions (3) to (6),

138 inclusive, of this subsection shall not be used with respect to motor
139 vehicles, videotapes, horses or other taxable livestock or electric
140 cogenerating equipment.

141 (11) If the assessor determines that the value of any item of personal
142 property, other than a motor vehicle valued pursuant to subdivision (7)
143 of this subsection, produced by the application of the schedules set forth
144 in this subsection does not accurately reflect the present true and actual
145 value of such item, the assessor shall adjust such value to reflect the
146 present true and actual value of such item.

147 (12) For assessment years commencing on or after October 1, 2024, for
148 any commercial motor vehicle (A) that is modified, or (B) to which is
149 affixed an attachment designed, manufactured or modified to be affixed
150 to such motor vehicle, the assessor shall determine whether to value
151 such motor vehicle and any such modifications or attachments to such
152 motor vehicle pursuant to subdivision (7) of this subsection or section
153 12-41, as amended by this act. The assessor shall determine valuation of
154 any modifications or attachments to such motor vehicle based on
155 whether such modifications or attachments are intended to be
156 permanently affixed to such motor vehicle.

157 [(12)] (13) Nothing in this subsection shall prevent any taxpayer from
158 appealing any (A) assessment made pursuant to this subsection if such
159 assessment does not accurately reflect the present true and actual value
160 of any item of such taxpayer's personal property, or (B) determination
161 of the manufacturer's suggested retail price used to value a motor
162 vehicle pursuant to this subsection.

163 Sec. 4. Subsections (b) and (c) of section 12-41 of the 2024 supplement
164 to the general statutes are repealed and the following is substituted in
165 lieu thereof (*Effective July 1, 2024, and applicable to assessment years*
166 *commencing on or after October 1, 2024*):

167 (b) [(1) For assessment years commencing prior to October 1, 2024,
168 no] No person required by law to file an annual declaration of personal
169 property shall include in such declaration motor vehicles that are

170 registered [in the office of the state Commissioner] with the Department
171 of Motor Vehicles. With respect to any vehicle subject to taxation in a
172 town other than the town in which such vehicle is registered, pursuant
173 to section 12-71, as amended by this act, information concerning such
174 vehicle may be included in a declaration filed pursuant to this section or
175 section 12-43, or on a report filed pursuant to section 12-57a.

176 [(2) For assessment years commencing on or after October 1, 2024,
177 any person required to file an annual declaration of tangible personal
178 property shall include in such declaration the motor vehicle listing,
179 pursuant to subdivision (2) of subsection (f) of section 12-71, of any
180 motor vehicle owned by such person. If, after the annual deadline for
181 filing a declaration, a motor vehicle is deemed personal property by the
182 assessor, such motor vehicle shall be added to the declaration of the
183 owner of such vehicle or included on a new declaration if no declaration
184 was submitted in the prior year. The value of the motor vehicle shall be
185 determined pursuant to section 12-63. If applicable, the value of the
186 motor vehicle for the current assessment year shall be prorated pursuant
187 to section 12-71b, and shall not be considered omitted property, as
188 defined in section 12-53, or subject to a penalty pursuant to subsection
189 (f) of this section.]

190 (c) The annual declaration of the tangible personal property owned
191 by such person on the assessment date, shall include, but is not limited
192 to, the following property: Machinery used in mills and factories, cables,
193 wires, poles, underground mains, conduits, pipes and other fixtures of
194 water, gas, electric and heating companies, leasehold improvements
195 classified as other than real property and furniture and fixtures of stores,
196 offices, hotels, restaurants, taverns, halls, factories and manufacturers.
197 Tangible personal property does not include a sign placed on a property
198 indicating that the property is for sale or lease. On and after October 1,
199 2024, tangible personal property shall include nonpermanent
200 modifications and attachments to commercial motor vehicles. [listed on
201 the schedule of motor vehicle plate classes recommended pursuant to
202 section 12-71d.] Commercial or financial information in any declaration
203 filed under this section [, except for commercial or financial information

204 which concerns motor vehicles,] shall not be open for public inspection
205 but may be disclosed to municipal officers for tax collection purposes.

206 Sec. 5. Subsection (a) of section 12-53 of the 2024 supplement to the
207 general statutes is repealed and the following is substituted in lieu
208 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
209 *on or after October 1, 2024*):

210 (a) For purposes of this section:

211 (1) "Omitted property" means property for which complete
212 information is not included in the declaration required to be filed by law
213 with respect to (A) the total number and type of all items subject to
214 taxation, or (B) the true original cost and year acquired of all such items;
215 [or (C) on or after October 1, 2024, the manufacturer's suggested retail
216 price of a motor vehicle plus any applicable after-market alterations to
217 such motor vehicle,]

218 (2) ["books"] "Books", "papers", "documents" and "other records"
219 includes, but is not limited to, federal tax forms relating to the
220 acquisition and cost of fixed assets, general ledgers, balance sheets,
221 disbursement ledgers, fixed asset and depreciation schedules, financial
222 statements, invoices, operating expense reports, capital and operating
223 leases, conditional sales agreements and building or leasehold ledgers;
224 [] and

225 (3) ["designee of an assessor"] "Designee of an assessor" means a
226 Connecticut municipal assessor certified in accordance with subsection
227 (b) of section 12-40a, a certified public accountant, a revaluation
228 company certified in accordance with section 12-2c for the valuation of
229 personal property, or an individual certified as a revaluation company
230 employee in accordance with section 12-2b for the valuation of personal
231 property.

