



# Senate

General Assembly

**File No. 546**

January Session, 2015

Substitute Senate Bill No. 451

*Senate, April 8, 2015*

The Committee on Planning and Development reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT CONCERNING TAXATION OF ANTIQUE VEHICLES.***

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

1 Section 1. Subsection (b) of section 12-71 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2015, and applicable to assessment years commencing on or after*  
4 *October 1, 2015*):

5 (b) Except as otherwise provided by the general statutes, property  
6 subject to this section shall be valued at the same percentage of its then  
7 actual valuation as the assessors have determined with respect to the  
8 listing of real estate for the same year, except that any antique, rare or  
9 special interest motor vehicle, as defined in section 14-1, that is twenty-  
10 five years old or older shall be assessed at a value of not more than five  
11 hundred dollars. The owner of such antique, rare or special interest  
12 motor vehicle may be required by the assessors to provide reasonable  
13 documentation once every three years that such motor vehicle is an  
14 antique, rare or special interest motor vehicle, provided any motor

15 vehicle for which special number plates have been issued pursuant to  
16 section 14-20, as amended by this act, shall not be required to provide  
17 any such documentation. The provisions of this section shall not  
18 include money or property actually invested in merchandise or  
19 manufacturing carried on out of this state or machinery or equipment  
20 which would be eligible for exemption under subdivision (72) of  
21 section 12-81 once installed and which cannot begin or which has not  
22 begun manufacturing, processing or fabricating; or which is being  
23 used for research and development, including experimental or  
24 laboratory research and development, design or engineering directly  
25 related to manufacturing or being used for the significant servicing,  
26 overhauling or rebuilding of machinery and equipment for industrial  
27 use or the significant overhauling or rebuilding of other products on a  
28 factory basis or being used for measuring or testing or metal finishing  
29 or in the production of motion pictures, video and sound recordings.

30 Sec. 2. Section 14-20 of the general statutes is repealed and the  
31 following is substituted in lieu thereof (*Effective October 1, 2015*):

32 (a) The Commissioner of Motor Vehicles may issue special number  
33 plates for antique, rare or special interest motor vehicles, provided on  
34 and after the effective date of this section, such vehicles are twenty-five  
35 years old or older, including any such antique, rare or special interest  
36 motor vehicles that have been modified, such special number plates to  
37 be issued on a permanent basis. The commissioner shall charge a fee  
38 for such plates which shall cover the entire cost of making the same.  
39 An owner of such antique, rare or special interest motor vehicle may  
40 use such owner's own porcelain number plate in place of the plates  
41 issued by the commissioner provided (1) such plate was originally  
42 issued by the department, and (2) such owner files with the  
43 commissioner a description and the number of such plate and any  
44 additional information the commissioner may require.

45 (b) Notwithstanding the provisions of subsection (a) of this section,  
46 section 14-18 and section 14-21b, the owner of such antique, rare or  
47 special interest motor vehicle may be authorized by the commissioner

48 to display a number plate originally issued by the Commissioner of  
 49 Motor Vehicles corresponding to the year of manufacture of such  
 50 antique, rare or special interest motor vehicle. The commissioner shall  
 51 issue a certificate of registration, as provided in section 14-12. Such  
 52 registration shall be valid, subject to renewal, as long as the  
 53 commissioner permits. Thereafter, the registration number and  
 54 number plates, if any, which were assigned to such motor vehicle  
 55 before such registration and number plates were issued under this  
 56 section, shall be in effect. Each such number plate authorized for use  
 57 by the commissioner shall be displayed in a conspicuous place at the  
 58 rear of such motor vehicle at all times while the vehicle is in use or  
 59 operation upon any public highway. A sticker shall be affixed to each  
 60 such number plate to denote the expiration date of the registration,  
 61 unless the commissioner authorizes the sticker, or other evidence of  
 62 the period of the registration, to be placed elsewhere or carried in such  
 63 motor vehicle. Such sticker may contain the corresponding letters and  
 64 numbers of the registration and number plate. The commissioner may  
 65 adopt regulations, in accordance with chapter 54, to implement the  
 66 provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015</i>	12-71(b)
Sec. 2	<i>October 1, 2015</i>	14-20

