

# OFFICE OF FISCAL ANALYSIS

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sHB-5043

AN ACT REFORMING MOTOR VEHICLE ASSESSMENT.

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## ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** See Below

## ***Explanation***

The bill makes several changes to the assessment process for motor vehicle property taxes. It 1) establishes a depreciation schedule for motor vehicle taxes; 2) exempts all-terrain vehicles, snowmobiles and certain utility trailers from property taxes; 3) expands the supplemental motor vehicle tax to vehicles registered in August and September; and 4) makes other motor vehicle assessment changes.

The bill results in a shift in municipal grand lists to real and personal property by establishing a depreciation schedule for motor vehicles. This precludes any increase in a municipality's motor vehicle grand list that would otherwise occur by assessing vehicles based on manufacturer's suggested retail price (MSRP).

The bill results in a grand list reduction to municipalities by exempting all-terrain vehicles, snowmobiles and utility trailers. This grand list reduction is at least partially offset by the expansion of the supplemental motor vehicle tax to vehicles registered in August and September. The net impact of these two changes on municipal grand lists is expected to be minimal.

The other changes made in the bill to the motor vehicle assessment process have no fiscal impact. The bill also makes various changes to the

process by which DMV reports registered vehicles to municipal assessors, which has no fiscal impact.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in municipal grand lists.