232 Sec. 6. Subdivision (2) of subsection (a) of section 12-71 of the 2024
233 supplement to the general statutes is repealed and the following is
234 substituted in lieu thereof (*Effective July 1, 2024, and applicable to*

235 *assessment years commencing on or after October 1, 2024):*

236 (2) For assessment years commencing on or after October 1, 2024,
237 goods, chattels and effects or any interest therein, including any interest
238 in a leasehold improvement classified as other than real property,
239 belonging to any person who is a resident in this state, shall be listed for
240 purposes of property tax in the town where such person resides, subject
241 to the provisions of sections 12-41, as amended by this act, 12-43 and 12-
242 59. Any such property belonging to any nonresident shall be listed for
243 purposes of property tax as provided in section 12-43. Motor vehicles
244 shall be listed for purposes of the property tax as provided in subsection
245 (f) of this section.

246 Sec. 7. Subdivision (2) of subsection (f) of section 12-71 of the 2024
247 supplement to the general statutes is repealed and the following is
248 substituted in lieu thereof (*Effective July 1, 2024, and applicable to*
249 *assessment years commencing on or after October 1, 2024):*

250 [(2) (A) For assessment years commencing on or after October 1, 2024,
251 each municipality shall list motor vehicles registered and classified in
252 accordance with section 12-71d, and such motor vehicles shall be valued
253 in the same manner as motor vehicles valued pursuant to section 12-63.]

254 [(B)] (2) For assessment years commencing on or after October 1, 2024,
255 any unregistered motor vehicle or motor vehicle that is not used or
256 capable of being used that is located in a municipality in this state, shall
257 be listed and valued in the [manner described in subparagraph (A) of
258 this subdivision] same manner as motor vehicles valued pursuant to
259 section 12-63, as amended by this act.

260 Sec. 8. Section 12-71b of the 2024 supplement to the general statutes
261 is repealed and the following is substituted in lieu thereof (*Effective July*
262 *1, 2024, and applicable to assessment years commencing on or after October 1,*
263 *2024):*

264 (a) (1) For assessment years commencing prior to October 1, 2024, any
265 person who owns a motor vehicle which is not registered with the

266 Commissioner of Motor Vehicles on the first day of October in any
267 assessment year and which is registered subsequent to said first day of
268 October but prior to the first day of August in such assessment year shall
269 be liable for the payment of property tax with respect to such motor
270 vehicle in the town where such motor vehicle is subject to property tax,
271 in an amount as hereinafter provided, on the first day of January
272 immediately subsequent to the end of such assessment year. The
273 property tax payable with respect to such motor vehicle on said first day
274 of January shall be in the amount which would be payable if such motor
275 vehicle had been entered in the taxable list of the town where such
276 motor vehicle is subject to property tax on the first day of October in
277 such assessment year if such registration occurs prior to the first day of
278 November. If such registration occurs on or after the first day of
279 November but prior to the first day of August in such assessment year,
280 such tax shall be a pro rata portion of the amount of tax payable if such
281 motor vehicle had been entered in the taxable list of such town on
282 October first in such assessment year to be determined (A) by a ratio,
283 the numerator of which shall be the number of months from the date of
284 such registration, including the month in which registration occurs, to
285 the first day of October next succeeding and the denominator of which
286 shall be twelve, or (B) upon the affirmative vote of the legislative body
287 of the municipality, by a ratio the numerator of which shall be the
288 number of days from the date of such registration, including the day on
289 which the registration occurs, to the first day of October next succeeding
290 and the denominator of which shall be three hundred sixty-five. For
291 purposes of this section the term "assessment year" means the period of
292 twelve full months commencing with October first each year.

293 (2) For assessment years commencing on or after October 1, 2024, any
294 [person who owns a] motor vehicle [which] that is not registered with
295 the Commissioner of Motor Vehicles on the first day of October in any
296 assessment year and which is registered subsequent to said first day of
297 October but prior to the [first day of April] last day of September in such
298 assessment year shall be added to the grand list by the assessor, and the
299 owner of such motor vehicle shall be liable for the payment of property
300 tax with respect to such motor vehicle in the town where such motor

