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## OLR Bill Analysis

### sSB 223

#### ***AN ACT CONCERNING PENALTIES FOR FAILURE TO FILE CERTAIN PROPERTY TAX ASSESSMENT INFORMATION.***

#### **SUMMARY**

By law, assessors may require rental property owners to file annual income and operating expense statements to assist in their property valuations. Under current law, property owners who are required to file, but fail to do so by June first or request an extension by May first, are subject to a penalty. (Failing to file includes filing late, incomplete, or fraudulent statements.)

This bill loosens these deadlines, beginning with the statements due June 1, 2023, by (1) extending to June first the deadline to request an extension and (2) allowing filings and extension requests that are postmarked on or by that date to qualify as timely, regardless of when the municipality receives them.

In accordance with a Connecticut Supreme Court case (see BACKGROUND), the bill specifies that penalties for failing to file these statements (a 10% increase in the property's assessed value) must be billed within 30 days after the assessor issues a certificate of correction, which will generally be in the same year the violation occurred. Specifically, if the tax collector receives the certificate of correction after the normal billing date, he or she must mail or hand deliver to the property owner within 30 days a new bill incorporating the penalty. The bill requires the penalty to be calculated using the assessed value and mill rate for the current assessment year.

The bill additionally specifies that (1) the new tax bill is due and payable in the same manner as other municipal taxes (e.g., it cannot be due less than 30 days from the date the bill is mailed or hand delivered, and any installments must be due in equal amounts), (2) the new tax bill

is subject to the same lien and collections process as other municipal taxes, and (3) the bill's provisions on statement filing penalties apply to assessments that are adjusted by the board of assessment appeals or Superior Court.

EFFECTIVE DATE: July 1, 2022

**BACKGROUND**

In 2021, the Connecticut Supreme Court held that penalties for a late, incomplete, or fraudulent income and expense statements must be imposed before a tax assessor takes and subscribes to the oath on the grand list (*Wilton Campus 1691, LLC v. Town of Wilton*, 339 Conn. 157 (2021)).

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 26 Nay 0 (03/11/2022)