



General Assembly

January Session, 2019

Raised Bill No. 1120

LCO No. 6729



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING THE MILL RATE FOR REAL PROPERTY AND MOTOR VEHICLES OWNED BY CERTAIN UTILITY COMPANIES AND ESTABLISHING A PROPERTY TAX EXEMPTION FOR CERTAIN ITEMS WAREHOUSED IN THE STATE BY SUCH COMPANIES.

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

1 Section 1. (NEW) (*Effective October 1, 2019*) (a) As used in this
2 section, (1) "utility company" means an electric distribution company,
3 as defined in section 16-1 of the general statutes, that provides electric
4 transmission or distribution services to at least fifteen towns in the
5 state, a gas company or a water company, as those terms are defined in
6 section 16-1 of the general statutes, for which the Public Utilities
7 Regulatory Authority established under section 16-2 of the general
8 statutes approves rates pursuant to section 16-19 of the general
9 statutes, and (2) "municipality" means any town, city or borough,
10 consolidated town and city or consolidated town and borough.

11 (b) For assessment years commencing on or after October 1, 2020,
12 any property tax assessed under chapter 203 of the general statutes on

13 real property and motor vehicles, as defined in section 14-1 of the
14 general statutes, owned by a utility company and not otherwise
15 exempt from such tax, shall be calculated using a mill rate of fifteen
16 mills, regardless of the municipality or taxing district in which such
17 real property or motor vehicles are set.

18 Sec. 2. Section 12-81 of the general statutes is amended by adding
19 subdivision (80) as follows (*Effective October 1, 2019, and applicable to*
20 *assessment years commencing on or after October 1, 2019*):

21 (NEW) (80) Any wires, poles, pipes or other fixtures that will be
22 installed or used by a utility company, as defined in section 1 of this
23 act, to distribute or transmit electricity, gas or water and are
24 warehoused in the state, until the date such wires, poles, pipes or other
25 fixtures are removed from such warehouse for installation or use in the
26 state. Any utility company claiming the exemption provided under
27 this subdivision shall file a request annually with the assessor on a
28 form prescribed by such assessor.

29 Sec. 3. Subsection (a) of section 12-18b of the general statutes is
30 repealed and the following is substituted in lieu thereof (*Effective*
31 *October 1, 2019*):

32 (a) For purposes of this section:

33 (1) "College and hospital property" means all real property
34 described in subsection (a) of section 12-20a;

35 (2) "District" means any district, as defined in section 7-324;

36 (3) "Qualified college and hospital property" means college and
37 hospital property described in subparagraph (B) of subdivision (2) of
38 subsection (b) of this section;

39 (4) "Qualified state, municipal or tribal property" means state,
40 municipal or tribal property described in subparagraphs (A) to (G),
41 inclusive, of subdivision (1) of subsection (b) of this section;

42 (5) "Municipality" means any town, city, borough, consolidated
43 town and city and consolidated town and borough;

44 (6) "Select college and hospital property" means college and hospital
45 property described in subparagraph (A) of subdivision (2) of
46 subsection (b) of this section;

47 (7) "Select payment in lieu of taxes account" means the account
48 established pursuant to section 12-18c;

49 (8) "Select state property" means state property described in
50 subparagraph (H) of subdivision (1) of subsection (b) of this section;

51 (9) "State, municipal or tribal property" means all real property
52 described in subsection (a) of section 12-19a;

53 (10) "Tier one districts or municipalities" means the ten districts or
54 municipalities with the highest percentage of tax exempt property on
55 the list of municipalities prepared by the Secretary of the Office of
56 Policy and Management pursuant to subsection (c) of this section and
57 having a mill rate of twenty-five mills or more;

58 (11) "Tier two districts or municipalities" means the next twenty-five
59 districts or municipalities after tier one districts or municipalities with
60 the highest percentage of tax exempt property on the list of
61 municipalities prepared by the Secretary of the Office of Policy and
62 Management pursuant to subsection (c) of this section and having a
63 mill rate of twenty-five mills or more;

64 (12) "Tier three districts or municipalities" means all districts and
65 municipalities not included in tier one districts or municipalities or tier
66 two districts or municipalities;

67 (13) "Tier one municipalities" means the ten municipalities with the
68 highest percentage of tax exempt property on the list of municipalities
69 prepared by the Secretary of the Office of Policy and Management
70 pursuant to subsection (c) of this section and having a mill rate of

71 twenty-five mills or more;

72 (14) "Tier two municipalities" means the next twenty-five
73 municipalities after tier one municipalities with the highest percentage
74 of tax exempt property on the list of municipalities prepared by the
75 Secretary of the Office of Policy and Management pursuant to
76 subsection (c) of this section and having a mill rate of twenty-five mills
77 or more;

78 (15) "Tier three municipalities" means all municipalities not
79 included in tier one municipalities or tier two municipalities; and

80 (16) "Mill rate" means (A) prior to October 1, 2020, the mill rate on
81 real property and personal property other than motor vehicles, and (B)
82 on and after October 1, 2020, the mill rate on real property other than
83 real property owned by a utility company, as defined in section 1 of
84 this act, and personal property other than motor vehicles.

