

Senate, April 14, 1998. The Committee on Finance, Revenue and Bonding reported through SEN. LOONEY, 11th DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING GRANTS-IN-LIEU OF TAXES FOR STATE CORRECTION FACILITIES AND APPEALS RELATED TO STATE-OWNED REAL PROPERTY AND PRIVATE COLLEGES AND GENERAL HOSPITALS.

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

1 Section 1. Subsection (a) of section 12-19a  
2 of the general statutes, as amended by section 1  
3 of public act 97-261, section 2 of public act  
4 97-282 and section 27 of public act 97-11 of the  
5 June 18 special session, is repealed and the  
6 following is substituted in lieu thereof:  
7 (a) On or before January first, annually, the  
8 Secretary of the Office of Policy and Management  
9 shall determine the amount due, as a state grant  
10 in lieu of taxes, to each town in this state  
11 wherein state-owned real property, reservation  
12 land held in trust by the state for an Indian  
13 tribe or a municipally owned airport, except that  
14 which was acquired and used for highways and  
15 bridges, but not excepting property acquired and  
16 used for highway administration or maintenance  
17 purposes, is located. The grant payable to any  
18 town under the provisions of this section in the  
19 state fiscal year commencing July 1, 1993, and  
20 each fiscal year thereafter, shall be equal to the

21 total of (1) (A) one hundred per cent of the  
22 property taxes which would have been paid with  
23 respect to any facility [listed in subsection (w)  
24 of section 1-1 and any other facility certified]  
25 DESIGNATED by the Commissioner of Correction, on  
26 or before August first of each year, to [have been  
27 used for incarcerative purposes during the  
28 preceding fiscal year] BE A CORRECTIONAL FACILITY  
29 ADMINISTERED UNDER THE AUSPICES OF THE DEPARTMENT  
30 OF CORRECTION OR A JUVENILE DETENTION CENTER UNDER  
31 DIRECTION OF THE DEPARTMENT OF CHILDREN THAT WAS  
32 USED FOR INCARCERATIVE PURPOSES DURING THE  
33 PRECEDING FISCAL YEAR. IF A LIST CONTAINING THE  
34 NAME AND LOCATION OF SUCH DESIGNATED FACILITIES  
35 AND INFORMATION CONCERNING THEIR USE FOR PURPOSES  
36 OF INCARCERATION DURING THE PRECEDING FISCAL YEAR  
37 IS NOT AVAILABLE FROM THE SECRETARY OF THE STATE  
38 ON THE FIRST DAY OF AUGUST OF ANY YEAR, SAID  
39 COMMISSIONER SHALL, ON SAID FIRST DAY OF AUGUST,  
40 CERTIFY TO THE SECRETARY OF THE OFFICE OF POLICY  
41 AND MANAGEMENT A LIST CONTAINING SUCH INFORMATION,  
42 AND (B) ONE HUNDRED PER CENT OF THE PROPERTY TAXES  
43 WHICH WOULD HAVE BEEN PAID WITH RESPECT TO THAT  
44 PORTION OF THE JOHN DEMPSEY HOSPITAL LOCATED AT  
45 THE UNIVERSITY OF CONNECTICUT HEALTH CENTER IN  
46 FARMINGTON THAT IS USED AS A PERMANENT MEDICAL  
47 WARD FOR PRISONERS UNDER THE CUSTODY OF THE  
48 DEPARTMENT OF CORRECTION. NOTHING IN THIS SECTION  
49 SHALL BE CONSTRUED AS DESIGNATING ANY PORTION OF  
50 THE UNIVERSITY OF CONNECTICUT HEALTH CENTER JOHN  
51 DEMPSEY HOSPITAL AS A CORRECTIONAL FACILITY, (2)  
52 subject to the provisions of subsection (c) of  
53 this section, forty per cent of the property taxes  
54 which would have been paid with respect to the  
55 buildings and grounds comprising Connecticut  
56 Valley Hospital in Middletown. Such grant shall  
57 commence with the fiscal year beginning July 1,  
58 1995, and continuing each year thereafter, (3)  
59 notwithstanding the provisions of subsections (b)  
60 and (c) of this section, with respect to any town  
61 in which more than fifty per cent of the property  
62 is state-owned real property, one hundred per cent  
63 of the property taxes which would have been paid  
64 with respect to such state-owned property. Such  
65 grant shall commence with the fiscal year  
66 beginning July 1, 1997, and continuing each year  
67 thereafter, and (4) subject to the provisions of  
68 subsection (c) of this section, twenty per cent of

69 the property taxes which would have been paid with  
70 respect to all other state-owned real property and  
71 with respect to all municipally owned airports;  
72 except for the exemption applicable to such  
73 property, on the assessment list in such town for  
74 the assessment date two years prior to the  
75 commencement of the state fiscal year in which  
76 such grant is payable. The grant provided pursuant  
77 to this section for any municipally owned airport  
78 shall be paid to any municipality in which the  
79 airport is located, except that the grant  
80 applicable to Sikorsky Airport shall be paid half  
81 to the town of Stratford and half to the city of  
82 Bridgeport. For the fiscal year ending June 30,  
83 1993, the amount of the grant payable to each  
84 municipality in accordance with this section shall  
85 be reduced proportionately in the event that the  
86 total of such grants in such year exceeds the  
87 amount appropriated for the purposes of this  
88 section with respect to such year.

