

General Assembly
January Session, 2013

Bill No.
LCO No. 6212

*06212 _____ *

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:

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 Section 12-63h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2013*):

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

(b) [To be eligible for the program a municipality shall (1) be a distressed municipality, as defined in subsection (b) of section 32-9p; (2) have a population of not more than twenty-six thousand; and (3) have a city manager and city council form of government.] The secretary shall establish an application procedure and any other criteria for the program and shall send a copy of such application procedure and any other criteria to the joint standing committee of the General Assembly having cognizance of matters relating to planning and development. The secretary shall not select a municipality for the pilot program unless the legislative body of the municipality has approved the application. The secretary shall send a notice of selection for the pilot program to the chief executive officer of the municipality and to the joint standing committee of the General Assembly having cognizance of matters relating to planning and development.

(c) After receipt of the notice of selection provided by the Secretary of the Office of Policy and Management pursuant to subsection (b) of this section, the chief [executive officer] elected official of such municipality shall appoint a committee consisting of (1) a

representative of the legislative body of the municipality or where the legislative body is the town meeting, a representative of the board of selectmen; (2) a representative from the business community; (3) a land use attorney; and (4) relevant taxpayers and stakeholders. [to] Such committee shall prepare a plan for implementation of land value taxation. Such plan shall [(1)] (A) provide a process for implementation of differentiated tax rates; [(2)] (B) designate geographic areas of the municipality where the differentiated rates shall be applied; and [(3)] (C) identify legal and administrative issues affecting the implementation of the plan. The chief executive officer, the chief elected official, the assessor and the tax collector of the municipality shall have an opportunity to review and comment on the plan. On or before December 31, [2009] 2014, and upon approval of the plan by the legislative body, the plan shall be submitted to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development and to finance, revenue and bonding.

Sec. 2. (NEW) (*Effective July 1, 2013*) (a) The Commissioner of Revenue Services shall, on or before December 31, 2014, and every other year thereafter, submit to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, and post on said department's Internet web site a report on the overall incidence of the income tax, sales and excise taxes, the corporation business tax and property tax. The report shall present information on the distribution of the tax burden as follows:

(1) For individuals:

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

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

(2) For businesses:

(A) Business size as established by gross receipts;

(B) Legal organization; and

(C) Industry by NAICS code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) All appointments to the commission shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(e) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the task force, from among the members of the

task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.

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

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

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