



House of Representatives

File No. 648

General Assembly

February Session, 2024

(Reprint of File No. 226)

Substitute House Bill No. 5172
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 2, 2024

**AN ACT CONCERNING THE ASSESSMENT OF MOTOR VEHICLES
FOR PROPERTY TAXATION.**

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

1 Section 1. Subdivision (2) of subsection (a) of section 14-33 of the 2024
2 supplement to the general statutes is repealed and the following is
3 substituted in lieu thereof (*Effective July 1, 2024, and applicable to*
4 *assessment years commencing on or after October 1, 2024*):

5 (2) For assessment years commencing on or after October 1, 2024, if
6 any property tax, or any installment thereof, laid by any city, town,
7 borough or other taxing district upon a motor vehicle remains unpaid,
8 [regardless of whether such motor vehicle is classified on the grand list
9 as a registered motor vehicle or personal property pursuant to section
10 12-41,] the tax collector of such city, town, borough or other taxing
11 district shall notify the Commissioner of Motor Vehicles of such
12 delinquency in accordance with subsection (e) of this section and
13 guidelines and procedures established by the commissioner. The

14 commissioner shall not issue registration for such motor vehicle for the
15 next registration period if, according to the commissioner's records, it is
16 then owned by the person against whom such tax has been assessed or
17 by any person to whom such vehicle has not been transferred by bona
18 fide sale. Unless notice has been received by the commissioner under
19 the provisions of section 14-33a, no such registration shall be issued
20 until the commissioner receives notification that the tax obligation has
21 been legally discharged; nor shall the commissioner register any other
22 motor vehicle, snowmobile, all-terrain vehicle or vessel in the name of
23 such person, except that the commissioner may continue to register
24 other vehicles owned by a leasing or rental firm licensed pursuant to
25 section 14-15, and may issue such registration to any private owner of
26 three or more paratransit vehicles in direct proportion to the percentage
27 of total tax due on such vehicles which has been paid and notice of
28 payment on which has been received. The Commissioner of Motor
29 Vehicles may immediately suspend or cancel all motor vehicle,
30 snowmobile, all-terrain vehicle or vessel registrations issued in the
31 name of any person (A) who has been reported as delinquent and whose
32 registration was renewed through an error or through the production of
33 false evidence that the delinquent tax on any motor vehicle had been
34 paid, or (B) who has been reported by a tax collector as having paid a
35 property tax on a motor vehicle with a check which was dishonored by
36 a bank and such tax remains unpaid.

37 Sec. 2. Subsection (b) of section 12-71d of the 2024 supplement to the
38 general statutes is repealed and the following is substituted in lieu
39 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
40 *on or after October 1, 2024*):

41 (b) Not later than October 1, 2024, and annually thereafter, the
42 Secretary of the Office of Policy and Management shall, in consultation
43 with the [Connecticut Association of Assessing Officers, recommend a
44 schedule of motor vehicle plate classes] Department of Motor Vehicles,
45 establish guidelines for the valuation of motor vehicles, which shall be
46 used by assessors in each municipality in determining the
47 [classification] use of motor vehicles for purposes of property taxation.

48 The value for each motor vehicle shall be determined by the schedule of
49 depreciation described in subdivision (7) of subsection (b) of section 12-
50 63, as amended by this act. The determination of the assessed value of
51 any vehicle for which a manufacturer's suggested retail price cannot be
52 obtained for purposes of the property tax assessment list in any
53 municipality shall be the responsibility of the assessor in such
54 municipality, in consultation with the Connecticut Association of
55 Assessing Officers. Any appeal from the findings of assessors
56 concerning motor vehicle values shall be made in accordance with
57 provisions related to such appeals under this chapter.

58 Sec. 3. Subsection (b) of section 12-63 of the 2024 supplement to the
59 general statutes is repealed and the following is substituted in lieu
60 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
61 *on or after October 1, 2024*):

62 (b) (1) For the purposes of this subsection, (A) "electronic data
63 processing equipment" means computers, printers, peripheral computer
64 equipment, bundled software and any computer-based equipment
65 acting as a computer, as defined in Section 168 of the Internal Revenue
66 Code of 1986, or any subsequent corresponding internal revenue code
67 of the United States, as from time to time amended; (B) "leased personal
68 property" means tangible personal property which is the subject of a
69 written or oral lease or loan on the assessment date, or any such
70 property which has been so leased or loaned by the then current owner
71 of such property for three or more of the twelve months preceding such
72 assessment date; and (C) "original selling price" means the price at
73 which tangible personal property is most frequently sold in the year that
74 it was manufactured.