89 Sec. 2. Section 12-19b of the general  
90 statutes, as amended by section 2 of public act  
91 97-261, is repealed and the following is  
92 substituted in lieu thereof:

93 Not later than April first in any assessment  
94 year, any town to which a grant is payable under  
95 the provisions of section 12-19a, AS AMENDED BY  
96 THIS ACT, shall provide the Secretary of the  
97 Office of Policy and Management with the assessed  
98 valuation of the state-owned land and buildings  
99 and the assessed valuation of the municipally  
100 owned airport as of the first day of October  
101 immediately preceding, adjusted in accordance with  
102 any gradual increase in or deferment of assessed  
103 values of real property implemented in accordance  
104 with section 12-62c or subsection (e) of section  
105 12-62a, AS AMENDED, which is required for  
106 computation of such grant. Any town which neglects  
107 to transmit to the Secretary of the Office of  
108 Policy and Management the assessed valuation as  
109 required by this section shall forfeit two hundred  
110 fifty dollars to the state, provided the secretary  
111 may waive such forfeiture in accordance with  
112 procedures and standards adopted by regulation in  
113 accordance with chapter 54. Said secretary may on  
114 or before the first day of [September] AUGUST of  
115 the state fiscal year in which such grant is  
116 payable, reevaluate any such property when, in his

117 judgment, the valuation is inaccurate and shall  
118 notify such town of such reevaluation. Any town  
119 aggrieved by the action of the secretary under the  
120 provisions of this section may, NOT LATER THAN TEN  
121 BUSINESS DAYS FOLLOWING RECEIPT OF SUCH NOTICE,  
122 APPEAL TO THE SECRETARY FOR A HEARING CONCERNING  
123 SUCH REEVALUATION. SUCH APPEAL SHALL BE IN WRITING  
124 AND SHALL INCLUDE A STATEMENT AS TO THE REASONS  
125 FOR SUCH APPEAL. THE SECRETARY SHALL, NOT LATER  
126 THAN TEN BUSINESS DAYS FOLLOWING RECEIPT OF SUCH  
127 APPEAL, GRANT OR DENY SUCH HEARING BY NOTIFICATION  
128 IN WRITING, INCLUDING IN THE EVENT OF A DENIAL, A  
129 STATEMENT AS TO THE REASONS FOR SUCH DENIAL. IF  
130 ANY TOWN IS AGGRIEVED BY THE ACTION OF THE  
131 SECRETARY FOLLOWING SUCH HEARING OR IN DENYING ANY  
132 SUCH HEARING, THE TOWN MAY within two weeks of  
133 such notice, appeal to the superior court for the  
134 judicial district wherein such town is located.  
135 Any such appeal shall be privileged.

136 Sec. 3. Section 12-20b of the general  
137 statutes is repealed and the following is  
138 substituted in lieu thereof:

139 Not later than April first in each year, any  
140 municipality to which a grant is payable under the  
141 provisions of section 12-20a shall provide the  
142 Secretary of the Office of Policy and Management  
143 with the assessed valuation of the tax-exempt real  
144 property as of the immediately preceding October  
145 first, adjusted in accordance with any gradual  
146 increase in or deferment of assessed values of  
147 real property implemented in accordance with  
148 section 12-62c or subsection (e) of section  
149 12-62a, AS AMENDED, which is required for  
150 computation of such grant. Any municipality which  
151 neglects to transmit to the Secretary of the  
152 Office of Policy and Management the assessed  
153 valuation as required by this section shall  
154 forfeit two hundred fifty dollars to the state,  
155 provided the secretary may waive such forfeiture  
156 in accordance with procedures and standards  
157 adopted by regulation in accordance with chapter  
158 54. Said secretary may, on or before the first day  
159 of [September] AUGUST of the state fiscal year in  
160 which such grant is payable, reevaluate any such  
161 property when, in his judgment, the valuation is  
162 inaccurate and shall notify such municipality of  
163 such reevaluation. Any municipality aggrieved by  
164 the action of said secretary under the provisions

