

# Planning and Development Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-6801

AN ACT CONCERNING THE SUBMISSION OF INCOME AND EXPENSE INFORMATION IN CONNECTION WITH THE ASSESSMENT OF INCOME-

**Title:** PRODUCING REAL PROPERTY.

**Vote Date:** 3/19/2023

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/10/2023

**File No.:**

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### SPONSORS OF BILL:

Planning and Development Committee

### REASONS FOR BILL:

By law, assessors may require that rental property owners file annual income and expense statements, which assist the assessor in determining the value of the income producing property. This bill modifies certain deadlines related these filings and clarifies when the assessor must impose the penalty. Under existing law, this would be 10% of the property's assessed value if a taxpayer fails to file as required.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

### NATURE AND SOURCES OF SUPPORT:

[Connecticut Association of Assessing Officers, Inc. Legislative Committee, submitted by Tom DeNoto on behalf of committee members:](#)

This bill provides clear direction for both towns and property owners regarding income and expense report submission and penalty provisions. Determining the present true and actual value of income producing property can only be accomplished by receiving the actual income and expense data for all commercial properties within a jurisdiction. The income approach to value is one of three appraisal methods and is essential when developing commercial property value.

**Thomas DeNoto, CCMA II, Assessor, City of Bristol:**

Commercial occupied property drives the State's local economy through services, in some cases entertainment and the employment they provide. Commercial property equitable valuation is imperative to all assessors. When valuing Commercial property assessors consider the three approaches to value which are the sales comparison, cost approach and income approach. Employing the income approach to value relies on good data which is instrumental in any commercial transaction appraisal, and this bill encourages that.

**Fauna Eller, Assessor, Town of Newington:**

This bill provides clear direction for both towns and property owners regarding income and expense report submission and penalty provisions, provides more time to request an extension, and allows for a postmark as timely filing.

**Paul Friia, Assessor, Town of Westport:**

The Bill offers clarification and helps to streamline the administration of CGS 12-63c for both the Assessor and the property owner. It also clarifies the penalty procedure for the Assessor if a report hasn't been filed and outlines when the Tax Collector can bill the taxpayer. By allowing the Assessor to apply the penalty to the current Grand List and the Tax Collector to present a bill in a timely manner, it lessens the likelihood that the property owner will forget the penalty or the municipality not getting paid because of a transfer in ownership.

**Mary Gardner, CCMA, Assessor, Town of Groton:**

Towns are required to perform revaluations (mass appraisals) every five years to accomplish two goals: establishing fair market value of all real estate and equalizing the tax burden among property owners. This bill will help property owners and assessors alike by meeting both goals as well as listing 'the true and actual market value' of property as stated in CGS 12-63 Rule of Valuation. Additional benefits of this bill are detailed in written testimony.

**David Kluczowski, C.C.M.C., Tax Collector, Town of Fairfield & Legislative Chair, Connecticut Tax Collector's Association:**

The Connecticut Tax Collectors' Association is requesting a change in language to lines 54 and 55 of Raised Bill No. 6801. Specifically, the line regarding the issuance of a certificate of correction that states "payable not sooner than thirty days after the date such bill is mailed." This line is problematic as it is contrary to the current process Tax Collectors follow which requires mailing a tax bill within thirty days from the date the certificate of correction is received from the Assessor. See written testimony for proposed substitute language.

**NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Robert Mayne**

**Date: March 22, 2023**