75 (2) Any municipality may, by ordinance, adopt the provisions of this
76 subsection to be applicable for the assessment year commencing
77 October first of the assessment year in which a revaluation of all real
78 property required pursuant to section 12-62 is performed in such
79 municipality, and for each assessment year thereafter. If so adopted, the
80 present true and actual value of tangible personal property, other than

81 motor vehicles, shall be determined in accordance with the provisions
 82 of this subsection. If such property is purchased, its true and actual
 83 value shall be established in relation to the cost of its acquisition,
 84 including transportation and installation, and shall reflect depreciation
 85 in accordance with the schedules set forth in subdivisions (3) to (6),
 86 inclusive, of this subsection. If such property is developed and produced
 87 by the owner of such property for a purpose other than wholesale or
 88 retail sale or lease, its true and actual value shall be established in
 89 relation to its cost of development, production and installation and shall
 90 reflect depreciation in accordance with the schedules provided in
 91 subdivisions (3) to (6), inclusive, of this subsection. The provisions of
 92 this subsection shall not apply to property owned by a public service
 93 company, as defined in section 16-1.

94 (3) The following schedule of depreciation shall be applicable with
 95 respect to electronic data processing equipment:

96 (A) Group I: Computer and peripheral hardware, including, but not
 97 limited to, personal computers, workstations, terminals, storage
 98 devices, printers, scanners, computer peripherals and networking
 99 equipment:

T1		Depreciated Value
T2		As Percentage
T3	Assessment Year	Of Acquisition
T4	Following Acquisition	Cost Basis
T5	First year	Seventy per cent
T6	Second year	Forty per cent
T7	Third year	Twenty per cent
T8	Fourth year and thereafter	Ten per cent

100 (B) Group II: Other hardware, including, but not limited to, mini-
 101 frame and main-frame systems with an acquisition cost of more than
 102 twenty-five thousand dollars:

T9		Depreciated Value
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T10		As Percentage
T11	Assessment Year	Of Acquisition
T12	Following Acquisition	Cost Basis
T13	First year	Ninety per cent
T14	Second year	Sixty per cent
T15	Third year	Forty per cent
T16	Fourth year	Twenty per cent
T17	Fifth year and thereafter	Ten per cent

103 (4) The following schedule of depreciation shall be applicable with
 104 respect to copiers, facsimile machines, medical testing equipment, and
 105 any similar type of equipment that is not specifically defined as
 106 electronic data processing equipment, but is considered by the assessor
 107 to be technologically advanced:

T18		Depreciated Value
T19		As Percentage
T20	Assessment Year	Of Acquisition
T21	Following Acquisition	Cost Basis
T22	First year	Ninety-five per cent
T23	Second year	Eighty per cent
T24	Third year	Sixty per cent
T25	Fourth year	Forty per cent
T26	Fifth year and thereafter	Twenty per cent

108 (5) The following schedule of depreciation shall be applicable with
 109 respect to machinery and equipment used in the manufacturing process:

T27		Depreciated Value
T28		As Percentage
T29	Assessment Year	Of Acquisition
T30	Following Acquisition	Cost Basis
T31	First year	Ninety per cent
T32	Second year	Eighty per cent
T33	Third year	Seventy per cent

T34	Fourth year	Sixty per cent
T35	Fifth year	Fifty per cent
T36	Sixth year	Forty per cent
T37	Seventh year	Thirty per cent
T38	Eighth year and thereafter	Twenty per cent

110 (6) The following schedule of depreciation shall be applicable with
 111 respect to all tangible personal property other than that described in
 112 subdivisions (3) to (5), inclusive, and subdivision (7) of this subsection:

T39		Depreciated Value
T40		As Percentage
T41	Assessment Year	Of Acquisition
T42	Following Acquisition	Cost Basis
T43	First year	Ninety-five per cent
T44	Second year	Ninety per cent
T45	Third year	Eighty per cent
T46	Fourth year	Seventy per cent
T47	Fifth year	Sixty per cent
T48	Sixth year	Fifty per cent
T49	Seventh year	Forty per cent
T50	Eighth year and thereafter	Thirty per cent

113 (7) For assessment years commencing on or after October 1, 2024, the
 114 following schedule of depreciation shall be applicable with respect to
 115 motor vehicles based on the manufacturer's suggested retail price of
 116 such motor vehicles, provided no motor vehicle shall be [valued]
 117 assessed at an amount less than five hundred dollars:

T51		Percentage of
T52		Manufacturer's Suggested
T53	Age of Vehicle	Retail Price
T54	Up to year one	[Eighty] <u>Eighty-five</u> per cent
T55	Year two	[Seventy-five] <u>Eighty</u> per cent
T56	Year three	[Seventy] <u>Seventy-five</u> per cent