301 vehicle is subject to property tax, in an amount as hereinafter provided.
302 [on the first day of July in such assessment year. Any person who owns
303 a motor vehicle which is registered with the Commissioner of Motor
304 Vehicles on or after the first day of April in any assessment year but
305 prior to the first day of October next succeeding shall be liable for the
306 payment of property tax with respect to such motor vehicle in the town
307 where such motor vehicle is subject to property tax, in an amount
308 hereinafter provided, on the first day of January immediately
309 subsequent to the end of such assessment year.] The property tax
310 payable with respect to a motor vehicle described in this subdivision
311 shall be in the amount which would be payable if such motor vehicle
312 had been entered into the taxable list of the town where such motor
313 vehicle is subject to property tax on the first day of October in such
314 assessment year if such registration occurs prior to the first day of
315 November. If such registration occurs on or after the first day of
316 November but prior to the first day of October next succeeding, such tax
317 shall be a pro rata portion of the amount of tax payable if such motor
318 vehicle had been entered in the taxable list of such town on October first
319 in such assessment year to be determined (A) by a ratio, the numerator
320 of which shall be the number of months from the date of such
321 registration, including the month in which registration occurs, to the
322 first day of October next succeeding and the denominator of which shall
323 be twelve, or (B) upon the affirmative vote of the legislative body of the
324 municipality, by a ratio the numerator of which shall be the number of
325 days from the date of such registration, including the day on which the
326 registration occurs, to the first day of October next succeeding and the
327 denominator of which shall be three hundred sixty-five.

328 (b) (1) For assessment years commencing prior to October 1, 2024,
329 whenever any person who owns a motor vehicle which has been entered
330 in the taxable list of the town where such motor vehicle is subject to
331 property tax in any assessment year and who, subsequent to the first
332 day of October in such assessment year but prior to the first day of
333 August in such assessment year, replaces such motor vehicle with
334 another motor vehicle, hereinafter referred to as the replacement
335 vehicle, which vehicle may be in a different classification for purposes

336 of registration than the motor vehicle replaced, and provided one of the
337 following conditions is applicable with respect to the motor vehicle
338 replaced: (A) The unexpired registration of the motor vehicle replaced
339 is transferred to the replacement vehicle, (B) the motor vehicle replaced
340 was stolen or totally damaged and proof concerning such theft or total
341 damage is submitted to the assessor in such town, or (C) the motor
342 vehicle replaced is sold by such person within forty-five days
343 immediately prior to or following the date on which such person
344 acquires the replacement vehicle, such person shall be liable for the
345 payment of property tax with respect to the replacement vehicle in the
346 town in which the motor vehicle replaced is subject to property tax, in
347 an amount as hereinafter provided, on the first day of January
348 immediately subsequent to the end of such assessment year. If the
349 replacement vehicle is replaced by such person with another motor
350 vehicle prior to the first day of August in such assessment year, the
351 replacement vehicle shall be subject to property tax as provided in this
352 subsection and such other motor vehicle replacing the replacement
353 vehicle, or any motor vehicle replacing such other motor vehicle in such
354 assessment year, shall be deemed to be the replacement vehicle for
355 purposes of this subsection and shall be subject to property tax as
356 provided herein. The property tax payable with respect to the
357 replacement vehicle on said first day of January shall be the amount by
358 which (i) is in excess of (ii) as follows: (i) The property tax which would
359 be payable if the replacement vehicle had been entered in the taxable list
360 of the town in which the motor vehicle replaced is subject to property
361 tax on the first day of October in such assessment year if such
362 registration occurs prior to the first day of November, however if such
363 registration occurs on or after the first day of November but prior to the
364 first day of August in such assessment year, such tax shall be a pro rata
365 portion of the amount of tax payable if such motor vehicle had been
366 entered in the taxable list of such town on October first in such
367 assessment year to be determined by a ratio, the numerator of which
368 shall be the number of months from the date of such registration,
369 including the month in which registration occurs, to the first day of
370 October next succeeding and the denominator of which shall be twelve,

371 provided if such person, on said first day of October, was entitled to any
372 exemption under section 12-81, as amended by this act, which was
373 allowed in the assessment of the motor vehicle replaced, such
374 exemption shall be allowed for purposes of determining the property
375 tax payable with respect to the replacement vehicle as provided herein;
376 (ii) the property tax payable by such person with respect to the motor
377 vehicle replaced, provided if the replacement vehicle is registered
378 subsequent to the thirty-first day of October but prior to the first day of
379 August in such assessment year such property tax payable with respect
380 to the motor vehicle replaced shall, for purposes of the computation
381 herein, be deemed to be a pro rata portion of such property tax to be
382 prorated in the same manner as the amount of tax determined under (i)
383 above.

