

House of Representatives, April 14, 1998. The Committee on Finance, Revenue and Bonding reported through REP. SCHIESSL, 60th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE ASSESSMENT OF PERSONAL PROPERTY.

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

1 Section 1. Section 12-40 of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:
4 The assessors in each town, except as
5 otherwise specially provided by law, shall, on or
6 before the fifteenth day of October annually, post
7 on the signposts therein, if any, or at some other
8 exterior place near the office of the town clerk,
9 or publish in a newspaper published in such town
10 or, if no newspaper is published in such town,
11 then in any newspaper published in the state
12 having a general circulation in such town, a
13 notice requiring all persons therein liable to pay
14 taxes to bring in [written or printed lists] A
15 DECLARATION of the taxable PERSONAL property
16 belonging to them on the first day of October in
17 that year IN ACCORDANCE WITH SECTION 12-42, AS
18 AMENDED BY THIS ACT, AND THE TAXABLE PERSONAL
19 PROPERTY FOR WHICH A DECLARATION IS REQUIRED IN
20 ACCORDANCE WITH SECTION 12-43, AS AMENDED BY THIS
21 ACT.

22 Sec. 2. Section 12-41 of the general statutes
23 is repealed and the following is substituted in
24 lieu thereof:

25 (a) "Municipality", whenever used in this
26 section, includes each town, consolidated town and
27 city, AND consolidated town and borough. [, city
28 and borough.]

29 (b) No person required by law to file [lists
30 of] AN ANNUAL DECLARATION OF PERSONAL property
31 subject to taxation with the assessor or board of
32 assessors of any municipality in this state shall
33 be required to include in such [lists]
34 DECLARATIONS motor vehicles which are registered
35 in the office of the state Commissioner of Motor
36 Vehicles.

37 [(c) Such persons need not include in such
38 lists other tangible personal property, provided a
39 list containing a complete and accurate
40 description of such property owned by such
41 persons, including all such property having a
42 value in excess of the statutory exemptions
43 provided for in section 12-81, has already been
44 filed in the office of the assessor or board of
45 assessors of the respective municipalities in
46 which such lists are required to be filed. Any
47 such person acquiring tangible personal property
48 in addition to that for which a list has already
49 been filed or disposing of any such property
50 described in such list shall, within thirty days
51 of the next succeeding assessment day, file a
52 supplemental list containing a complete and
53 accurate description of such tangible personal
54 property subsequently disposed of or acquired.]

55 [(d)] (c) Real estate need not be included in
56 such [lists] DECLARATIONS, but the Secretary of
57 the Office of Policy and Management shall not
58 approve the elimination of the listing of real
59 estate until the assessor's office of the
60 municipality requesting such approval furnishes
61 evidence to him that the following equipment is
62 available and in use in the assessor's office of
63 such municipality: Tax maps drawn to scale
64 identifying the properties located in the
65 municipality by lot or parcel; field sheets;
66 street cards; owners' cards; property transfer
67 records and building permits. Any such assessor's
68 office utilizing data processing or computer
69 equipment in lieu of any of the equipment

70 enumerated above shall be deemed to be in
71 compliance with requirements in this subsection
72 concerning such enumerated equipment, provided (1)
73 such data processing or computer equipment is used
74 in such manner that duplicates of any records or
75 information as required in this subsection are
76 available and (2) such data processing or computer
77 equipment includes capability of transferring such
78 records or information into printed form. The
79 Secretary of the Office of Policy and Management
80 may also approve a request from the assessor or
81 the board of assessors to compile the abstract of
82 real estate from data contained on the owners'
83 cards, if the equipment above enumerated is in use
84 in the assessor's office or from data available
85 through the use of such data processing or
86 computer equipment, provided such request has been
87 adopted by a majority vote at a regular or special
88 town meeting called for such purpose, or by the
89 legislative body.

90 [(e) The provisions of this section shall not
91 apply to the filing of lists required by law with
92 respect to]

93 (d) EACH PERSON SHALL FILE AN ANNUAL
94 DECLARATION WITH RESPECT TO ALL TANGIBLE PERSONAL
95 PROPERTY OWNED BY SUCH PERSON ON THE ASSESSMENT
96 DATE, WHICH SHALL INCLUDE, BUT IS NOT LIMITED TO,
97 the following property: Machinery used in mills
98 and factories, goods on hand for sale or
99 consumption in any trading, mercantile,
100 manufacturing or mechanical business, including
101 finished and partly finished goods and raw
102 materials and supplies acquired for sale or for
103 incorporation in merchandise intended for sale,
104 cables, wires, poles, underground mains, conduits,
105 pipes and other fixtures of water, gas, electric
106 and heating companies, LEASEHOLD IMPROVEMENTS
107 CLASSIFIED AS OTHER THAN REAL PROPERTY and
108 furniture and fixtures of stores, offices, hotels,
109 restaurants, taverns, halls, factories and
110 manufacturers. COMMERCIAL OR FINANCIAL INFORMATION
111 IN ANY DECLARATION FILED UNDER THIS SECTION SHALL
112 NOT BE OPEN FOR PUBLIC INSPECTION.

