

## Updated: Fixed Property Tax Assessments Under CGS § 12-65b

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### Issue

Summarize [CGS § 12-65b](#), as amended by [PA 24-143](#), § 6 (effective October 1, 2024), which allows municipalities to fix the personal and real property (including air space) tax assessments for a range of development projects.

This report updates OLR Report [2022-R-0002](#).

### Summary

[CGS § 12-65b](#), as amended in 2024, allows municipalities to fix property tax assessments for various types of real estate development projects for up to 30 years. Specifically, it allows municipalities to fix the assessment increase resulting from improvements made (or that will be made) to real property and on personal property used for specified purposes. In doing so, it exempts the value of the improvements and personal property from property taxes.

Municipalities are authorized to provide the tax break for the following project types: office; retail; permanent multi-family residential; transient multi-family residential; manufacturing; warehouse, storage, or distribution; structured multilevel parking associated with a mass transit system; information technology; recreation and transportation facilities; mixed-use development; and improvements to be used by or on behalf of a hospital

#### *Fixed Assessment*

*A fixed assessment is a property tax break that freezes a property's taxable value (assessment) for a set period, allowing its owner to improve the property without paying taxes on the improvement's value.*

*Under CGS § 12-65b, the fixed assessment can apply to both real and personal property.*

system. The law specifies that the rehabilitation of existing structures for retail business use qualifies.

To fix the assessments as the law allows, a municipality must enter into a written agreement with the party liable for taxes on the property and have it approved by its legislative body. In municipalities where the legislative body is a town meeting, the law allows the board of selectmen, if they have been authorized by ordinance, to enter into the agreement.

The agreement may be with a party that (1) owns or proposes to acquire an interest in real property or air space in the municipality, (2) leases or proposes to lease air space in the municipality, or (3) owns personal property in the municipality.

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