384 (2) For assessment years commencing on or after October 1, 2024,
385 whenever any person who owns a motor vehicle which has been entered
386 in the taxable list of the town where such motor vehicle is subject to
387 property tax in any assessment year and who, subsequent to the first
388 day of October in such assessment year but prior to the [first day of
389 April] last day of September in such assessment year, replaces such
390 motor vehicle with another motor vehicle, hereinafter referred to as the
391 replacement vehicle, which vehicle may be in a different classification
392 for purposes of registration than the motor vehicle replaced, and
393 provided one of the following conditions is applicable with respect to
394 the motor vehicle replaced: (A) The unexpired registration of the motor
395 vehicle replaced is transferred to the replacement vehicle, (B) the motor
396 vehicle replaced was stolen or totally damaged and proof concerning
397 such theft or total damage is submitted to the assessor in such town, or
398 (C) the motor vehicle replaced is sold by such person within forty-five
399 days immediately prior to or following the date on which such person
400 acquires the replacement vehicle, such motor vehicle shall be added by
401 the assessor to the taxable grand list and such person shall be liable for
402 the payment of property tax with respect to the replacement vehicle in
403 the town in which the motor vehicle replaced is subject to property tax
404 pursuant to subdivision [(4)] (3) of this subsection, [, on the first day of
405 July in such assessment year.] If a replacement vehicle is replaced by the

406 owner of such replacement vehicle prior to the first day of October next
407 succeeding such assessment year, the replacement vehicle shall be
408 added by the assessor to the taxable grand list and subject to property
409 tax as provided in this subdivision. [and such other] Any motor vehicle
410 replacing [the] a replacement vehicle, or any motor vehicle replacing
411 such other motor vehicle in such assessment year, shall be deemed to be
412 the replacement vehicle for purposes of this subdivision.

413 [(3) For assessment years commencing on or after October 1, 2024,
414 whenever any person who owns a motor vehicle which has been entered
415 into the taxable list of the town where such motor vehicle is subject to
416 property tax in any assessment year and who, on or after the first day of
417 April of such assessment year but prior to the first day of October next
418 succeeding, replaces such motor vehicle with another motor vehicle,
419 hereinafter referred to as the replacement vehicle, which vehicle may be
420 in a different classification for purposes of registration than the motor
421 vehicle replaced, and provided one of the following conditions is
422 applicable with respect to the motor vehicle replaced: (A) The unexpired
423 registration of the motor vehicle replaced is transferred to the
424 replacement vehicle, (B) the motor vehicle replaced was stolen or totally
425 damaged and proof concerning such theft or total damage is submitted
426 to the assessor in such town, or (C) the motor vehicle replaced is sold by
427 such person within forty-five days immediately prior to or following the
428 date on which such person acquires the replacement vehicle, such
429 person shall be liable for the payment of property tax with respect to the
430 replacement vehicle in the town in which the motor vehicle replaced is
431 subject to property tax pursuant to subdivision (4) of this subsection, on
432 the first day of January immediately succeeding such assessment year.
433 If a replacement vehicle is replaced by the owner of such replacement
434 vehicle prior to the first day of October next succeeding such assessment
435 year, the replacement vehicle shall be subject to property tax as
436 provided in this subdivision and such other motor vehicle replacing the
437 replacement vehicle, or any motor vehicle replacing such other motor
438 vehicle in such assessment year, shall be deemed to be the replacement
439 vehicle for purposes of this subdivision.]

440 [(4)] (3) The property tax payable with respect to a replacement
441 vehicle described in subdivision (2) [or (3)] of this subsection shall be
442 the amount by which (A) is in excess of (B) as follows: (A) The property
443 tax which would be payable if the replacement vehicle had been entered
444 in the taxable list of the town in which the motor vehicle replaced is
445 subject to property tax on the first day of October in such assessment
446 year if such registration occurs prior to the first day of November,
447 however, if such registration occurs on or after the first day of
448 November but prior to the first day of October next succeeding, such tax
449 shall be a pro rata portion of the amount of tax payable if such motor
450 vehicle had been entered in the taxable list of such town on October first
451 in such assessment year to be determined by ratio, the numerator of
452 which shall be the number of months from the date of such registration,
453 including the month in which registration occurs, to the first day of
454 October next succeeding and the denominator of which shall be twelve,
455 provided if such person, on said first day of October, was entitled to any
456 exemption under section 12-81, as amended by this act, which was
457 allowed in the assessment of the motor vehicle replaced, such
458 exemption shall be allowed for purposes of determining the property
459 tax payable with respect to the replacement vehicle as provided herein;
460 (B) the property tax payable by such person with respect to the motor
461 vehicle replaced, provided if the replacement vehicle is registered
462 subsequent to the thirty-first day of October but prior to the first day of
463 October next succeeding such property tax payable with respect to the
464 motor vehicle replaced shall, for purposes of the computation herein, be
465 deemed to be a pro rata portion of such property tax to be prorated in
466 the same manner as the amount of tax determined under subparagraph
467 (A) [above] of this subdivision.

468 (c) (1) For assessment years commencing prior to October 1, 2024, any
469 person who owns a commercial motor vehicle which has been
470 temporarily registered at any time during any assessment year and
471 which has not during such period been entered in the taxable list of any
472 town in the state for purposes of the property tax and with respect to
473 which no permanent registration has been issued during such period,
474 shall be liable for the payment of property tax with respect to such motor

475 vehicle in the town where such motor vehicle is subject to property tax
476 on the first day of January immediately following the end of such
477 assessment year, in an amount as hereinafter provided. The property tax
478 payable shall be in the amount which would be payable if such motor
479 vehicle had been entered in the taxable list of the town where such
480 motor vehicle is subject to property tax on the first day of October in
481 such assessment year.

