
OLR Bill Analysis

sSB 380

AN ACT CONCERNING A PROPERTY TAX EXEMPTION FOR CERTAIN PASSENGER MOTOR VEHICLES.

SUMMARY

This bill requires municipalities and districts that impose a motor vehicle mill rate of greater than 29 mills to provide a \$5,000 exemption on the assessed value of passenger motor vehicles. The requirement applies beginning with the 2021 assessment year (i.e., for tax bills sent out beginning July 1, 2022). Under the bill, the \$5,000 exemption may not reduce a taxpayer's liability to less than zero.

The bill allows municipalities and districts to apply to the Office of Policy and Management (OPM) secretary for reimbursement of the property tax loss from this exemption. The OPM secretary must determine the form and manner for doing so.

The bill applies to any town, city, borough, consolidated town and city, and consolidated town and borough (i.e., "municipality"), and village, fire, sewer, or combination fire and sewer districts, and other municipal organizations authorized to levy and collect taxes (i.e., "district").

EFFECTIVE DATE: Upon passage

BACKGROUND

Motor Vehicle Mill Rate Cap

Existing law authorizes municipalities and districts to tax motor vehicles and other types of property (i.e., real and other personal property) at different mill rates, but caps the rate municipalities may impose on motor vehicles at 45 mills (CGS § 12-71e). It requires districts and boroughs that tax motor vehicles to ensure that their rate, when combined with the municipality's motor vehicle mill rate, does not

exceed 45 mills. The law also establishes a grant program to reimburse municipalities and districts for part of the lost revenue from this cap (CGS § 4-66*l*, as amended by PA 21-2, June Special Session, § 444).

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 30 Nay 21 (04/06/2022)