



General Assembly

February Session, 2024

Raised Bill No. 419

LCO No. 2236



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT LIMITING PROPERTY TAX INCREASES.

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

1 Section 1. (NEW) (*Effective October 1, 2024, and applicable to assessment*
2 *years commencing on or after October 1, 2024*) (a) As used in this section:

3 (1) "Consumer price index rate" means the twelve-month average
4 change in the consumer price index for all urban consumers in the
5 northeast region as published by the Bureau of Labor Statistics of the
6 United States Department of Labor in October of each calendar year;

7 (2) "Debt payment" means the payment of principal and interest on
8 bonds, notes or certificates of indebtedness, excluding revenue bonds,
9 issued by a municipality;

10 (3) "Legislative body" means (A) the board of selectmen in a
11 municipality that does not have a charter, special act or home rule
12 ordinance relating to the government of such municipality, (B) the
13 council, board of aldermen, representative town meeting, board of
14 selectmen or other elected legislative body of a municipality in which a
15 charter, special act, consolidation ordinance or home rule ordinance

16 prescribes the government of such municipality, (C) the board of
17 burgesses or other elected legislative body in a borough, or (D) the
18 district committee or other elected legislative body in a district or other
19 municipal corporation;

20 (4) "Municipality" means any town, city, borough, consolidated town
21 and city, consolidated town and borough, district as defined in section
22 7-324 of the general statutes and any other municipal corporation
23 having the power to levy a tax on property pursuant to chapter 204 of
24 the general statutes;

25 (5) "Total tax levied" means the total amount of property taxes a
26 municipality levies under chapter 204 of the general statutes with
27 respect to all real property, personal property and motor vehicles; and

28 (6) "Voter" means any person who is (A) an elector of a municipality,
29 or (B) a citizen of the United States eighteen years of age or older who,
30 jointly or severally, (i) is liable to the municipality for taxes against such
31 person on an assessment of not less than one thousand dollars on the
32 last-completed grand list of such municipality, or (ii) would be so liable
33 if not entitled to an exemption under subdivision (17), (19), (22), (23),
34 (25) or (26) of section 12-81 of the general statutes.

35 (b) (1) For each assessment year commencing on or after October 1,
36 2024, any increase in the total tax levied by a municipality shall not
37 exceed two per cent, or the consumer price index rate, whichever
38 amount is lesser, of the total tax levied by such municipality in the
39 preceding assessment year.

40 (2) Any municipality in which the total tax levied exceeds the limit
41 set forth in subdivision (1) of this subsection shall be subject to the
42 provisions of subsection (c) of this section.

43 (c) (1) Any municipality in which the total tax levied exceeds the limit
44 allowed under subsection (b) of this section shall reduce such levy for
45 each successive assessment year by not less than fifteen per cent of the
46 total tax levy for the preceding assessment year, until such levy does not

47 exceed the limit allowed under said subsection, except that no
48 municipality shall be required to reduce the total tax levied to below the
49 limit allowed under said subsection. The municipality may adjust any
50 reductions under this subsection in accordance with the provisions of
51 subdivision (2) of this subsection.

52 (2) Notwithstanding the provisions of any municipal charter, special
53 act or home rule ordinance, the legislative body of any municipality
54 subject to the provisions of subdivision (1) of this subsection may, by a
55 two-thirds vote of the members present and voting, hold a referendum
56 to seek voter approval of the levy of additional taxes by a specified
57 amount in excess of the amount allowed under subdivision (1) of this
58 subsection. Such referendum shall be by a "yes" or "no" vote on paper
59 ballots or on the voting machines of the municipality. The question
60 submitted to the voters shall be: "Shall the _____ (insert name of the
61 taxing entity) be allowed to levy an additional \$_____ (insert the
62 amount) in real and personal property taxes for the assessment year
63 commencing October 1, _____ (insert the year)?" In no event shall the
64 amount specified under this subdivision be greater than the reduction
65 required pursuant to subdivision (1) of this subsection.