113 (e) ANY PERSON WHO (1) FAILS TO FILE A
114 DECLARATION OF PERSONAL PROPERTY ON OR BEFORE THE
115 FIRST DAY OF NOVEMBER, OR ON OR BEFORE THE
116 EXTENDED FILING DATE AS GRANTED BY THE ASSESSOR
117 PURSUANT TO SECTION 12-42, AS AMENDED BY THIS ACT,

118 OR (2) FILES A DECLARATION OF PERSONAL PROPERTY IN
119 A TIMELY MANNER, BUT FAILS TO DISCLOSE THE
120 EXISTENCE OF ALL TANGIBLE PERSONAL PROPERTY AS
121 REQUIRED BY LAW AND THE VALUATION OF SAID OMITTED
122 PROPERTY, SHALL BE SUBJECT TO A PENALTY EQUAL TO
123 TWENTY-FIVE PER CENT OF SUCH ASSESSMENT. THE
124 PENALTY SHALL BE ADDED TO THE GRAND LIST BY THE
125 ASSESSOR OF THE TOWN IN WHICH SUCH PROPERTY IS
126 TAXABLE.

127 [(f) The addition of twenty-five per cent to
128 the taxpayers' lists provided by law for failure
129 to file such lists shall apply only to such
130 properties as are not excepted by the provisions
131 of this section.

132 (g) The Secretary of the Office of Policy and
133 Management shall provide a form of list to be used
134 by property owners in each municipality for the
135 purpose of listing property which is not excepted
136 by the provisions hereof. The assessors of each
137 municipality may provide forms, subject to the
138 approval of the Secretary of the Office of Policy
139 and Management, to be used in carrying out the
140 foregoing provisions.

141 (h) This section shall take effect with
142 respect to any municipality upon approval by the
143 Secretary of the Office of Policy and Management
144 and upon adoption by a majority vote at a regular
145 or special town meeting called for the purpose or
146 by the legislative body, and thereupon the
147 provisions of section 12-42 shall not apply to
148 such municipality.]

149 Sec. 3. Section 12-42 of the general statutes
150 is repealed and the following is substituted in
151 lieu thereof:

152 Each resident of any town liable to [give in
153 a list and pay taxes therein] FILE AN ANNUAL
154 DECLARATION OF PERSONAL PROPERTY shall, except as
155 otherwise specially provided by law, on or before
156 the first day of November, annually, [give in his
157 list] FILE HIS DECLARATION, made as prescribed by
158 law. [, making a separate description of each
159 parcel of real estate.] The assessors may grant an
160 extension of not more than forty-five days to file
161 such [list] DECLARATION upon determination that
162 there is good cause. [When reference can be made
163 to a map on file in the town clerk's office, such
164 reference shall be a sufficient description.] If
165 he fails to file such [list] DECLARATION, the

166 assessors shall fill out a [list] DECLARATION for
167 him, putting therein all property which they have
168 reason to believe is owned by him, liable to
169 taxation, at the percentage of its actual
170 valuation, as determined by the assessors in
171 accordance with the provisions of sections [12-64]
172 12-63 and 12-71, AS AMENDED BY THIS ACT, from the
173 best information they can obtain, and add thereto
174 twenty-five per cent of such assessment. [and in
175 such list they shall make a separate description
176 and assessment of each parcel of real estate.]
177 When the first day of November is A SATURDAY OR
178 Sunday, the [list] DECLARATION may be [made out]
179 FILED on the NEXT BUSINESS day following.

180 Sec. 4. Section 12-43 of the general statutes
181 is repealed and the following is substituted in
182 lieu thereof:

183 All owners of [real estate, or of] tangible
184 personal property located in any town for three
185 months or more during the assessment year
186 immediately preceding any assessment day, who are
187 nonresidents of such town, shall file [lists] A
188 DECLARATION of such [real estate and] personal
189 property with the assessors of the town in which
190 the same is located on such assessment day, if
191 located in such town for three months or more in
192 such year, otherwise, in the town in which such
193 property is located for the three months or more
194 in such year nearest to such assessment day, under
195 the same provisions as apply to residents, and
196 such personal property shall not be liable to
197 taxation in any other town in this state. The
198 [list] DECLARATION of each nonresident taxpayer
199 shall contain his post-office and street address.
200 The assessors shall mail to each nonresident, or
201 to his attorney or agent having custody of his
202 taxable property, at least fifteen days before the
203 expiration of the time for filing [lists]
204 DECLARATIONS, blank forms for [filing lists of
205 such property. The lists of taxable property of
206 nonresidents shall be arranged in alphabetical
207 order and separate from the lists of residents,
208 provided no such separation shall be necessary in
209 any town the board of assessors of which, upon the
210 request of its property tax collector, has made
211 rules and regulations approved by the Secretary of
212 the Office of Policy and Management setting up an
213 alternative method of arrangement] SAID PURPOSE.

214 IF THE IDENTITY OR MAILING ADDRESS OF A
215 NONRESIDENT TAXPAYER IS NOT DISCOVERED UNTIL AFTER
216 THE EXPIRATION OF TIME FOR FILING A DECLARATION,
217 THE ASSESSOR SHALL, NOT LATER THAN TEN DAYS AFTER
218 DETERMINING THE IDENTITY OR MAILING ADDRESS, MAIL
219 A DECLARATION TO THE NONRESIDENT TAXPAYER. SAID
220 TAXPAYER SHALL FILE THE DECLARATION NOT LATER THAN
221 FIFTEEN DAYS AFTER THE DATE SUCH DECLARATION IS
222 SENT. EACH NONRESIDENT TAXPAYER WHO FAILS TO FILE
223 A DECLARATION IN ACCORDANCE WITH THE PROVISIONS OF
224 THIS SECTION SHALL BE SUBJECT TO THE PENALTY
225 PROVIDED IN SUBSECTION (e) OF SECTION 12-41, AS
226 AMENDED BY THIS ACT. AS USED IN THIS SUBSECTION,
227 "NONRESIDENT" MEANS A PERSON WHO DOES NOT RESIDE
228 IN THE TOWN IN WHICH HIS TANGIBLE PERSONAL
229 PROPERTY IS LOCATED ON THE ASSESSMENT DAY, OR A
230 COMPANY, CORPORATION, LIMITED LIABILITY COMPANY,
231 PARTNERSHIP OR ANY OTHER TYPE OF BUSINESS
232 ENTERPRISE THAT DOES NOT HAVE AN ESTABLISHED PLACE
233 FOR CONDUCTING BUSINESS IN SUCH TOWN ON THE
234 ASSESSMENT DAY.