165 of this section may, NOT LATER THAN TEN BUSINESS  
166 DAYS FOLLOWING RECEIPT OF SUCH NOTICE, APPEAL TO  
167 THE SECRETARY FOR A HEARING CONCERNING SUCH  
168 REEVALUATION, PROVIDED SUCH APPEAL SHALL BE IN  
169 WRITING AND SHALL INCLUDE A STATEMENT AS TO THE  
170 REASONS FOR SUCH APPEAL. THE SECRETARY SHALL, NOT  
171 LATER THAN TEN BUSINESS DAYS FOLLOWING RECEIPT OF  
172 SUCH APPEAL, GRANT OR DENY SUCH HEARING BY  
173 NOTIFICATION IN WRITING, INCLUDING IN THE EVENT OF  
174 A DENIAL, A STATEMENT AS TO THE REASONS FOR SUCH  
175 DENIAL. IF ANY MUNICIPALITY IS AGGRIEVED BY THE  
176 ACTION OF THE SECRETARY FOLLOWING SUCH HEARING OR  
177 IN DENYING ANY SUCH HEARING, THE MUNICIPALITY MAY  
178 within two weeks of such notice, appeal to the  
179 superior court for the judicial district in which  
180 the municipality is located. Any such appeal shall  
181 be privileged. Said secretary shall certify to the  
182 Comptroller the amount due each municipality under  
183 the provisions of section 12-20a, or under any  
184 recomputation occurring prior to September first  
185 which may be effected as the result of the  
186 provisions of this section, and the Comptroller  
187 shall draw his order on the Treasurer on or before  
188 the fifteenth day of September following and the  
189 Treasurer shall pay the amount thereof to such  
190 municipality on or before the thirtieth day of  
191 September following. If any recomputation is  
192 effected as the result of the provisions of this  
193 section on or after the January first following  
194 the date on which the municipality has provided  
195 the assessed valuation in question, any  
196 adjustments to the amount due to any municipality  
197 for the period for which such adjustments were  
198 made shall be made in the next payment the  
199 Treasurer shall make to such municipality pursuant  
200 to this section.  
201 Sec. 4. This act shall take effect July 1,  
202 1998.

203 FIN COMMITTEE VOTE: YEA 42 NAY 0 JFS

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"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 525**

STATE IMPACT	Cost, see explanation below
MUNICIPAL IMPACT	Revenue Gain, see explanation below
STATE AGENCY(S)	Office of Policy and Management, Department of Correction, Secretary of the State

EXPLANATION OF ESTIMATES:

STATE AND MUNICIPAL IMPACT: Adding juvenile detention facilities used for incarceration purposes to the definition of state-owned correctional facilities increases the payment-in-lieu-of-taxes (PILOT) for Long Lane School in Middletown from 20% to 100%. This will result in a cost to the Office of Policy and Management (OPM) of about \$200,000 for the additional PILOT payment in FY 2000-01. The timing of the payment to Middletown is delayed until FY 2000-01 because the effective date of the bill is 7/1/98 and provision will apply to the grand list of 10/1/98. The PILOT for this grand list will not be paid until FY 2000-01.

Stating that the portion of UConn Health Center being utilized as a medical ward for prisoners will receive a 100% PILOT has no fiscal impact because Farmington is already receiving 100%.

There is no fiscal impact for: (1) conforming to current practice the statutes on administrative hearings by OPM for aggrieved municipalities, and (2) moving the submission date for changes in PILOT requests.

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**OFA BILL ANALYSIS**

sSB 525

**AN ACT CONCERNING GRANTS-IN-LIEU OF TAXES FOR STATE CORRECTION FACILITIES AND APPEALS RELATED TO STATE-OWNED REAL PROPERTY AND PRIVATE COLLEGES AND GENERAL HOSPITALS**

**SUMMARY:** The bill modifies the definition for correctional facilities related to payments-in-lieu of taxes (PILOT) for state-owned correctional facilities. It adds to this definition juvenile detention centers used for incarceration purposes, which are under the direction of the Department of Children.

The bill requires either the Secretary of the State or the Commissioner of the Department of Correction (DOC) to furnish an annual list of these facilities to the Secretary of the Office of Policy and Management by August first of each year. It also states that the portion of the UConn Health Center used to provide medical services to prisoners in DOC custody, is eligible for the same 100% PILOT received by towns with a state correctional facility.

The bill formalizes the current administrative hearing process for municipalities aggrieved by a decision concerning the assessment of: (1) state-owned property, and (2) private college and hospital property.

Last, the bill moves up the date, from September to August, of notification by the Office of Policy and Management of changes to PILOT requests submitted by municipalities.

EFFECTIVE DATE: July 1, 1998

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute  
Yea 42      Nay 0