

Senate, April 16, 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 INCREASING PAYMENT IN LIEU OF TAXES GRANTS FOR MUNICIPALLY OWNED AIRPORTS AND ESTABLISHING A MUNICIPAL OPTION TO ABATE PROPERTY TAXES FOR HOMEOWNERS LIVING NEAR AIRPORTS.

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5 June 18 special session, is repealed and the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) one hundred per cent of the property
22 taxes which would have been paid with respect to
23 any facility listed in subsection (w) of section
24 1-1 and any other facility certified by the
25 Commissioner of Correction, on or before August
26 first of each year, to have been used for
27 incarcerative purposes during the preceding fiscal
28 year, (2) subject to the provisions of subsection
29 (c) of this section, forty per cent of the
30 property taxes which would have been paid with
31 respect to the buildings and grounds comprising
32 Connecticut Valley Hospital in Middletown. Such
33 grant shall commence with the fiscal year
34 beginning July 1, 1995, and continuing each year
35 thereafter, (3) notwithstanding the provisions of
36 subsections (b) and (c) of this section, with
37 respect to any town in which more than fifty per
38 cent of the property is state-owned real property,
39 one hundred per cent of the property taxes which
40 would have been paid with respect to such
41 state-owned property. Such grant shall commence
42 with the fiscal year beginning July 1, 1997, and
43 continuing each year thereafter, [and] (4) subject
44 to the provisions of subsection (c) of this
45 section, twenty per cent of the property taxes
46 which would have been paid with respect to all
47 other state-owned real property, and (5)
48 SEVENTY-SEVEN PER CENT OF THE PROPERTY TAXES WHICH
49 WOULD HAVE BEEN PAID with respect to all
50 municipally owned AND STATE OWNED airports; except
51 for the exemption applicable to such property, on
52 the assessment list in such town for the
53 assessment date two years prior to the
54 commencement of the state fiscal year in which
55 such grant is payable. The grant provided pursuant
56 to this section for any municipally owned airport
57 shall be paid to any municipality in which the
58 airport is located, except that the grant
59 applicable to Sikorsky Airport shall be paid half
60 to the town of Stratford and half to the city of
61 Bridgeport. For the fiscal year ending June 30,
62 1993, the amount of the grant payable to each
63 municipality in accordance with this section shall
64 be reduced proportionately in the event that the
65 total of such grants in such year exceeds the
66 amount appropriated for the purposes of this
67 section with respect to such year.

68 Sec. 2. (NEW) (a) Any municipality may, upon
69 approval by its legislative body or in any town in
70 which the legislative body is a town meeting, by
71 the board of selectmen, abate all or a portion of
72 the property taxes due for any tax year with
73 respect to any residential dwelling occupied by
74 the owner or owners and for whom such dwelling is
75 the primary place of residence and which is
76 determined by the municipality to qualify as a
77 neighbor of a municipally owned airport.
78 Application for such abatement shall be made not
79 later than thirty days preceding the tax due date
80 for such tax year, provided if the amount of such
81 taxes has not been determined on such date, within
82 ten days following determination of the amount of
83 such taxes.

84 (b) Any municipality which approves a tax
85 abatement program as described in subsection (a)
86 of this section shall, as part of such approval,
87 define "neighbor of a municipally owned airport"
88 for purposes of this section and shall develop an
89 abatement schedule based on the level of
90 enplanements in the affected property areas.

91 Sec. 3. This act shall take effect July 1,
92 1998, and shall be applicable to assessment years
93 of municipalities commencing on or after October
94 1, 1996.

95 FIN COMMITTEE VOTE: YEA 39 NAY 4 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 531

STATE IMPACT	Cost, see explanation below
MUNICIPAL IMPACT	Potential Revenue Gain, Potential Revenue Loss, see explanation below
STATE AGENCY(S)	Office of Policy and Management

EXPLANATION OF ESTIMATES:

STATE IMPACT: The FY 1998-99 cost associated with increasing the Payment in Lieu of Taxes on State Owned Property (PILOT) reimbursement from 20% to 77% for state owned airports is approximately \$1.8 million. This does not include the increased PILOT cost associated with the state owned Bradley International Airport (BIA) because the PILOT is paid by the Bradley Enterprise Fund. The PILOT payments for BIA will go from \$1.5 million (20%) to \$5.9 million (77%), resulting in an increase of approximately \$4.4 million.

The PILOT reimbursement was initially expanded to include municipal airports as a result of PA 97-261. Since this provision was applicable to the October 1, 1997 Grand List, the first PILOT payments related to municipal airport were to be payable in FY 1999-00. Under the bill, which is applicable to the October 1, 1996 Grand List, payments related to the increased reimbursement for municipally owned airports are payable in FY 1998-99. The FY 1998-99 cost associated with providing a 77% PILOT reimbursement on municipal airports is approximately \$1.3 million.

Funding for the increased reimbursement for municipal and state owned airports was not budgeted. However, sHB

5021, the Appropriations Act contains an additional \$28 million, appropriated from the surplus, for the PILOT for State Owned Property. The additional \$28 million brings the reimbursement rate to approximately 46% for FY 1998-99 only. The cost associated with increasing the PILOT reimbursement from 46% to 77% for state owned airports (not including BIA) is approximately \$970,000.

MUNICIPAL IMPACT: There is a FY 1998-99 municipal revenue gain of approximately \$7.5 million impacting 14 municipalities as a result of the bill.

Section 2 of the bill is enabling and will result in a potential revenue loss in those towns that choose to adopt provisions to abate all or part of property taxes for residential property neighboring a municipally owned airport. How significant the revenue loss would depend on how each municipality defines "neighbor of a municipally owned airport" and the abatement schedule for property areas affected.

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OFA BILL ANALYSIS

sSB 531

AN ACT INCREASING PAYMENT IN LIEU OF TAXES GRANTS FOR MUNICIPALLY OWNED AIRPORTS AND ESTABLISHING A MUNICIPAL OPTION TO ABATE PROPERTY TAXES FOR HOMEOWNERS LIVING NEAR AIRPORTS

SUMMARY: The bill increases from 20% to 77% the amount of PILOT for municipally owned and state owned airports. The bill allows towns to abate all or part of property taxes for residential property neighboring a municipally owned airport. The municipality shall develop an abatement schedule based on the level of enplanements in the affected property areas.

EFFECTIVE DATE: July 1, 1998 and applicable to assessment years beginning on or after October 1, 1996.

COMMITTEE ACTION

Finance Revenue and Bonding Committee

Joint Favorable Substitute