482 (2) For assessment years commencing on or after October 1, 2024, any
483 person who owns a commercial motor vehicle which has been
484 temporarily registered at any time during any assessment year and
485 which has not during such period been entered in the taxable list of any
486 town in the state for purposes of the property tax and with respect to
487 which no permanent registration has been issued during such period,
488 shall be liable for the payment of property tax with respect to such motor
489 vehicle in the town where such motor vehicle is subject to property tax,
490 [on the first day of July of such assessment year or the first day of
491 January immediately following such assessment year, as applicable,
492 pursuant to subdivisions (2) and (3) of subsection (b) of this section.] The
493 property tax payable shall be in the amount which would be payable if
494 such motor vehicle had been entered in the taxable list of the town
495 where such motor vehicle is subject to property tax on the first day of
496 October in such assessment year.

497 (d) [Any] (1) For assessment years commencing prior to October 1,
498 2024, any motor vehicle subject to property tax as provided in this
499 section shall, except as otherwise provided in subsection (b) of this
500 section, be subject to such property tax in the town in which such motor
501 vehicle was last registered in the assessment year ending immediately
502 preceding the day on which such property tax is payable as provided in
503 this section.

504 (2) For assessment years commencing on or after October 1, 2024, any
505 motor vehicle subject to property tax as provided in this section shall,
506 except as otherwise provided in subsection (b) of this section, be subject
507 to property tax in the town in which such motor vehicle was first

508 registered in the assessment year.

509 (e) Whenever any motor vehicle subject to property tax as provided
510 in this section has been replaced by the owner with another motor
511 vehicle in the assessment year immediately preceding the day on which
512 such property tax is payable, each such motor vehicle shall be subject to
513 property tax as provided in this section.

514 (f) Upon receipt by the assessor in any town of notice from the
515 Commissioner of Motor Vehicles, in a manner as prescribed by said
516 commissioner, with respect to any motor vehicle subject to property tax
517 in accordance with the provisions of this section and which has not been
518 entered in the taxable grand list of such town, such assessor shall
519 determine the value of such motor vehicle for purposes of property tax
520 assessment and shall, for assessment years commencing (1) prior to
521 October 1, 2024, add such value to the taxable grand list in such town
522 for the immediately preceding assessment date, and [the] (2) on or after
523 October 1, 2024, add such value to the taxable grand list in such town.
524 The tax thereon shall be levied and collected by the tax collector. Such
525 property tax shall be payable not later than the first day of [(1)] (A)
526 February following the first day of January on which the owner of such
527 motor vehicle becomes liable for the payment of property tax, for
528 assessment years commencing prior to October 1, 2024, and [(2)] (B)
529 the month succeeding the month in which such property tax became due
530 and payable, for assessment years commencing on or after October 1,
531 2024, with respect to such motor vehicle in accordance with the
532 provisions of this section, subject to any determination in accordance
533 with section 12-142 that such tax shall be due and payable in
534 installments. [Said]

535 (g) (1) For assessment years commencing prior to October 1, 2024,
536 said owner may appeal the assessment of such motor vehicle, as
537 determined by the assessor in accordance with [this] subsection (f) of
538 this section, to the board of assessment appeals next succeeding the date
539 on which the tax based on such assessment is payable, and thereafter, to
540 the Superior Court as provided in section 12-117a. If the amount of such

541 tax is reduced upon appeal, the portion thereof which has been paid in
542 excess of the amount determined to be due upon appeal shall be
543 refunded to said owner.

544 (2) For assessment years commencing on or after October 1, 2024, said
545 owner may appeal the determination of the manufacturer's suggested
546 retail price used to assess a motor vehicle to the board of assessment
547 appeals next succeeding the date on which the tax based on such
548 assessment is payable, and thereafter, to the Superior Court as provided
549 in section 12-117a. If the amount of such tax is reduced upon appeal, the
550 portion thereof which has been paid in excess of the amount determined
551 to be due upon appeal shall be refunded to said owner.

552 [(g)] (h) Any motor vehicle which is not registered in this state shall
553 be subject to property tax in this state if such motor vehicle in the normal
554 course of operation most frequently leaves from and returns to or
555 remains in one or more points within this state, and such motor vehicle
556 shall be subject to such property tax in the town within which such
557 motor vehicle in the normal course of operation most frequently leaves
558 from and returns to or remains, provided when the owner of such motor
559 vehicle is a resident in any town in the state, it shall be presumed that
560 such motor vehicle most frequently leaves from and returns to or
561 remains in such town unless evidence, satisfactory to the assessor in
562 such town, is submitted to the contrary.

