



Senate

General Assembly

File No. 160

February Session, 2022

Substitute Senate Bill No. 223

Senate, March 29, 2022

The Committee on Planning and Development reported through SEN. CASSANO of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

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

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

1 Section 1. Section 12-63c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2022*):

3 (a) In determining the present true and actual value in any town of
4 real property used primarily for purposes of producing rental income,
5 the assessor, which term whenever used in this section shall include
6 assessor or board of assessors, may require in the conduct of any
7 appraisal of such property pursuant to the capitalization of net income
8 method, as provided in section 12-63b, that the owner of such property
9 annually submit to the assessor not later than the first day of June, on a
10 form provided by the assessor not later than forty-five days before said
11 first day of June, the best available information disclosing the actual
12 rental and rental-related income and operating expenses applicable to
13 such property. Submission of such information may be required
14 whether or not the town is conducting a revaluation of all real property
15 pursuant to section 12-62. Upon determination that there is good cause,

16 the assessor may grant an extension [of not more than thirty days] to not
17 later than July first to submit such information, if the owner of such
18 property files a request for an extension with the assessor not later than
19 [May] June first.

20 (b) Any such information related to actual rental and rental-related
21 income and operating expenses and not already a matter of public
22 record that is submitted to the assessor shall not be subject to the
23 provisions of section 1-210.

24 (c) If upon receipt of information as required under subsection (a) of
25 this section the assessor finds that such information does not appear to
26 reflect actual rental and rental-related income or operating expenses
27 related to the current use of such property, additional verification
28 concerning such information may be requested by the assessor. All
29 information received by the assessor under subsection (a) of this section
30 shall be subject to audit by the assessor or a designee of the assessor.
31 Any person claiming to be aggrieved by the action of the assessor
32 hereunder may appeal the actions of the assessor to the board of
33 assessment appeals and the Superior Court as otherwise provided in
34 this chapter.

35 (d) (1) Any owner of such real property required to submit
36 information to the assessor in accordance with subsection (a) of this
37 section for any assessment year, who fails to submit such information as
38 required under said subsection (a) or who submits information in
39 incomplete or false form with intent to defraud, shall (A) for assessment
40 years commencing prior to October 1, 2021, be subject to a penalty equal
41 to a ten per cent increase in the assessed value of such property for such
42 assessment year, and (B) for assessment years commencing on or after
43 October 1, 2021, be subject to a penalty equal to a ten per cent increase
44 in the assessed value of such property in the current assessment year,
45 which the assessor shall add by issuance of a certificate of correction for
46 failure to file by June first of the current assessment year. Upon receipt
47 of any such certificate of correction from the assessor, the tax collector
48 of the town shall apply the mill rate for the current assessment year and,

49 if such certificate of correction is received after the normal billing date,
 50 not later than thirty days after such receipt, mail or hand deliver a bill
 51 to such owner based upon the addition of the penalty described in this
 52 subdivision. Such tax shall be due and payable and collectible as other
 53 municipal taxes and subject to the same liens and processes of collection,
 54 provided such tax shall be due and payable in an initial or single
 55 installment due and payable not sooner than thirty days after the date
 56 such bill is mailed or hand delivered to such owner, and in any
 57 remaining, regular installments, as such installments are due and
 58 payable, and the several installments of a tax so due and payable shall
 59 be equal.

60 (2) Notwithstanding the provisions of this subsection, an assessor or
 61 board of assessment appeals shall waive such penalty if the owner of
 62 the real property required to submit the information is not the owner of
 63 such property on the assessment date for the grand list to which such
 64 penalty is added. Such assessor or board may waive such penalty upon
 65 receipt of such information in any town in which the legislative body
 66 adopts an ordinance allowing for such a waiver.

67 (e) Any income and expense disclosure form described in subsection
 68 (a) of this section received by the town to which such form is due that is
 69 in an envelope bearing a postmark, as defined in section 1-2a, showing
 70 a date within the allowed filing period shall not be deemed delinquent.

71 (f) Any assessment adjusted by the court under the provisions of
 72 section 12-117a, or board of assessment appeals under the provisions of
 73 section 12-111, for any property shall be subject to the penalties
 74 provided in subsection (d) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	12-63c

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:** None**Municipal Impact:** None**Explanation**

The bill has no fiscal impact. It makes changes to deadlines regarding information that apartment building owners are required to report to local assessors.

The Out Years**State Impact:** None**Municipal Impact:** None

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)