T57	Year four	[Sixty-five] <u>Seventy</u> per cent
T58	Year five	[Sixty] <u>Sixty-five</u> per cent
T59	Year six	[Fifty-five] <u>Sixty</u> per cent
T60	Year seven	[Fifty] <u>Fifty-five</u> per cent
T61	Year eight	[Forty-five] <u>Fifty</u> per cent
T62	Year nine	[Forty] <u>Forty-five</u> per cent
T63	Year ten	[Thirty-five] <u>Forty</u> per cent
T64	Year eleven	[Thirty] <u>Thirty-five</u> per cent
T65	Year twelve	[Twenty-five] <u>Thirty</u> per cent
T66	Year thirteen	[Twenty] <u>Twenty-five</u> per cent
T67	Year fourteen	[Fifteen] <u>Twenty</u> per cent
T68	Years fifteen to nineteen	[Ten] <u>Fifteen</u> per cent
T69	Years twenty and beyond	Not less than
T70		five hundred dollars

118 (8) The present true and actual value of leased personal property
 119 other than motor vehicles shall be determined in accordance with the
 120 provisions of this subdivision. Such value for any assessment year shall
 121 be established in relation to the original selling price for self-
 122 manufactured property or acquisition cost for acquired property and
 123 shall reflect depreciation in accordance with the schedules provided in
 124 subdivisions (3) to (6), inclusive, of this subsection. If the assessor is
 125 unable to determine the original selling price of leased personal
 126 property other than a motor vehicle, the present true and actual value
 127 thereof shall be its current selling price.

128 (9) With respect to any personal property which is prohibited by law
 129 from being sold, the present true and actual value of such property shall
 130 be established with respect to such property's original manufactured
 131 cost increased by a ratio the numerator of which is the total proceeds
 132 from the manufacturer's salable equipment sold and the denominator of
 133 which is the total cost of the manufacturer's salable equipment sold.
 134 Such value shall then be depreciated in accordance with the appropriate
 135 schedule in this subsection.

136 (10) The schedules of depreciation set forth in subdivisions (3) to (6),

137 inclusive, of this subsection shall not be used with respect to motor
138 vehicles, videotapes, horses or other taxable livestock or electric
139 cogenerating equipment.

140 (11) If the assessor determines that the value of any item of personal
141 property, other than a motor vehicle valued pursuant to subdivision (7)
142 of this subsection, produced by the application of the schedules set forth
143 in this subsection does not accurately reflect the present true and actual
144 value of such item, the assessor shall adjust such value to reflect the
145 present true and actual value of such item.

146 (12) For assessment years commencing on or after October 1, 2024, for
147 any commercial motor vehicle (A) that is modified, or (B) to which is
148 affixed an attachment designed, manufactured or modified to be affixed
149 to such motor vehicle, the assessor shall determine whether to value
150 such motor vehicle and any such modifications or attachments to such
151 motor vehicle pursuant to subdivision (7) of this subsection or section
152 12-41, as amended by this act. The assessor shall determine valuation of
153 any modifications or attachments to such motor vehicle based on
154 whether such modifications or attachments are intended to be
155 permanently affixed to such motor vehicle.

156 [(12)] (13) Nothing in this subsection shall prevent any taxpayer from
157 appealing any (A) assessment made pursuant to this subsection if such
158 assessment does not accurately reflect the present true and actual value
159 of any item of such taxpayer's personal property, or (B) determination
160 of the manufacturer's suggested retail price used to value a motor
161 vehicle pursuant to this subsection.

162 Sec. 4. Subsections (b) and (c) of section 12-41 of the 2024 supplement
163 to the general statutes are repealed and the following is substituted in
164 lieu thereof (*Effective July 1, 2024, and applicable to assessment years*
165 *commencing on or after October 1, 2024*):

166 (b) [(1) For assessment years commencing prior to October 1, 2024,
167 no] No person required by law to file an annual declaration of personal
168 property shall include in such declaration motor vehicles that are

169 registered [in the office of the state Commissioner] with the Department
170 of Motor Vehicles. With respect to any vehicle subject to taxation in a
171 town other than the town in which such vehicle is registered, pursuant
172 to section 12-71, as amended by this act, information concerning such
173 vehicle may be included in a declaration filed pursuant to this section or
174 section 12-43, or on a report filed pursuant to section 12-57a.