563 Sec. 9. Subsection (b) of section 12-71c of the 2024 supplement to the
564 general statutes is repealed and the following is substituted in lieu
565 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
566 *on or after October 1, 2024*):

567 (b) Any person claiming a property tax credit with respect to a motor
568 vehicle in accordance with subsection (a) of this section shall file with
569 the assessor in the town in which such person is entitled to such
570 property tax credit, documentation satisfactory to the assessor
571 concerning the sale, total damage, theft or removal and registration of
572 such motor vehicle. [For assessment years commencing prior to October
573 1, 2024, such] Such documentation shall be filed not later than the thirty-

574 first day of December immediately following the end of the assessment
575 year which next follows the assessment year in which such motor
576 vehicle was sold, damaged, stolen or removed and registered. [For
577 assessment years commencing on or after October 1, 2024, such
578 documentation shall be filed not later than three years after the date
579 upon which such tax was due and payable for such motor vehicle.]
580 Failure to file such claim and documentation as prescribed herein shall
581 constitute a waiver of the right to such property tax credit.

582 Sec. 10. Subdivision (74) of section 12-81 of the 2024 supplement to
583 the general statutes is repealed and the following is substituted in lieu
584 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
585 *on or after October 1, 2024*):

586 (74) (A) (i) For a period not to exceed five assessment years following
587 the assessment year in which it is first registered, any new commercial
588 truck, truck tractor, tractor and semitrailer, and vehicle used in
589 combination therewith, which is used exclusively to transport freight for
590 hire and: Is either subject to the jurisdiction of the United States
591 Department of Transportation pursuant to Chapter 135 of Title 49,
592 United States Code, or any successor thereto, or would otherwise be
593 subject to said jurisdiction except for the fact that the vehicle is used
594 exclusively in intrastate commerce; has a gross vehicle weight rating in
595 excess of twenty-six thousand pounds; and prior to August 1, 1996, was
596 not registered in this state or in any other jurisdiction but was registered
597 in this state on or after said date. (ii) For a period not to exceed five
598 assessment years following the assessment year in which it is first
599 registered, any new commercial truck, truck tractor, tractor and
600 semitrailer, and vehicle used in combination therewith, not eligible
601 under subparagraph (A)(i) of this subdivision, that has a gross vehicle
602 weight rating in excess of fifty-five thousand pounds and was not
603 registered in this state or in any other jurisdiction but was registered in
604 this state on or after August 1, 1999. As used in this subdivision, "gross
605 vehicle weight rating" has the same meaning as provided in section 14-
606 1;

607 (B) Any person who on October first in any year holds title to or is
608 the registrant of a vehicle for which such person intends to claim the
609 exemption provided in this subdivision shall file with the assessor or
610 board of assessors in the municipality in which the vehicle is subject to
611 property taxation, on or before the first day of November in such year,
612 a written application claiming such exemption on a form prescribed by
613 the Secretary of the Office of Policy and Management. Such person shall
614 include information as to the make, model, year and vehicle
615 identification number of each such vehicle, and any appurtenances
616 attached thereto, in such application. The person holding title to or the
617 registrant of such vehicle for which exemption is claimed shall furnish
618 the assessor or board of assessors with such supporting documentation
619 as said secretary may require, including, but not limited to, evidence of
620 vehicle use, acquisition cost and registration. Failure to file such
621 application in this manner and form within the time limit prescribed
622 shall constitute a waiver of the right to such exemption for such
623 assessment year, unless an extension of time is allowed as provided in
624 section 12-81k. Such application shall not be required for any assessment
625 year following that for which the initial application is filed, provided if
626 the vehicle is modified, such modification shall be deemed a waiver of
627 the right to such exemption until a new application is filed and the right
628 to such exemption is established as required initially. With respect to
629 any vehicle for which the exemption under this subdivision has
630 previously been claimed in a town other than that in which the vehicle
631 is registered on any assessment date, the person shall not be entitled to
632 such exemption until a new application is filed and the right to such
633 exemption is established in said town;

634 (C) With respect to any vehicle which is not registered on the first day
635 of October in any assessment year and which is registered subsequent
636 to said first day of October [but prior to the first day of August] in such
637 assessment year, the value of such vehicle for property tax exemption
638 purposes shall be a pro rata portion of the value determined in
639 accordance with subparagraph (D) of this subdivision, to be determined
640 by a ratio, the numerator of which shall be the number of months from
641 the date of such registration, including the month in which registration

642 occurs, to the first day of October next succeeding and the denominator
643 of which shall be twelve. For purposes of this subdivision, "assessment
644 year" means the period of twelve full months commencing with October
645 first each year;

646 (D) For assessment years commencing prior to October 1, 2024,
647 notwithstanding the provisions of section 12-71d, as amended by this
648 act, the assessor or board of assessors shall determine the value for each
649 vehicle with respect to which a claim for exemption under this
650 subdivision is approved, based on the vehicle's cost of acquisition,
651 including costs related to the modification of such vehicle, adjusted for
652 depreciation;

653 (E) For assessment years commencing on or after October 1, 2024, the
654 assessor or board of assessors shall determine the value for each vehicle,
655 with respect to which a claim for exemption under this subdivision is
656 approved, pursuant to the provisions of section 12-71d, as amended by
657 this act;