235 Sec. 5. Section 12-53 of the general statutes
236 is repealed and the following is substituted in
237 lieu thereof:

238 (a) During the period prescribed by law for
239 the completion of their duties the assessor or
240 board of assessors of each town shall add to the
241 [list given in by any person and made according to
242 law] DECLARATION OF EACH TAXPAYER any taxable
243 property which they have reason to believe is
244 owned by him and has been omitted from such [list]
245 DECLARATION, and property so added shall be
246 assessed at the percentage of the actual valuation
247 thereof, as determined by the assessor or board of
248 assessors in accordance with the provisions of
249 sections 12-63 [, 12-64] and 12-71, AS AMENDED BY
250 THIS ACT, from the best information the assessor
251 or board of assessors can obtain, and twenty-five
252 per cent of such assessment shall be added
253 thereto. The assessor or board of assessors shall
254 notify such person, in accordance with section
255 12-55, AS AMENDED BY THIS ACT, of any such
256 increase in the assessed valuation. FOR PURPOSES
257 OF THIS SECTION, PROPERTY IS "OMITTED" IF COMPLETE
258 INFORMATION WAS NOT INCLUDED IN THE DECLARATION
259 WITH RESPECT TO THE TOTAL NUMBER AND TYPE OF ALL
260 ITEMS SUBJECT TO TAXATION OR THE TRUE ORIGINAL
261 COST OF ALL SUCH ITEMS.

262 (b) If the assessor or board of assessors of
263 any town believe that taxable property has been
264 omitted from the [list] DECLARATION given in by
265 any person or that taxable property belongs to any
266 person who has not given in a [list] DECLARATION,
267 or if the assessor or board of assessors are
268 unable to determine the value of any property
269 without the assistance of the owner, custodian or
270 other person having knowledge of the same, they
271 may give notice in writing to the owner, custodian
272 or other person having knowledge of any such
273 property or the valuation thereof, of the time and
274 place of [a hearing] AN AUDIT with respect
275 thereto. Such notice shall, within three years
276 [after the due date for the filing of such list or
277 within three years after the date on which such
278 list is received by the assessor or board of
279 assessors, if later] OF THE ASSESSMENT DATE FOR
280 WHICH SUCH DECLARATION WAS REQUIRED TO BE FILED,
281 be placed in the hands of such person or left at
282 his usual place of residence or business or shall
283 be sent to him by registered or certified mail at
284 his last-known place of residence or business.
285 Such notice shall direct the person named therein
286 to appear before the assessor or board of
287 assessors, OR BEFORE A DESIGNEE OF SAID ASSESSOR,
288 with books of account, papers, documents and other
289 records for examination under oath relative to any
290 such property or the valuation thereof. All
291 omitted taxable property, discovered [at such
292 hearing or any adjournment thereof] DURING SUCH
293 AUDIT and not [listed] DECLARED by the owner as
294 required by law, shall be added to his [list]
295 DECLARATION by such assessor or board of assessors
296 at the percentage of its actual valuation, as
297 determined by the assessor or board of assessors
298 in accordance with the provisions of sections
299 12-63 [, 12-64] and 12-71, AS AMENDED BY THIS ACT,
300 and twenty-five per cent of such assessment shall
301 be added thereto. THE METHODOLOGY EMPLOYED BY THE
302 ASSESSOR TO DETERMINE THE VALUE OF SUCH PROPERTY
303 AT THE TIME IT WAS ADDED TO THE GRAND LIST SHALL
304 NOT DIFFER FROM THE METHODOLOGY USED TO DETERMINE
305 THE VALUE OF SUCH PROPERTY DURING THE AUDIT. IF
306 PERSONAL PROPERTY INCLUDED ON A DECLARATION FILED
307 BY THE TAXPAYER IS DISCOVERED DURING SUCH AUDIT TO
308 HAVE BEEN UNDERVALUED BY THE TAXPAYER, THE
309 DIFFERENCE BETWEEN THE VALUE ORIGINALLY DETERMINED

