



WORKING DRAFT

General Assembly

Bill No.

January Session, 2013

LCO No. 6212



Referred to Committee on

Introduced by:

AN ACT CONCERNING LAND VALUE TAXATION AND REQUIRING A TAX INCIDENCE STUDY.

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

1 Section 1. Section 12-63h of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) The Secretary of the Office of Policy and Management shall
4 establish a pilot program in [a single municipality] up to three
5 municipalities whereby the [municipality] selected municipalities shall
6 develop a plan for implementation of land value taxation that (1)
7 classifies real estate included in the taxable grand list as (A) land or
8 land exclusive of buildings, or (B) buildings on land; and (2)
9 establishes a different mill rate for property tax purposes for each
10 class, provided the higher mill rate shall apply to land or land
11 exclusive of buildings. The different mill rates for taxable real estate in
12 each class shall not be applicable to any property for which a grant is
13 payable under section 12-19a or 12-20a.

14 (b) [To be eligible for the program a municipality shall (1) be a
15 distressed municipality, as defined in subsection (b) of section 32-9p;
16 (2) have a population of not more than twenty-six thousand; and (3)

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17 have a city manager and city council form of government.] The
18 secretary shall establish an application procedure and any other
19 criteria for the program and shall send a copy of such application
20 procedure and any other criteria to the joint standing committee of the
21 General Assembly having cognizance of matters relating to planning
22 and development. The secretary shall not select a municipality for the
23 pilot program unless the legislative body of the municipality has
24 approved the application. The secretary shall send a notice of selection
25 for the pilot program to the chief executive officer of the municipality
26 and to the joint standing committee of the General Assembly having
27 cognizance of matters relating to planning and development.

28 (c) After receipt of the notice of selection provided by the Secretary
29 of the Office of Policy and Management pursuant to subsection (b) of
30 this section, the chief [executive officer] elected official of such
31 municipality shall appoint a committee consisting of (1) a
32 representative of the legislative body of the municipality or where the
33 legislative body is the town meeting, a representative of the board of
34 selectmen; (2) a representative from the business community; (3) a land
35 use attorney; and (4) relevant taxpayers and stakeholders. [to] Such
36 committee shall prepare a plan for implementation of land value
37 taxation. Such plan shall [(1)] (A) provide a process for implementation
38 of differentiated tax rates; [(2)] (B) designate geographic areas of the
39 municipality where the differentiated rates shall be applied; and [(3)]
40 (C) identify legal and administrative issues affecting the
41 implementation of the plan. The chief executive officer, the chief
42 elected official, the assessor and the tax collector of the municipality
43 shall have an opportunity to review and comment on the plan. On or
44 before December 31, [2009] 2014, and upon approval of the plan by the
45 legislative body, the plan shall be submitted to the joint standing
46 committees of the General Assembly having cognizance of matters
47 relating to planning and development and to finance, revenue and
48 bonding.

49 Sec. 2. (NEW) (*Effective July 1, 2013*) (a) The Commissioner of

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50 Revenue Services shall, on or before December 31, 2014, and every
51 other year thereafter, submit to the joint standing committee of the
52 General Assembly having cognizance of matters relating to finance,
53 revenue and bonding, and post on said department's Internet web site
54 a report on the overall incidence of the income tax, sales and excise
55 taxes, the corporation business tax and property tax. The report shall
56 present information on the distribution of the tax burden as follows:

57 (1) For individuals:

58 (A) Income classes, including income distribution expressed for
59 every ten percentage points; and

60 (B) Other appropriate taxpayer characteristics, as determined by
61 said commissioner.

62 (2) For businesses:

63 (A) Business size as established by gross receipts;

64 (B) Legal organization; and

65 (C) Industry by NAICS code.

66 (b) The Commissioner of Revenue Services may enter into a contract
67 with any public or private entity for the purpose of preparing the
68 report required pursuant to subsection (a) of this section.

69 (c) (1) The sum of five hundred thousand dollars is appropriated to
70 the Department of Revenue Services from the General Fund for the
71 fiscal year ending June 30, 2014, for the purpose of preparing the
72 report required pursuant to subsection (a) of this section.

73 (2) The sum of two hundred thousand dollars is appropriated to the
74 Department of Revenue Services from the General Fund for the fiscal
75 year ending June 30, 2015, for the purpose of preparing the report
76 required pursuant to subsection (a) of this section.

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77 Sec. 3. (*Effective from passage*) (a) There is established an education
78 funding commission to study and evaluate options for increasing state
79 funding to local schools by (1) creating a dedicated state-wide revenue
80 stream, (2) establishing an education trust fund outside of the General
81 Fund to better protect the fund from annual budget fluctuations, and
82 (3) ensuring sufficiency, predictability and reliability of state funding.
83 Such study shall include an examination of ways in which to increase
84 funding for education cost sharing grants and special education.

85 (b) The commission shall consist of the following members:

86 (1) Two appointed by the speaker of the House of Representatives;

87 (2) Two appointed by the president pro tempore of the Senate;

88 (3) One appointed by the majority leader of the House of
89 Representatives;

90 (4) One appointed by the majority leader of the Senate;

91 (5) One appointed by the minority leader of the House of
92 Representatives;

93 (6) One appointed by the minority leader of the Senate;

94 (7) The Commissioner of Education, or the commissioner's designee;

95 (8) A representative of the Connecticut Conference of
96 Municipalities, who shall be appointed by the Governor; and

97 (9) A representative of the Council of Small Towns, who shall be
98 appointed by the Governor.

99 (c) Any member of the commission appointed under subdivision
100 (1), (2), (3), (4), (5) or (6) of subsection (b) of this section may be a
101 member of the General Assembly.

102 (d) All appointments to the commission shall be made not later than

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103 thirty days after the effective date of this section. Any vacancy shall be
104 filled by the appointing authority.

105 (e) The speaker of the House of Representatives and the president
106 pro tempore of the Senate shall select the chairpersons of the task
107 force, from among the members of the task force. Such chairpersons
108 shall schedule the first meeting of the task force, which shall be held
109 not later than sixty days after the effective date of this section.

110 (f) The administrative staff of the joint standing committee of the
111 General Assembly having cognizance of matters relating to ____ shall
112 serve as administrative staff of the commission.

113 (g) Not later than ____, the commission shall submit a report on its
114 findings and recommendations to the joint standing committees of the
115 General Assembly having cognizance of matters relating to finance,
116 appropriations and education, in accordance with the provisions of
117 section 11-4a of the general statutes. The task force shall terminate on
118 the date that it submits such report or ____, whichever is later.

119 Sec. 4. (*Effective July 1, 2013*) The Center for Land Use Education and
120 Research shall, within available appropriations, conduct a study of the
121 public costs associated with sprawl and urban decay. Such study shall
122 include a state-wide build-out analysis that may be used to institute
123 land use policies and develop strategies to manage conservation and
124 growth.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	12-63h
Sec. 2	<i>July 1, 2013</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>July 1, 2013</i>	New section