66 (3) If the amount specified in such question is not greater than one-
67 half of the reduction required pursuant to subdivision (1) of this
68 subsection, the proposal shall be deemed approved if a majority of the
69 voters casting votes thereon cast "yes" votes. If the amount specified in
70 such question is greater than one-half of the reduction required
71 pursuant to subdivision (1) of this subsection, the proposal shall be
72 deemed approved if two-thirds of the voters casting votes thereon cast
73 "yes" votes.

74 (d) (1) In any municipality in which the total tax levied results in a
75 percentage that is less than or equal to the limit allowed under
76 subsection (b) of this section, the total tax levied for any assessment year
77 commencing on or after October 1, 2024, shall not exceed an amount
78 equal to one hundred two per cent of the maximum levy limit for the
79 preceding assessment year, or one hundred per cent plus the consumer

80 price index rate, as applicable, except that any municipality may
81 increase the total tax levied (A) in accordance with the provisions of
82 subdivision (2) of this subsection, and (B) for the then-current
83 assessment year, by an amount equal to the tax rate for the preceding
84 assessment year multiplied by the amount of increase in the assessed
85 valuation of any real or personal property over the assessed valuation
86 during the preceding assessment year, which real or personal property
87 (i) shall become subject to the tax under chapter 204 of the general
88 statutes for the first time or taxed as a separate parcel for the first time,
89 during the then-current assessment year, or (ii) has had an increase in
90 its assessed valuation over the preceding assessment year, provided
91 such increase in assessed valuation is not due to revaluation of the entire
92 municipality.

93 (2) Notwithstanding the provisions of any municipal charter, special
94 act or home rule ordinance, the legislative body of any municipality may
95 hold a referendum to seek voter approval to levy additional taxes on
96 real and personal property by a specified amount in excess of the limit
97 allowed under subdivision (1) of this subsection. Such vote shall be by
98 a "yes" or "no" vote on paper ballots or on the voting machines of the
99 municipality. The question submitted to the voters shall be: "Shall the
100 _____ (insert name of the taxing entity) be allowed to levy an additional
101 \$_____ (insert the amount) in real and personal property taxes for the
102 purposes of _____ (insert the intended purpose or purposes for which
103 the moneys from the levy will be used) for the assessment year
104 commencing October 1, _____ (insert the year)?" The proposal shall be
105 deemed approved if a majority of the voters casting votes thereon cast
106 "yes" votes.

107 (e) Notwithstanding the provisions of any municipal charter, special
108 act or home rule ordinance, if a majority of the legislative body of any
109 municipality shall so require or on application of at least fifty voters,
110 such legislative body shall call a meeting, in accordance with the
111 provisions of section 7-7 of the general statutes, to submit a question to
112 voters whether to require the municipality to reduce the taxes levied by
113 a specified amount below the limit allowed under subsection (d) of this

114 section. Such vote shall be by a "yes" or "no" vote on paper ballots or on
115 the voting machines of the municipality. The question submitted to the
116 voters shall be: "Shall the _____ (insert name of the taxing entity) be
117 required to reduce the amount of real and personal property taxes to be
118 assessed for the assessment year commencing October 1, _____ (insert
119 the year) by an amount equal to \$_____ (insert the amount)?". The
120 proposal shall be deemed approved if a majority of the voters casting
121 votes thereon cast "yes" votes and the tax levy shall be decreased
122 accordingly.

123 (f) (1) Notwithstanding the provisions of any municipal charter,
124 special act or home rule ordinance, the legislative body of any
125 municipality may, by a two-thirds vote of the members present and
126 voting, place a question on the ballot:

127 (A) At any regular or special state or municipal election held before
128 the setting of the annual tax rate, for voter approval to levy additional
129 taxes on real and personal property by a specified amount in excess of
130 the limit allowed under subsection (b) or (d) of this section for capital
131 outlay expenditures, provided such expenditures may only be
132 authorized under this subdivision for a municipal purpose for which
133 the municipality would be authorized to borrow money under the
134 provisions of title 7 of the general statutes. Such vote shall be by a "yes"
135 or "no" vote on paper ballots or on the voting machines of the
136 municipality. The question submitted to the voters shall be: "Shall the
137 _____ (insert name of the taxing entity) be allowed to levy an additional
138 \$_____ (insert the amount) in real and personal property taxes for the
139 purposes of _____ (insert the intended purpose or purposes for which
140 the moneys from the levy will be used) for the assessment year
141 commencing October 1, _____ (insert the year)?". The proposal shall be
142 deemed approved if a majority of the voters casting votes thereon cast
143 "yes" votes;