310 BY THE ASSESSOR AND THAT DETERMINED AS A RESULT OF
311 THE AUDIT, SHALL BE ADDED TO THE TAXPAYER'S
312 DECLARATION BY THE ASSESSOR AT THE PERCENTAGE OF
313 ITS ACTUAL VALUATION PURSUANT TO SECTIONS 12-63
314 AND 12-71, AS AMENDED BY THIS ACT, PLUS
315 TWENTY-FIVE PER CENT OF SUCH ASSESSMENT. THE
316 METHODOLOGY EMPLOYED BY THE ASSESSOR TO DETERMINE
317 THE VALUE ORIGINALLY ESTABLISHED FOR SAID PROPERTY
318 SHALL NOT DIFFER FROM THE METHODOLOGY USED TO
319 DETERMINE THE VALUE OF SUCH PROPERTY DURING SUCH
320 AUDIT. Subject to the provisions of sections 12-57
321 and 12-129, if any property is discovered [at such
322 hearing or any adjournment thereof] DURING SUCH
323 AUDIT to be listed in error by the owner, it shall
324 be removed from such owner's [list] DECLARATION by
325 the assessor or board of assessors. No person
326 shall be excused from giving testimony or
327 producing books of account, papers, documents and
328 other records on the ground that such testimony
329 and such production of documents will tend to
330 incriminate him, but such testimony and such
331 production of documentary evidence shall not be
332 used in any criminal proceeding against him. Any
333 person who fails to appear at the time and place
334 of such [hearing] AUDIT AS DESIGNATED in such
335 notice, [designated or at any adjournment
336 thereof,] or, having appeared, refuses to answer
337 any pertinent question put to him or who fails to
338 produce the books, papers or other documents
339 mentioned in such notice, shall be fined not more
340 than one hundred dollars or imprisoned not more
341 than thirty days or both. All property which the
342 assessor or board of assessors believes should
343 have been listed for taxation and was not [listed]
344 DECLARED and concerning which sufficient
345 information cannot be obtained by them at such
346 hearing, or any adjournment thereof, shall be
347 added to the list at such percentage of the actual
348 valuation thereof from the best information
349 obtainable by the assessor or board of assessors
350 and twenty-five per cent shall be added to such
351 assessment. FOR PURPOSES OF THIS SECTION, "BOOKS",
352 "PAPERS", "DOCUMENTS" AND "OTHER RECORDS"
353 INCLUDES, BUT IS NOT LIMITED TO, FEDERAL TAX FORMS
354 RELATING TO THE ACQUISITION AND COST OF FIXED
355 ASSETS, GENERAL LEDGERS, BALANCE SHEETS,
356 DISBURSEMENTS LEDGERS, FIXED ASSET AND
357 DEPRECIATION SCHEDULES, FINANCIAL STATEMENTS,

358 INVOICES, OPERATING EXPENSE REPORTS, CAPITAL AND
359 OPERATING LEASES, CONDITIONAL SALES AGREEMENTS AND
360 BUILDING OR LEASEHOLD LEDGERS, AND "DESIGNEE OF AN
361 ASSESSOR" MEANS A CERTIFIED CONNECTICUT MUNICIPAL
362 ASSESSOR, A CERTIFIED PUBLIC ACCOUNTANT, A
363 FULL-TIME EMPLOYEE OF THE TOWN WITH A BACKGROUND
364 IN FINANCE OR ACCOUNTING, A REVALUATION COMPANY
365 CERTIFIED IN ACCORDANCE WITH SECTION 12-2b FOR THE
366 VALUATION OF PERSONAL PROPERTY, OR AN INDIVIDUAL
367 ENROLLED AS AN AGENT TO PRACTICE BEFORE THE
368 INTERNAL REVENUE SERVICE PURSUANT TO THE
369 REQUIREMENTS OF UNITED STATES TREASURY DEPARTMENT
370 CIRCULAR NUMBER 230.

371 (c) If the assessor or board of assessors of
372 any town adds property to the [list] DECLARATION
373 of any person or makes out a [list] DECLARATION
374 for any person not filing a [list] DECLARATION or
375 increases or decreases the valuation of any
376 taxable property under the provisions of
377 subsection (b), they shall, within thirty days of
378 [such hearing or any adjournment thereof] THE
379 COMPLETION OF AN AUDIT UNDER SUBSECTION (b) OF
380 THIS SECTION, give him notice [thereof] in writing
381 by mailing the same, postage prepaid, to his
382 last-known address and the same shall be held to
383 be sufficient. SUCH NOTICE SHALL INCLUDE AN
384 ACCOUNTING OF THE ADDITIONS OR DELETIONS
385 SEGREGATED BY THE CATEGORIES OF PERSONAL PROPERTY
386 ON THE DECLARATION USED BY PERSONAL PROPERTY
387 OWNERS IN SAID TOWN, AND INFORMATION DESCRIBING
388 THE MANNER IN WHICH AN APPEAL MAY BE FILED WITH
389 THE BOARD OF ASSESSMENT APPEALS.

390 (d) Any person claiming to be aggrieved by
391 the action of the assessor or board of assessors
392 under this section may appeal the doings of the
393 assessor or board of assessors to the board of
394 assessment appeals and the Superior Court as
395 otherwise provided in this chapter, provided such
396 appeal shall be extended in time to the next
397 succeeding board of assessment appeals if the
398 statutory period for the meeting of such board has
399 passed. Any person intending to so appeal to the
400 board of assessment appeals may indicate that
401 taxes paid by such person for any additional
402 assessment added in accordance with this section,
403 during the pendency of such appeal, are paid
404 "under protest" and thereupon such person shall
405 not be liable for any interest on the taxes based

406 upon such additional assessment, provided (1) such
407 person shall have paid not less than seventy-five
408 per cent of the amount of [such] THE taxes
409 RESULTING FROM SUCH ADDITIONAL ASSESSMENT within
410 the time specified and (2) the board of assessment
411 appeals reduces valuation OF PROPERTY or removes
412 items of property from the list of such person so
413 that there is no tax liability related to SUCH
414 additional assessment.