85 Sec. 4. Subsection (a) of section 12-63k of the general statutes is
86 repealed and the following is substituted in lieu thereof (*Effective*
87 *October 1, 2019*):

88 (a) As used in this section:

89 (1) "Average increase in assessed value" means, for the assessment
90 years commencing October 1, 2012, October 1, 2013, and October 1,
91 2014, the average of the increase in assessed value of commercial and
92 industrial property, and personal property used exclusively for
93 commercial or industrial purposes;

94 (2) "Base year" means the assessment year commencing October 1,
95 2014;

96 (3) "Increase from the base year" means the assessed value of
97 commercial or industrial property for the current assessment year plus
98 the current assessment year assessed value of any personal property
99 acquired after the base year to be used exclusively for commercial or

100 industrial purposes, less the assessed value of the commercial or
101 industrial property for the base year;

102 (4) "Improvement to commercial or industrial property" or
103 "improvement" includes, but is not limited to, any personal property
104 acquired after the base year and used exclusively for commercial or
105 industrial purposes; and

106 (5) "Mill rate" means (A) prior to October 1, 2020, the mill rate on
107 real property and personal property other than motor vehicles, and (B)
108 on and after October 1, 2020, the mill rate on real property other than
109 real property owned by a utility company, as defined in section 1 of
110 this act, and personal property other than motor vehicles.

111 Sec. 5. Subsection (b) of section 12-71e of the general statutes is
112 repealed and the following is substituted in lieu thereof (*Effective*
113 *October 1, 2019*):

114 (b) Any municipality or district may establish a mill rate for motor
115 vehicles that is different from its mill rate for real property and
116 personal property other than motor vehicles to comply with the
117 provisions of this section. No district or borough may set a motor
118 vehicle mill rate that if combined with the motor vehicle mill rate of
119 the town, city, consolidated town and city or consolidated town and
120 borough in which such district or borough is located would result in a
121 combined motor vehicle mill rate (1) above 39 mills for the assessment
122 year commencing October 1, 2016, or (2) above 45 mills for the
123 assessment year commencing October 1, 2017, and each assessment
124 year thereafter. For assessment years commencing on or after October
125 1, 2020, real property and motor vehicles owned by a utility company,
126 as defined in section 1 of this act, shall be excluded when calculating
127 such combined motor vehicle mill rate.

128 Sec. 6. Section 12-80 of the general statutes is repealed and the
129 following is substituted in lieu thereof (*Effective October 1, 2019*):

130 Real and tangible personal property not otherwise exempt from
131 property tax and owned by any company, including a foreign
132 municipal electric utility as defined in section 12-59, employed in the
133 manufacture, transmission or distribution of gas or electricity or both
134 to be used for light, heat or motive power or in the operation of a
135 system of water works for selling or distributing water or both for
136 domestic or power purposes or for two or more of such purposes shall
137 be set in the list of each town where such property is situated on its
138 assessment day and shall be liable to taxation at such percentage of its
139 fair market value as is determined by the assessors under the
140 provisions of sections 12-64 and 12-71. The provisions of this section
141 shall not affect the provisions of section 12-76. Property subject to
142 taxation under the provisions of this section shall not be subject to
143 taxation under the provisions of sections 12-77, 12-78 and 12-79.
144 Railroad companies subject to taxation under the provisions of chapter
145 210, and express, telephone and cable companies subject to taxation
146 under the provisions of chapter 211, shall not be subject to the
147 provisions of this section.

148 Sec. 7. Section 12-122a of the general statutes is repealed and the
149 following is substituted in lieu thereof (*Effective October 1, 2019*):

150 Any municipality [which] that has more than one taxing district
151 may by a majority vote of its legislative body set a uniform city-wide
152 mill rate for taxation of motor vehicles, except that if the charter of
153 such municipality provides that any mill rate for property tax
154 purposes shall be set by the board of finance of such municipality,
155 such uniform city-wide mill rate may be set by a majority vote of such
156 board of finance. No uniform city-wide mill rate may exceed the
157 amount set forth in section 12-71e, as amended by this act, and such
158 uniform city-wide mill rate shall not be applicable, on or after October
159 1, 2020, to motor vehicles owned by a utility company, as defined in
160 section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	New section
Sec. 2	<i>October 1, 2019, and applicable to assessment years commencing on or after October 1, 2019</i>	12-81
Sec. 3	<i>October 1, 2019</i>	12-18b(a)
Sec. 4	<i>October 1, 2019</i>	12-63k(a)
Sec. 5	<i>October 1, 2019</i>	12-71e(b)
Sec. 6	<i>October 1, 2019</i>	12-80
Sec. 7	<i>October 1, 2019</i>	12-122a

Statement of Purpose:

To establish a uniform mill rate of fifteen mills for real property and motor vehicles owned by certain utility companies, and to provide a property tax exemption for certain wires, poles, pipes or other fixtures warehoused in the state until such items are installed or used in the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]