658 Sec. 11. Subsection (a) of section 7-152e of the general statutes is
659 repealed and the following is substituted in lieu thereof (*Effective July 1,*
660 *2024*):

661 (a) Notwithstanding any provision of the general statutes or special
662 act, municipal charter or ordinance, any municipality may, by ordinance
663 adopted by its legislative body, establish a fine to be imposed against
664 any owner of a motor vehicle that is subject to property tax in the
665 municipality pursuant to subsection [(g)] (h) of section 12-71b, as
666 amended by this act, who fails to register such motor vehicle with the
667 Commissioner of Motor Vehicles, provided (1) such motor vehicle is
668 eligible for registration and required to be registered under the
669 provisions of chapter 246, (2) such fine shall not be more than two
670 hundred fifty dollars, (3) any penalty for the failure to pay such fine by
671 a date prescribed by the municipality shall not be more than twenty-five
672 per cent of such fine, and (4) such fine shall be suspended for a first time
673 violator who presents proof of registration for such motor vehicle
674 subsequent to the violation but prior to the imposition of a fine.

675 Sec. 12. Subparagraph (B) of subdivision (7) of subsection (f) of
 676 section 12-71 of the 2024 supplement to the general statutes is repealed
 677 and the following is substituted in lieu thereof (*Effective from passage*):

678 (B) For assessment years commencing on or after October 1, 2024,
 679 information concerning any vehicle subject to taxation in a town other
 680 than the town in which it is registered may be included on any
 681 declaration or report filed pursuant to section 12-41, as amended by this
 682 act, 12-43 or 12-57a. If a motor vehicle is listed in a town in which it is
 683 not subject to taxation, pursuant to the provisions of subdivision (5) of
 684 this subsection, the assessor of the town in which such vehicle is listed
 685 shall notify the assessor of the town in which such vehicle is [listed]
 686 registered of the name and address of the owner of such motor vehicle,
 687 the vehicle identification number and the town in which such vehicle is
 688 taxed. The assessor of the town in which said vehicle is registered and
 689 the assessor of the town in which said vehicle is listed shall cooperate in
 690 administering the provisions of this section concerning the listing of
 691 such vehicle for property tax purposes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	14-33(a)(2)
Sec. 2	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71d(b)
Sec. 3	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-63(b)
Sec. 4	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-41(b) and (c)

Sec. 5	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-53(a)
Sec. 6	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71(a)(2)
Sec. 7	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71(f)(2)
Sec. 8	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71b
Sec. 9	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71c(b)
Sec. 10	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-81(74)
Sec. 11	<i>July 1, 2024</i>	7-152e(a)
Sec. 12	<i>from passage</i>	12-71(f)(7)(B)

PD *Joint Favorable Subst.*

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: See Below

Explanation

The bill makes various changes to the valuation and taxation of motor vehicles described below.

The bill changes the way motor vehicles are valued. This may result in a grand list reduction for motor vehicles between 8% and 24% per town and an overall motor vehicle grand list reduction of approximately 16%.

Under this bill, assessors must determine the method for (1) valuing modifications and attachments to commercial vehicles and (2) the vehicles to which these are attached. Any impact is dependent on how these modifications, attachments, and vehicles would have otherwise been valued.

The bill also eliminates certain deadlines for supplemental motor vehicle tax bill. To the extent this results in some motor vehicles being added to a different town's grand list at different points in time, there is a potential shift of grand lists between towns. This also results in a potential revenue gain to various municipalities associated with increased interest charged as the due date for supplemental tax bills will be moved up.

Certain deadlines for motor vehicle tax credits are also eliminated. This may result in a savings to municipalities beginning in FY 25 to the

extent fewer claims are made due to the shorter deadline and less tax credits are issued.

The bill makes various other changes that do not result in a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to how certain commercial vehicles with attachments and modifications are valued, interest charged, and tax credits issued.

OLR Bill Analysis**sHB 5172*****AN ACT CONCERNING THE ASSESSMENT OF MOTOR VEHICLES FOR PROPERTY TAXATION.*****SUMMARY**

This bill changes laws on motor vehicle assessments and property tax billing procedures that, by law, take effect October 1, 2024 (see BACKGROUND). Principally, the bill does the following:

1. eliminates a requirement that the Office of Policy and Management (OPM) define a class of motor vehicles that would be treated as non-vehicle personal property for certain property tax purposes;
2. requires assessors to determine whether to value modifications and attachments to commercial vehicles, as well as the vehicles to which they are affixed, as motor vehicles or as non-vehicle personal property; and
3. eliminates certain statutory deadlines for supplemental motor vehicle tax bills and re-establishes the prior law's time limit for taxpayers to apply for certain credits (e.g., for stolen or totaled vehicles).