415 (e) Upon receipt of notice from the assessor
416 or board of assessors of the addition of property
417 to the [list] DECLARATION of any owner, OR AN
418 INCREASE IN THE ASSESSMENT OF ANY PROPERTY
419 INCLUDED IN SUCH OWNER'S DECLARATION, the tax
420 collector of the town shall, if such notice is
421 received after the normal billing date, [within
422 ten] NOT LATER THAN THIRTY days thereafter mail or
423 hand a bill to such owner based upon the ADDITION
424 OF property TO SAID OWNER'S DECLARATION OR THE
425 INCREASE IN THE ASSESSMENT OF ANY PROPERTY THAT
426 HAD BEEN INCLUDED IN SUCH OWNER'S DECLARATION
427 added by the assessor or board of assessors. Such
428 tax shall be due and payable and collectible as
429 other municipal taxes and subject to the same
430 liens and processes of collection, [provided]
431 EXCEPT THAT (1) such tax for the current fiscal
432 year shall be due and payable in an initial or
433 single instalment due and payable not sooner than
434 thirty days after the date such bill is mailed or
435 handed to such owner and in any remaining, regular
436 instalments as the same are due and payable, and
437 the several instalments of the tax so due and
438 payable shall be equal, and (2) such tax for any
439 prior fiscal year, SHALL BE PAYABLE NOT SOONER
440 THAN THIRTY DAYS AFTER THE DATE SUCH BILL IS
441 MAILED OR DELIVERED TO SUCH OWNER, AND shall
442 include interest from the date or dates such tax
443 for the corresponding grand list would have been
444 due.

445 Sec. 6. Section 12-54 of the general statutes
446 is repealed and the following is substituted in
447 lieu thereof:

448 Each person liable to give in a [list]
449 DECLARATION of his taxable TANGIBLE PERSONAL
450 property and failing to do so may, within sixty
451 days after the expiration of the time fixed by law
452 for filing such [list] DECLARATION, be notified in
453 writing by the assessors or a majority of them to

454 appear before them to be examined under oath as to
455 his property liable to taxation and for the
456 purpose of verifying a [list] DECLARATION made out
457 by them under the provisions of section 12-42, AS
458 AMENDED BY THIS ACT. Any person who wilfully
459 neglects or refuses to appear before the assessors
460 and make oath as to his taxable property within
461 ten days after having been so notified or who,
462 having appeared, refuses to answer shall be fined
463 not more than one thousand dollars. The assessors
464 shall promptly notify the proper prosecuting
465 officers of any violation of any provision of this
466 section. NOTHING IN THIS SECTION SHALL BE
467 CONSTRUED TO PRECLUDE THE ASSESSOR FROM PERFORMING
468 AN AUDIT OF SUCH PERSON'S TAXABLE PERSONAL
469 PROPERTY AS PROVIDED IN SECTION 12-53, AS AMENDED
470 BY THIS ACT.

471 Sec. 7. Subsection (a) of section 12-55 of
472 the general statutes, as amended by section 1 of
473 public act 97-68 and section 5 of public act
474 97-254, is repealed and the following is
475 substituted in lieu thereof:

476 (a) When the [lists] DECLARATIONS of any town
477 have been so received or made by the assessor or
478 board of assessors, they shall equalize the same,
479 if necessary, and make any assessment omitted by
480 mistake or required by law. The assessor or board
481 of assessors may increase or decrease the
482 valuation of property as named in any of such
483 [lists] DECLARATIONS or in the last-preceding
484 grand list, but, in each case of any increase in
485 valuation of such property above the valuation, if
486 any, stated by the person filing such [list]
487 DECLARATION or in each case of any increase of
488 valuation above the valuation of such property in
489 the last-preceding grand list, except with respect
490 to the valuation of any motor vehicle, they shall
491 send written notice by mail of such increase in
492 accordance with subsection (b) of this section, or
493 in accordance with subsection (f) of section 12-62
494 in the year of a revaluation, including in such
495 notice the valuation prior to and after such
496 increase with respect to each parcel of real
497 property, the valuation of which has been
498 increased, to the last-known address of the person
499 whose [list or] valuation is so changed. Such
500 notice shall include information describing the
501 manner in which an appeal may be filed with the

502 board of assessment appeals. [Such notice shall
503 not be required in any year a notice is sent
504 pursuant to subsection (f) of section 12-62. When
505 such lists have been so] WHEN THE REVIEW OF SUCH
506 DECLARATIONS HAS BEEN completed, the assessor or
507 board of assessors shall [arrange such lists in
508 alphabetical order and] DETERMINE THE ASSESSED
509 VALUATIONS RESULTING THEREFROM, INCLUDING, WHERE
510 APPLICABLE, THE TWENTY-FIVE PER CENT ASSESSMENT
511 PENALTY ADDED IN ACCORDANCE WITH SECTION 12-41, AS
512 AMENDED BY THIS ACT. THE ASSESSOR SHALL PUBLISH
513 ALL SUCH ASSESSED VALUES, TOGETHER WITH THE
514 ASSESSED VALUE OF ALL OTHER PROPERTY IN THE TOWN
515 IN THE GRAND LIST ABSTRACT FOR THE ASSESSMENT YEAR
516 COMMENCING ON THE OCTOBER FIRST IMMEDIATELY
517 PRECEDING COMPLETION OF SUCH GRAND LIST. SUCH
518 GRAND LIST SHALL ALSO REFLECT THE STATUTORY
519 EXEMPTION OR EXEMPTIONS TO WHICH EACH TAXPAYER IS
520 ENTITLED. THE ASSESSOR OR BOARD OF ASSESSORS SHALL
521 lodge the same, except as otherwise specially
522 provided by law, in the [town clerk's or
523 assessors'] office OF THE ASSESSOR, on or before
524 the thirty-first day of January FOLLOWING THE
525 COMMENCEMENT OF SUCH ASSESSMENT YEAR, for public
526 inspection. Such assessor or board of assessors
527 shall [make an abstract of such lists, including
528 the twenty-five per cent added thereto, shall]
529 take and subscribe the oath provided by law, which
530 shall be certified by the officer administering
531 the same and endorsed upon or attached to such
532 GRAND LIST abstract. [, and, except as otherwise
533 specially provided by law, shall lodge such
534 abstract in the town clerk's office, on or before
535 the thirty-first day of January next after the
536 date prescribed for the filing of such lists, for
537 public inspection.] For the grand list of October
538 1, 2000, and each grand list thereafter, each
539 assessor who signs the grand list of the town
540 shall be certified in accordance with the
541 provisions of section 12-40a. Any assessor or
542 board of assessors of any town who fails to comply
543 with any provision of this section shall be fined
544 five dollars.