144 (B) At any regular or special state or municipal election, for voter
145 approval to levy additional taxes on real and personal property by a
146 specified amount in excess of the limit allowed under subsection (b) or

147 (d) of this section for debt payments that are outstanding as of October
148 1, 2024. Such vote shall be by a "yes" or "no" vote on paper ballots or on
149 the voting machines of the municipality. The question submitted to the
150 voters shall be: "Shall ____ (insert the municipality) be allowed to
151 exempt from ____'s (insert municipality) levy limit the total amounts
152 required to pay for bonded indebtedness incurred prior to October 1,
153 2024?". The proposal shall be deemed approved if a majority of the
154 voters casting votes thereon cast "yes" votes; and

155 (C) At any regular or special state or municipal election, for voter
156 approval to levy additional taxes on real and personal property by a
157 specified amount in excess of the limit allowed under subsection (b) or
158 (d) of this section for debt payments incurred on or after October 1, 2024.
159 Such vote shall be by a "yes" or "no" vote on paper ballots or on the
160 voting machines of the municipality. The question submitted to the
161 voters shall be: "Shall ____ (insert the municipality) be allowed to
162 exempt from ____'s (insert municipality) levy limit the total amounts
163 required to pay for the bonds issued in order to ____ (insert the
164 purpose or purposes for which the moneys from the bonds issued will
165 be used)?". The proposal shall be deemed approved if a majority of the
166 voters casting votes thereon cast "yes" votes.

167 (2) The amounts exempted and additional taxes levied under
168 subdivision (1) of this subsection and subsection (h) of this section shall
169 be excluded from the calculation of the total tax levied under subsection
170 (b) of this section or the maximum levy amount under subsection (d) of
171 this section.

172 (g) The legislative body of any municipality may direct that the
173 question or questions authorized for a referendum under this section be
174 placed on the ballot at any regular or special state or municipal election
175 or may call a meeting in accordance with the provisions of section 7-7 of
176 the general statutes to submit such question or questions to voters.

177 (h) Notwithstanding the provisions of this section or any municipal
178 charter, special act or home rule ordinance, the legislative body of any

179 municipality may levy additional taxes in excess of the maximum limit
180 under subsection (b) or (d) of this section solely for the payment, in
181 whole or in part, of water or sewer debt charges, provided the aggregate
182 amount of water and sewer charges are reduced by the aggregate
183 amount of any such additional taxes levied. In the case of a municipality
184 whose water and sewer service is provided by an independent
185 commission, authority or district that separately bills water and sewer
186 users, the municipality may enter into an agreement with such
187 commission, authority or district to effectuate the purposes of this
188 subsection. The tax collector or the treasurer of the municipality shall
189 immediately pay over the taxes collected pursuant to this subsection,
190 without appropriation by the municipality, to such commission,
191 authority or district, less any amounts agreed upon by the parties for
192 administrative costs incurred in carrying out the agreement. Nothing in
193 this subsection shall be construed to affect the eligibility of such
194 commission, authority or district to receive loans and grants for water
195 pollution control projects or eligible drinking water projects.

196 (i) Notwithstanding the provisions of this section, the legislative body
197 of any municipality may adjust the limit allowed under subsection (b)
198 or (d) of this section to counterbalance the effects of extraordinary,
199 nonrecurring events that occurred during the base year that were not
200 within the purview of normal municipal financial practices and would
201 otherwise cause a limit to be set that would be inconsistent with the
202 limits intended under this section, provided notice of any such
203 adjustment is provided to voters, in writing, and explained in detail.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	New section

Statement of Purpose:

To limit annual property tax increases to not more than (1) two per cent, or (2) the consumer price index rate, whichever is lesser, of the total tax levied by a municipality in the preceding assessment year.

[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.]