Beginning with the 2024 assessment year (i.e., for tax bills sent out beginning July 1, 2025), existing law generally requires assessors to value vehicles using the manufacturer's suggested retail price (MSRP), subject to a depreciation schedule (rather than using a schedule of values OPM annually selects, as prior law required). For these assessments, the bill additionally requires:

1. OPM to annually establish valuation guidelines, in consultation

with the Department of Motor Vehicles, that assessors must use to determine vehicles' use for property tax purposes (§ 2);

2. assessors, in consultation with the Connecticut Association of Assessing Officers, to value a vehicle using its depreciated original cost if its MSRP cannot be obtained (§ 2); and
3. assessors to value tax-exempt commercial trucks, truck tractors, and tractors and semitrailers used exclusively to transport freight for hire in the same way as other vehicles (i.e., using their MSRP or original cost, as applicable, subject to depreciation), rather than using their purchase cost subject to depreciation (§ 10).

The bill also explicitly authorizes taxpayers to contest the MSRP used to assess their vehicles in the same way as existing law sets for appeals of the current valuation method (i.e., at the next board of assessment appeals meeting after the tax bill becomes due and then to the Superior Court) (§§ 3 & 8).

The bill additionally makes minor and conforming changes.

EFFECTIVE DATE: July 1, 2024, and applicable to assessment years starting on or after October 1, 2024, except for a minor change in § 7, which is effective July 1, 2024, and a technical correction in § 12, which is effective upon passage.

COMMERCIAL VEHICLE MODIFICATIONS AND ATTACHMENTS

Under property tax laws, motor vehicles and other, non-vehicle personal property are valued differently (e.g., using different methods and depreciation schedules). Beginning October 1, 2024, the bill requires assessors to determine whether to value commercial motor vehicles with modifications or certain attachments as motor vehicles or as personal property. It requires assessors to do the same for the modifications and attachments that are designed, manufactured, or modified to be affixed to the vehicle (e.g., a customized truck body or aftermarket add-on).

Under the bill, non-permanent modifications and attachments are considered personal property, which taxpayers must list on their annual personal property declarations. (Presumably, attachments and modifications that are intended to be permanently affixed are valued as part of the motor vehicle, not as personal property.)

Under current law, OPM must define a class of motor vehicles and taxpayers must list those vehicles, and their values, on a personal property declaration. In addition to eliminating the OPM-established class, the bill restores a provision in the underlying law specifying that registered motor vehicles are not to be listed on a personal property declaration. However, the bill also allows the assessor to determine that a commercial motor vehicle must be valued as personal property listed on a personal property declaration. It is unclear whether these commercial vehicles must be listed on declarations and how they must be valued (i.e., as other motor vehicles or as personal property).

SUPPLEMENTAL MOTOR VEHICLE TAX BILLS AND CREDITS

Late Additions to the Grand List

Under current law, when an assessor receives notice from the motor vehicles commissioner about a taxable vehicle that is not already in the town's taxable grand list, he or she must assess the vehicle and add it to the town's grand list for the immediately preceding October 1. Under the bill, beginning October 1, 2024, the assessor must instead add the vehicle to the town's taxable grand list. (It is unclear to which grand list this refers.)

Supplemental Tax Bill Due Dates

By law, until October 1, 2024, tax bills for vehicles (including replacement vehicles and temporarily registered commercial vehicles) registered after the start of the assessment year (October 1) are due the following January 1 in a supplemental tax bill, and interest on delinquent payments begins accruing February 1. Starting October 1, 2024, current law creates a second supplemental tax bill due date (July 1) and, in doing so, generally advances the payment date for vehicles registered after October 1 but before April 1.

The bill eliminates these statutory due dates and instead makes supplemental bills payable not later than the first day of the month after they become due. (Presumably this means municipalities will set supplemental tax bills' due dates and interest will begin accruing the first day of the successive month.)

Where Supplemental Motor Vehicle Tax is Paid

Under current law, supplemental motor vehicle tax bills for vehicles registered after the start of the assessment year (other than replacement vehicles) are due to the municipality in which the vehicle was last registered in the assessment year immediately preceding the day on which the tax is payable. The bill instead makes these supplemental tax bills due to the municipality where the vehicle was first registered during the assessment year. (By law, unchanged by the bill, supplemental motor vehicle tax bills are prorated for the number of months remaining in the assessment year.)

By law, and under the bill, supplemental tax bills on replacement vehicles are due to the municipality that billed the original, replaced vehicle.

Deadline to Request Credit

The bill reestablishes the prior law's deadline for a taxpayer to claim a credit against their property taxes for a vehicle that was sold, totaled, stolen, or the taxpayer registered in another state upon moving. Thus, under the bill, the deadline remains the December 31 following the first full assessment year after the assessment year in which the event (e.g., sale or theft) occurred.

BACKGROUND

Changes to Motor Vehicle Assessment Laws in 2023 and 2024

PA 22-118, §§ 497-509, beginning October 1, 2023, (1) required assessors to value vehicles using their MSRPs, subject to depreciation (rather than using a guide OPM annually selects); (2) required the Department of Motor Vehicles to give municipalities a supplemental list of vehicles it registered on a monthly, rather than annual, basis; and (3)

modified the timeline for supplemental bills. However, PA 23-304, §§ 209-219, delayed these changes by one year, until the 2024 assessment year.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/15/2024)