**PD**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the 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 chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
Motor Vehicle Dept.	TF - Revenue Gain	\$159,800	None
Motor Vehicle Dept.	TF - Cost	Approx. \$70,000	None

Note: TF=Transportation Fund

### **Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
All Municipalities	Grand List Increase	None	Potential Significant

### **Explanation**

This bill increases, from 20 to 25 years, the age of antique, rare, or special-interest (Early American) motor vehicles that qualify for special number license plates. The bill also removes the \$500 assessment cap on these vehicles.

The fiscal impact to the Department of Motor Vehicles (DMV) is below.

- A one-time cost in FY 16 of approximately \$70,000 to recall and replace Early American plates issued to owners of motor vehicles model year 1990-1995. This estimate includes \$2,000 for processing and mailing notices, and \$68,000 for the manufacture of replacement marker plates. The cost per plate to DMV is \$20.00.
- A one-time potential revenue gain of \$159,800 to the Special Transportation Fund from the \$40 transfer fee and \$7 plate

fee charged to replace the recalled plates. This revenue gain would be expected to extend over FY 16 and FY 17. There are approximately 3,400 Early American plates assigned to vehicles model year 1990 through 1995.<sup>1</sup>

The bill results in an increase in the value of municipal Grand Lists which would result in an increased levy, given a constant mill rate. This increase is associated with the removal of the \$500 assessment cap, and will depend on: 1) the number of cars in each municipality currently registered as antique motor vehicles, and that are between 20 and 25 years old; and 2) how the assessments on these vehicles change as a result of the removal of the cap.

As an illustration, an antique car with a market value of \$100,000 would have its assessment increase from \$500 to \$70,000 under the bill's provisions. At the median FY 15 mill rate of \$28.28, this results in an increased tax bill from \$14 to approximately \$1,980.

Due to the timing of the bill, FY 17 is the first year any impact would occur.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in the assessment of antique motor vehicles and municipal mill rates.

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<sup>1</sup> Based on data from the Department of Motor Vehicles, there were approximately 3,400 cars between 20 and 25 years old, registered as antique motor vehicles state wide on 2012 municipal grand lists.

**OLR Bill Analysis****sSB 451*****AN ACT CONCERNING TAXATION OF ANTIQUE VEHICLES.*****SUMMARY:**

This bill increases, from 20 to 25 years, the age of antique, rare, or special-interest (antique) motor vehicles that qualify for (1) special number license plates and (2) a \$500 property tax assessment cap. It also specifies the frequency with which tax assessors may request certain antique motor vehicle owners to provide reasonable documentation that their vehicles qualify for the assessment cap.

**EFFECTIVE DATE:** October 1, 2015, and the property tax provisions are applicable to assessment years beginning on or after that date.

**SPECIAL NUMBER LICENSE PLATES**

By law, an antique motor vehicle is one that (1) is at least 20 years old, (2) has been preserved because of historic interest, and (3) is not altered or modified from the original manufacturer's specifications. Current law allows the Department of Motor Vehicles commissioner to issue special license plates to these vehicles, including those that have been modified for safe road use. Beginning October 1, 2015, the bill requires that such vehicles be at least 25 years old to qualify for these plates.

**PROPERTY TAX ASSESSMENT CAP**

Existing law caps the value of antique motor vehicles for property tax assessment purposes at \$500. The bill requires the vehicles to be at least 25 years old to qualify for the cap.

The law allows tax assessors to require vehicle owners to provide reasonable documentation that the vehicle is an antique motor vehicle

as described above. The bill specifies that assessors may require such documentation once every three years. However, as under existing law, if the vehicle has been issued a special license plate, the owner cannot be required to provide the additional documentation.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/20/2015)