545 Sec. 8. Section 12-57a of the general
546 statutes is repealed and the following is
547 substituted in lieu thereof:

548 (a) Any personal property subject to a
549 contract of lease, except any motor vehicle

550 registered with the Commissioner of Motor
551 Vehicles, which property is in the possession of
552 the lessee on any assessment day in the
553 municipality in which the lessee resides, shall,
554 for information purposes only, be included in the
555 [property tax list] PERSONAL PROPERTY DECLARATION
556 of the lessee as an individual entry or as part of
557 a list of such leased property in the possession
558 of the lessee on such assessment day. Such entry
559 or list may be in the form of an attachment or a
560 separate category of property in such [list]
561 DECLARATION and with respect to each item of such
562 leased property, the lessee shall be required to
563 include the name and address of the owner of such
564 property and the term of the lease applicable
565 thereto. In the event the lessee is not required
566 to submit a PERSONAL property [tax list]
567 DECLARATION in such municipality, any such items
568 of leased personal property shall be recorded in
569 such form as used for purposes of PERSONAL
570 property [tax lists] DECLARATIONS, adding thereto
571 identification of such property as leased personal
572 property and including with respect to each item
573 of such property the name and address of the owner
574 thereof.

575 (b) Whenever any such lessee of personal
576 property fails to file the information required in
577 this section, it shall be assumed that any such
578 property in the lessee's possession is owned by
579 the lessee, who shall be subject to penalty as
580 provided in section 12-42, AS AMENDED BY THIS ACT,
581 in the same manner as any owner of personal
582 property who fails to file a [property tax list]
583 PERSONAL PROPERTY DECLARATION as required.

584 Sec. 9. Section 12-58 of the general statutes
585 is repealed and the following is substituted in
586 lieu thereof:

587 The property of any trading, mercantile,
588 manufacturing or mechanical business shall be
589 assessed in the name of the owner or owners on the
590 first day of October or such other assessment date
591 as is specially provided by law in the town where
592 the business is carried on; and the [list]
593 PERSONAL PROPERTY DECLARATION of any such owner or
594 owners shall be given in by the person having
595 charge of such business residing in such town,
596 when the owner or owners do not reside therein.
597 The amount of goods on hand for sale or

598 consumption in any such business, including
599 finished and partly finished goods and raw
600 materials and supplies acquired for sale or for
601 incorporation in merchandise intended for sale, so
602 assessed shall be the monthly average quantity of
603 goods on hand during the year ending on the first
604 day of October or other assessment date if such
605 owner or owners has or have owned such business
606 during the whole of such year or the monthly
607 average quantity of goods on hand during the
608 portion of the year ending on such date as such
609 owner or owners has or have owned such business if
610 such owner or owners has or have owned such
611 business during only a portion or portions of such
612 year, but this rule shall not apply to furniture,
613 fixtures and machinery which are not for sale in
614 the regular course of any such business.
615 Furniture, fixtures and machinery on hand on the
616 assessment date but not for sale in the regular
617 course of business shall be listed for taxation
618 under such of the other provisions of the general
619 statutes and of special acts as are applicable.
620 This section shall apply to the property of all
621 persons, whether residents of this state or not,
622 and to the property of all corporations, whether
623 domestic or foreign. Traders of any kind, when
624 their business is not located, shall be assessed,
625 as provided in this section, in the list of the
626 town where they reside; but the goods of any
627 resident or corporation located in this state, in
628 the hands of any merchant or trader for sale on
629 commission, need not be estimated in making up the
630 average provided for in this section in the list
631 of such merchant or trader. The word "town" as
632 used herein includes a consolidated town and city
633 and a consolidated town and borough.

634 Sec. 10. Section 12-59 of the general
635 statutes is repealed and the following is
636 substituted in lieu thereof:

637 The whole property in this state of each
638 corporation organized under the law of this state,
639 whose stock is not liable to taxation, and which
640 is not required to pay a direct tax to this state
641 in lieu of other taxes, and whose property is not
642 expressly exempt from taxation, and the whole
643 property in this state of each corporation
644 organized under the law of any other state or
645 country, including each foreign municipal electric

