



General Assembly

February Session, 2022

Raised Bill No. 5424

LCO No. 3047



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

***AN ACT CONCERNING THE ELIGIBILITY OF CERTAIN REAL
PROPERTY FOR THE PAYMENT IN LIEU OF TAXES PROGRAM.***

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

1 Section 1. Section 12-18b of the 2022 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2022*):

4 (a) For the purposes of this section:

5 (1) "College and hospital property" means all real property described
6 in subsection (a) of section 12-20a;

7 (2) "District" has the same meaning as provided in section 7-324;

8 (3) "Equalized net grand list per capita" means the grand list of a
9 municipality upon which taxes were levied for the general expenses of
10 such municipality three years prior to the fiscal year in which a grant
11 under this section is to be paid, equalized in accordance with the
12 provisions of section 10-261a and divided by the total population of such
13 municipality;

14 (4) "Municipality" means any town, city, borough, consolidated town
15 and city and consolidated town and borough;

16 (5) "State, municipal or tribal property" means all real property
17 described in subsection (a) of section 12-19a;

18 (6) "Tier one municipality" means a municipality with an equalized
19 net grand list per capita of less than one hundred thousand dollars;

20 (7) "Tier two municipality" means a municipality with an equalized
21 net grand list per capita of one hundred thousand dollars to two
22 hundred thousand dollars; and

23 (8) "Tier three municipality" means a municipality with an equalized
24 net grand list per capita of greater than two hundred thousand dollars.

25 (b) Notwithstanding the provisions of sections 12-19a and 12-20a, all
26 funds appropriated for state grants in lieu of taxes shall be payable to
27 municipalities and districts pursuant to the provisions of this section.
28 On or before January first, annually, the Secretary of the Office of Policy
29 and Management shall determine the amount due, as a state grant in
30 lieu of taxes, to each municipality and district in this state wherein
31 college and hospital property is located and to each municipality and
32 district in this state wherein state, municipal or tribal property, except
33 that which was acquired and used for highways and bridges, but not
34 excepting property acquired and used for highway administration or
35 maintenance purposes, is located.

36 (1) The grant payable to any municipality or district for state,
37 municipal or tribal property under the provisions of this section in the
38 fiscal year ending June 30, 2022, and each fiscal year thereafter, shall be
39 equal to the total of [:] seventy-seven per cent of the property taxes that
40 would have been paid with respect to any real property exempt from
41 taxation under section 12-81, except for any house of religious worship
42 exempt from taxation pursuant to subdivision (13) of section 12-81.

43 (2) Notwithstanding the provisions of subdivision (1) of this

44 subsection, the grant for any real property listed in this subdivision shall
45 be equal to the total of:

46 (A) One hundred per cent of the property taxes that would have been
47 paid with respect to any facility designated by the Commissioner of
48 Correction, on or before August first of each year, to be a correctional
49 facility administered under the auspices of the Department of
50 Correction or a juvenile detention center under direction of the
51 Department of Children and Families that was used for incarcerative
52 purposes during the preceding fiscal year. If a list containing the name
53 and location of such designated facilities and information concerning
54 their use for purposes of incarceration during the preceding fiscal year
55 is not available from the Secretary of the State on August first of any
56 year, the Commissioner of Correction shall, on said date, certify to the
57 Secretary of the Office of Policy and Management a list containing such
58 information;

59 (B) One hundred per cent of the property taxes that would have been
60 paid with respect to that portion of the John Dempsey Hospital located
61 at The University of Connecticut Health Center in Farmington that is
62 used as a permanent medical ward for prisoners under the custody of
63 the Department of Correction. Nothing in this section shall be construed
64 as designating any portion of The University of Connecticut Health
65 Center John Dempsey Hospital as a correctional facility;

66 (C) One hundred per cent of the property taxes that would have been
67 paid on any land designated within the 1983 Settlement boundary and
68 taken into trust by the federal government for the Mashantucket Pequot
69 Tribal Nation on or after June 8, 1999;

70 (D) One hundred per cent of the property taxes that would have been
71 paid with respect to the property and facilities owned by the
72 Connecticut Port Authority;

73 (E) Subject to the provisions of subsection (c) of section 12-19a, sixty-
74 five per cent of the property taxes that would have been paid with
75 respect to the buildings and grounds comprising Connecticut Valley

76 Hospital and Whiting Forensic Hospital in Middletown;

77 (F) With respect to any municipality in which more than fifty per cent
78 of the property is state-owned real property, one hundred per cent of
79 the property taxes that would have been paid with respect to such state-
80 owned property;

81 (G) Forty-five per cent of the property taxes that would have been
82 paid with respect to all municipally owned airports; except for the
83 exemption applicable to such property, on the assessment list in such
84 municipality for the assessment date two years prior to the
85 commencement of the state fiscal year in which such grant is payable.
86 The grant provided pursuant to this section for any municipally owned
87 airport shall be paid to any municipality in which the airport is located,
88 except that the grant applicable to Sikorsky Airport shall be paid one-
89 half to the town of Stratford and one-half to the city of Bridgeport;

90 (H) One hundred per cent of the property taxes that would have been
91 paid with respect to any land designated within the 1983 Settlement
92 boundary and taken into trust by the federal government for the
93 Mashantucket Pequot Tribal Nation prior to June 8, 1999, or taken into
94 trust by the federal government for the Mohegan Tribe of Indians of
95 Connecticut, provided the real property subject to this subparagraph
96 shall be the land only, and shall not include the assessed value of any
97 structures, buildings or other improvements on such land; and

98 (I) Forty-five per cent of the property taxes that would have been paid
99 with respect to all other state-owned real property.

