

Senate, March 30, 1998. The Committee on Planning and Development reported through SEN. COLEMAN, 2nd DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING SITE VALUE TAXATION.

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

1 Section 1. Subsection (b) of section 12-62a  
2 of the general statutes, as amended by section 2  
3 of public act 97-254, is repealed and the  
4 following is substituted in lieu thereof:

5 (b) Each such municipality shall assess all  
6 property for purposes of the local property tax at  
7 a uniform rate of seventy per cent of present true  
8 and actual value, as determined under section  
9 12-63 EXCEPT THAT FOR ASSESSMENT YEARS COMMENCING  
10 ON AND AFTER OCTOBER 1, 1998, ANY MUNICIPALITY  
11 WITH A POPULATION GREATER THAN ONE HUNDRED  
12 THOUSAND, BY ORDINANCE ADOPTED BY ITS LEGISLATIVE  
13 BODY, MAY CLASSIFY REAL ESTATE AS EITHER BUILDINGS  
14 ON LAND OR LAND EXCLUSIVE OF BUILDINGS AND MAY  
15 ASSESS BUILDINGS ON LAND AT A LOWER RATE OF  
16 PRESENT TRUE AND ACTUAL VALUE.

17 Sec. 2. This act shall take effect from its  
18 passage and shall apply to assessment years  
19 commencing on and after October 1, 1998.

20 PD COMMITTEE VOTE: YEA 17 NAY 2 JFS

\* \* \* \* \*

"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF 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 HOUSE THEREOF FOR ANY PURPOSE."

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**FISCAL IMPACT STATEMENT - BILL NUMBER sSB 382**

STATE IMPACT	Cost (PILOT), see explanation below
MUNICIPAL IMPACT	Cost, Grand List Reduction, see explanation below
STATE AGENCY(S)	Office of Policy and Management

EXPLANATION OF ESTIMATES:

STATE IMPACT: There is a cost to the PILOT as a result of the increased mill rates in municipalities with populations greater than 100,000 that opted to lower the assessment rate lower than 70% of actual value of buildings exclusive of land. How significant the cost to the state would be is dependent on how many municipalities (populations greater than 100,000) adopt to lower the assessment rate on such buildings and to what degree the lower assessment rate impacts each municipality's own mill rate.

MUNICIPAL IMPACT: For municipalities with populations greater than 100,000 which opt to lower the assessment rate lower than 70% of actual value, a significant cost (reprogramming and recomputing separate tax bills) and reduction in Grand List could be incurred. How significant the cost/Grand List reduction would be would depend on the assessment rate the municipality chooses and whether the lesser rate is on all buildings exclusive of land or only those selected by the municipality.

This could result in increasing mill rates on other property listed on the Grand List (for example: residential, motor vehicles and state owned property)

in order for the municipality to raise a certain level of revenue. To what degree the mill rate will have to be increased to offset the reduction in its Grand List will be dependent on the assessment rate the municipality adopts for buildings exclusive of land.

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### **OLR BILL ANALYSIS**

sSB 382

#### **AN ACT CONCERNING SITE VALUE TAXATION**

**SUMMARY:** Under current law, municipalities must assess all property at 70% of its actual value. This bill allows the legislative body of a municipality with more than 100,000 residents to adopt an ordinance to classify real estate as either buildings on land or land exclusive of buildings, and assess the former at a lower proportion of its actual value. It is not clear that "buildings on land" means buildings exclusive of land. If it does not, the two assessment categories would overlap creating an ambiguity as to the taxable value of a property.

If adopted, the ordinance would apply to assessment years starting on or after October 1, 1998. The five municipalities with populations above 100,000 are Bridgeport, Hartford, New Haven, Stamford, and Waterbury.

EFFECTIVE DATE: Upon passage

#### **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute  
Yea 17      Nay 2