646 utility, shall be set in [its list and] THE GRAND
647 LIST AND SHALL BE liable to taxation in the same
648 manner as the property of individuals. [The real
649 estate of any such corporation shall be set in the
650 list of the town in which such real estate is
651 situated, and all of the personal estate of such
652 corporation which is permanently located on the
653 assessment day in any town shall be set in the
654 list of the town in which such property is
655 located, and all other personal property of such
656 corporation shall be set in the list of the town
657 in which such corporation has its principal place
658 of business or exercises its corporate powers;
659 and, when it has two or more establishments for
660 transacting its business in different towns,
661 school districts or other municipal subdivisions,
662 it shall be assessed and taxed for each such
663 establishment, and for the personal property
664 attached thereto, or connected therewith, and not
665 permanently located in some other town, in the
666 town, school district or other municipal
667 subdivision having the power of taxation in which
668 such establishment is located.] The stockholders
669 of any corporation, the whole property of which is
670 assessed and taxed in its name, shall be exempt
671 from assessment or taxation for their stock
672 therein. The words ["permanently located", as used
673 herein, mean located for any three or more of the
674 twelve months preceding the assessment day and the
675 words] "foreign municipal electric utility", as
676 used [herein] IN THIS SECTION, mean a town, city,
677 borough or any municipal corporation, department
678 or agency thereof, of a state other than this
679 state, whether or not separately incorporated,
680 which is authorized under the laws of the state in
681 which it is organized or resident to generate and
682 transmit electric energy and which holds property
683 in this state.

684 Sec. 11. Section 12-71 of the general
685 statutes is repealed and the following is
686 substituted in lieu thereof:

687 (a) All goods, chattels and effects or any
688 interest therein, INCLUDING ANY INTEREST IN A
689 LEASEHOLD IMPROVEMENT CLASSIFIED AS OTHER THAN
690 REAL PROPERTY, belonging to any person who is a
691 resident in this state, shall be listed for
692 purposes of property tax in the town where such
693 person resides, subject to the provisions of

694 sections [12-43] 12-42, AS AMENDED BY THIS ACT,
695 and 12-59, AS AMENDED BY THIS ACT. Any such
696 property belonging to any nonresident shall be
697 listed for purposes of property tax as provided in
698 [said] section 12-43, AS AMENDED BY THIS ACT.

699 (b) All property subject to this section
700 shall be valued at the same percentage of its then
701 actual valuation as the assessors have determined
702 with respect to the listing of real estate for the
703 same year, except that any motor vehicle for which
704 number plates have been issued under section 14-20
705 and any aircraft manufactured prior to January 1,
706 1946, shall be assessed at a value of not more
707 than five hundred dollars except when otherwise
708 provided by law. The provisions of this section
709 shall not include money or property actually
710 invested in merchandise or manufacturing carried
711 on out of this state.

712 [(c) The tangible personal property of any
713 person residing within a town having two or more
714 taxing districts shall be assessed in the district
715 in which such property was located the greater
716 portion of the tax year next preceding the day on
717 which such property lists are required to be filed
718 in such town.]

719 [(d)] (c) Upon payment of [such] THE property
720 tax assessed with respect to any property referred
721 to in this section, owned by a resident or
722 nonresident of this state, which is currently used
723 or intended for use in relation to construction,
724 building, grading, paving or similar projects,
725 including, but not limited to, motor vehicles,
726 bulldozers, tractors and any trailer-type vehicle,
727 excluding any such equipment weighing less than
728 five hundred pounds, and excluding any motor
729 vehicle subject to registration pursuant to
730 chapter 246 or exempt from such registration by
731 section 14-34, the town in which such equipment is
732 taxed shall issue, at the time of such payment,
733 for display on a conspicuous surface of each such
734 item of equipment for which such tax has been
735 paid, a validation decal or sticker, identifiable
736 as to the year of issue, which will be presumptive
737 evidence that such tax has been paid in the
738 appropriate town of the state.

739 [(e)] (d) (1) Personal property subject to
740 taxation under this chapter shall not include
741 computer software, except when the cost thereof is

742 included, without being separately stated, in the
743 cost of computer hardware. "Computer software"
744 shall include any program or routine used to cause
745 a computer to perform a specific task or set of
746 tasks, including without limitation, operational
747 and applicational programs and all documentation
748 related thereto.

749 (2) The provisions of subdivision (1) of this
750 subsection shall be applicable (A) to the
751 assessment year commencing October 1, 1988, and
752 each assessment year thereafter, and (B) to any
753 assessment of computer software made after
754 September 30, 1988, for any assessment year
755 commencing before October 1, 1988.

756 (3) Nothing contained in this subsection
757 shall create any implication related to liability
758 for property tax with respect to computer software
759 prior to July 1, 1989.

760 (4) A certificate of correction in accordance
761 with section 12-57 shall not be issued with
762 respect to any property described in subdivision
763 (1) of this subsection for any assessment year
764 commencing prior to October 1, 1989.

765 [(f)] (e) For assessment years commencing
766 October 1, 1992, each municipality shall exempt
767 aircraft, as defined in section 15-34, from the
768 provisions of this chapter.

769 Sec. 12. Section 12-113 of the general
770 statutes is repealed and the following is
771 substituted in lieu thereof:

772 The board of assessment appeals may reduce
773 the [list] ASSESSMENT of any person AS REFLECTED
774 ON THE GRAND LIST by reducing the valuation,
775 number, quantity or amount of any item of estate
776 therein, or by deleting any item which ought not
777 to be retained in it, provided any such reduction
778 or deletion shall be made by drawing a single line
779 through the item in the list to be reduced or
780 deleted and in the case of a reduction, the
781 corresponding reduced amount shall be entered in
782 such manner as to be clearly related to the item
783 reduced. The board of assessment appeals shall not
784 reduce the [list of] VALUATION OR ASSESSMENT OF
785 PROPERTY ON THE GRAND LIST BELONGING TO any person
786 who does not appear AT A HEARING BEFORE THE BOARD
787 OF ASSESSMENT APPEALS, either in person or by his
788 attorney or agent, and offer or consent to be

789 sworn before it and answer all questions touching
790 his taxable property situated in the town.