100 (2) The grant payable to any municipality or district for college and
101 hospital property under the provisions of this section in the fiscal year
102 ending June 30, 2017, and each fiscal year thereafter, shall be equal to
103 the total of seventy-seven per cent of the property taxes that, except for
104 any exemption applicable to any college and hospital property under
105 the provisions of section 12-81, would have been paid with respect to
106 college and hospital property on the assessment list in such municipality
107 or district for the assessment date two years prior to the commencement

108 of the state fiscal year in which such grant is payable.

109 (c) The Secretary of the Office of Policy and Management shall list
110 municipalities, boroughs and districts based on the equalized net grand
111 list per capita. Boroughs and districts shall have the same equalized net
112 grand list per capita as the town, city, consolidated town and city or
113 consolidated town and borough in which such borough or district is
114 located.

115 (d) For the fiscal year ending June 30, 2022, and each fiscal year
116 thereafter:

117 (1) The total amount of the grants paid to a municipality or district
118 pursuant to the provisions of this subsection shall not be lower than the
119 total amount of the payment in lieu of taxes grants received by such
120 municipality or district for the fiscal year ending June 30, 2021.

121 (2) If the total of grants payable to each municipality and district in
122 accordance with the provisions of subsection (b) of this section exceeds
123 the amount appropriated for the purposes of said subsection for a fiscal
124 year:

125 (A) Each tier one municipality shall receive fifty per cent of the grant
126 amount payable to such municipality as calculated under subsection (b)
127 of this section;

128 (B) Each tier two municipality shall receive forty per cent of the grant
129 amount payable to such municipality as calculated under subsection (b)
130 of this section; and

131 (C) Each tier three municipality shall receive thirty per cent of the
132 grant amount payable to such municipality as calculated under
133 subsection (b) of this section.

134 (3) Each municipality designated as an alliance district pursuant to
135 section 10-262u or in which more than fifty per cent of the property is
136 state-owned real property shall be classified as a tier one municipality.

137 (4) Each district shall receive the same percentage of the grant amount
138 payable to the municipality in which it is located.

139 (5) (A) If the total of grants payable to each municipality and district
140 in accordance with the provisions of subsection (b) of this section
141 exceeds the amount appropriated for the purposes of said subsection,
142 but such appropriated amount exceeds the amount required for grants
143 payable to each municipality and district in accordance with the
144 provisions of subdivisions (1) to (4), inclusive, of this subsection, the
145 amount of the grant payable to each municipality and district shall be
146 increased proportionately.

147 (B) If the total of grants payable to each municipality and district in
148 accordance with the provisions of subdivisions (1) to (4), inclusive, of
149 this subsection exceeds the amount appropriated for the purposes of
150 said subdivisions, the amount of the grant payable to each municipality
151 and district shall be reduced proportionately, except that no grant shall
152 be reduced below the amount set forth in subdivision (1) of this
153 subsection.

154 (e) Notwithstanding the provisions of subsections (a) to (d), inclusive,
155 of this section:

156 (1) The grant payable to any municipality or district with respect to a
157 campus of the United States Department of Veterans Affairs
158 Connecticut Healthcare Systems shall be one hundred per cent;

159 (2) For any municipality receiving payments under section 15-120ss,
160 property located in such municipality at Bradley International Airport
161 shall not be included in the calculation of any state grant in lieu of taxes
162 pursuant to this section; and

163 (3) The city of Bridgeport shall be due five million dollars, on or
164 before the thirtieth day of September, annually, which amount shall be
165 in addition to the amount due such city pursuant to the provisions of
166 subsections (b) or (d) of this section.

167 (f) For purposes of this section, any real property that is owned by the
168 John Dempsey Hospital Finance Corporation established pursuant to
169 the provisions of sections 10a-250 to 10a-263, inclusive, or by one or
170 more subsidiary corporations established pursuant to subdivision (13)
171 of section 10a-254 and that is free from taxation pursuant to the
172 provisions of section 10a-259 shall be deemed to be state-owned real
173 property.

174

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	12-18b

Statement of Purpose:

To include all tax-exempt real property, except for houses of religious worship, in the calculation of state reimbursements to municipalities under the payment in lieu of taxes program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]