791 Sec. 13. Section 12-114 of the general
792 statutes is repealed and the following is
793 substituted in lieu thereof:

794 The board of assessment appeals [shall not
795 reduce the list] MAY ADJUST THE DECLARATION of any
796 person, or the valuation, number, quantity or
797 amount of any item of property therein contained,
798 delete any item or deduct any indebtedness
799 therefrom, EVEN if he has refused or unnecessarily
800 neglected to give in his [sworn list] DECLARATION
801 to the assessors as prescribed by law, [. If any
802 board of assessment appeals so reduces any such
803 list, its members shall forfeit fifty dollars to
804 their town] PROVIDED, THE PERSON PRESENT THE BOARD
805 WITH BOOKS OF ACCOUNT, PAPERS, DOCUMENTS AND OTHER
806 RECORDS, PURSUANT TO THE PROVISIONS OF SUBSECTION
807 (b) OF SECTION 12-53, AS AMENDED BY THIS ACT, OR
808 ANY OTHER INFORMATION THAT THE BOARD DEEMS
809 APPROPRIATE TO DETERMINE THE ACTUAL VALUATION OF
810 SUCH PROPERTY. ANY ASSESSMENTS DETERMINED BY THE
811 BOARD UNDER THE PROVISIONS OF THIS SECTION, SHALL
812 BE SUBJECT TO A PENALTY OF TWENTY-FIVE PER CENT OF
813 THE ASSESSMENT FOR FAILURE TO FILE A DECLARATION
814 WITH THE ASSESSOR AS PRESCRIBED BY LAW.

815 Sec. 14. Section 12-115 of the general
816 statutes is repealed and the following is
817 substituted in lieu thereof:

818 The board of assessment appeals in any town
819 or city may, within three months from the date
820 prescribed by law for the completion of its
821 duties, [make a supplemental list of] AS SET FORTH
822 IN SECTION 12-111, ADD TO THE GRAND LIST OF A TOWN
823 any taxable property which has been omitted by the
824 assessor or board of assessors [and] OR the board
825 of assessment appeals, [and make a list] WHICH
826 SHALL REFLECT for each owner of such property, AN
827 ASSESSMENT at seventy per cent of THE present true
828 and actual value OF SUCH PERSON'S TAXABLE PROPERTY
829 from the best information that it can obtain, and
830 if the owner failed to file [such list] THE
831 DECLARATION AS PRESCRIBED BY LAW, SHALL add
832 thereto twenty-five per cent of such assessment.
833 Such board of assessment appeals shall mail to
834 such owner at his last known address, postage
835 paid, within one week after the completion of such
836 supplemental ADDITIONS TO THE GRAND list, a

837 written or printed notice to appear before such
838 board at a stated time and place and show cause
839 why such property should not be [in such
840 supplemental lists] ADDED TO SUCH LIST. Any person
841 aggrieved by the action of such board may, within
842 two months from the time of such action, have the
843 same right of appeal to the Superior Court as
844 provided by section 12-117a. The authority
845 designated by section 12-130 shall make and sign a
846 [supplemental] rate bill FOR SUCH SUPPLEMENTAL
847 ADDITIONS TO THE GRAND LIST and [supplemental
848 warrant,] A WARRANT WITH RESPECT TO SUCH ADDITIONS
849 which shall be [delivered to] FORWARDED BY the tax
850 collector TO SUCH PERSON, and such collector shall
851 have the same powers for the collection of the tax
852 based on such supplemental ADDITIONS TO SUCH list
853 as for the collection of other taxes.

854 Sec. 15. Section 12-24b of the general
855 statutes is repealed and the following is
856 substituted in lieu thereof:

857 The provisions of any special act to the
858 extent inconsistent with the provisions of
859 subsection [(e)] (d) of section 12-41, section
860 12-58 and subdivision (50) of section 12-81 are
861 repealed.

862 Sec. 16. This act shall take effect from its
863 passage and shall be applicable to assessment
864 years of municipalities commencing on and after
865 October 1, 1998.

866 STATEMENT OF LEGISLATIVE COMMISSIONERS: Section 15
867 was added to conform statutory reference to
868 changes in section 2.

869 FIN COMMITTEE VOTE: YEA 38 NAY 5 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."

* * * * *

FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5659

STATE IMPACT None
 MUNICIPAL IMPACT See Explanation Below
 STATE AGENCY(S) None

EXPLANATION OF ESTIMATES:

MUNICIPAL IMPACT: The bill conforms the statute to current assessment practices and to the extent that it simplifies the personal property tax assessment process, cost savings would be realized.

* * * * *

OFA BILL ANALYSIS

SHB 5659

AN ACT CONCERNING THE ASSESSMENT OF PERSONAL PROPERTY

SUMMARY: The bill clarifies and defines certain terms used in the assessment of business personal property for purposes of the property tax. The bill states that personal property owners, except for registered motor vehicles, are to file property declarations with the assessor annually. Commercial and Financial information in any declaration shall not be open to public inspection. It defines that the 25% penalty is to be applied for failing to file, for filing late, for property omitted from a filing and for failing to file in accordance with the required method. Non-resident is defined. It provides that a non-resident property owner who is discovered after October 15th can be sent a

declaration and be given 15 days to file without penalty. It states that the methodology used in an audit must be the same methodology that was used on the grand list. It defines the records that are subject to audit and clarifies the notification of audit results and the sending of tax bills.

EFFECTIVE DATE: Upon Passage, and is applicable to assessment years commencing on or after October 1, 1998.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 38 Nay 5