175 [(2) For assessment years commencing on or after October 1, 2024,
176 any person required to file an annual declaration of tangible personal
177 property shall include in such declaration the motor vehicle listing,
178 pursuant to subdivision (2) of subsection (f) of section 12-71, of any
179 motor vehicle owned by such person. If, after the annual deadline for
180 filing a declaration, a motor vehicle is deemed personal property by the
181 assessor, such motor vehicle shall be added to the declaration of the
182 owner of such vehicle or included on a new declaration if no declaration
183 was submitted in the prior year. The value of the motor vehicle shall be
184 determined pursuant to section 12-63. If applicable, the value of the
185 motor vehicle for the current assessment year shall be prorated pursuant
186 to section 12-71b, and shall not be considered omitted property, as
187 defined in section 12-53, or subject to a penalty pursuant to subsection
188 (f) of this section.]

189 (c) The annual declaration of the tangible personal property owned
190 by such person on the assessment date, shall include, but is not limited
191 to, the following property: Machinery used in mills and factories, cables,
192 wires, poles, underground mains, conduits, pipes and other fixtures of
193 water, gas, electric and heating companies, leasehold improvements
194 classified as other than real property and furniture and fixtures of stores,
195 offices, hotels, restaurants, taverns, halls, factories and manufacturers.
196 Tangible personal property does not include a sign placed on a property
197 indicating that the property is for sale or lease. On and after October 1,
198 2024, tangible personal property shall include nonpermanent
199 modifications and attachments to commercial motor vehicles. [listed on
200 the schedule of motor vehicle plate classes recommended pursuant to
201 section 12-71d.] Commercial or financial information in any declaration
202 filed under this section [, except for commercial or financial information

203 which concerns motor vehicles,] shall not be open for public inspection
204 but may be disclosed to municipal officers for tax collection purposes.

205 Sec. 5. Subsection (a) of section 12-53 of the 2024 supplement to the
206 general statutes is repealed and the following is substituted in lieu
207 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
208 *on or after October 1, 2024*):

209 (a) For purposes of this section:

210 (1) "Omitted property" means property for which complete
211 information is not included in the declaration required to be filed by law
212 with respect to (A) the total number and type of all items subject to
213 taxation, or (B) the true original cost and year acquired of all such items;
214 [, or (C) on or after October 1, 2024, the manufacturer's suggested retail
215 price of a motor vehicle plus any applicable after-market alterations to
216 such motor vehicle,]

217 (2) ["books"] "Books", "papers", "documents" and "other records"
218 includes, but is not limited to, federal tax forms relating to the
219 acquisition and cost of fixed assets, general ledgers, balance sheets,
220 disbursement ledgers, fixed asset and depreciation schedules, financial
221 statements, invoices, operating expense reports, capital and operating
222 leases, conditional sales agreements and building or leasehold ledgers;
223 [.] and

224 (3) ["designee of an assessor"] "Designee of an assessor" means a
225 Connecticut municipal assessor certified in accordance with subsection
226 (b) of section 12-40a, a certified public accountant, a revaluation
227 company certified in accordance with section 12-2c for the valuation of
228 personal property, or an individual certified as a revaluation company
229 employee in accordance with section 12-2b for the valuation of personal
230 property.

231 Sec. 6. Subdivision (2) of subsection (a) of section 12-71 of the 2024
232 supplement to the general statutes is repealed and the following is
233 substituted in lieu thereof (*Effective July 1, 2024, and applicable to*

234 *assessment years commencing on or after October 1, 2024):*

235 (2) For assessment years commencing on or after October 1, 2024,
236 goods, chattels and effects or any interest therein, including any interest
237 in a leasehold improvement classified as other than real property,
238 belonging to any person who is a resident in this state, shall be listed for
239 purposes of property tax in the town where such person resides, subject
240 to the provisions of sections 12-41, as amended by this act, 12-43 and 12-
241 59. Any such property belonging to any nonresident shall be listed for
242 purposes of property tax as provided in section 12-43. Motor vehicles
243 shall be listed for purposes of the property tax as provided in subsection
244 (f) of this section.

245 Sec. 7. Subdivision (2) of subsection (f) of section 12-71 of the 2024
246 supplement to the general statutes is repealed and the following is
247 substituted in lieu thereof (*Effective July 1, 2024, and applicable to*
248 *assessment years commencing on or after October 1, 2024):*

249 [(2) (A) For assessment years commencing on or after October 1, 2024,
250 each municipality shall list motor vehicles registered and classified in
251 accordance with section 12-71d, and such motor vehicles shall be valued
252 in the same manner as motor vehicles valued pursuant to section 12-63.]

253 [(B)] (2) For assessment years commencing on or after October 1, 2024,
254 any unregistered motor vehicle or motor vehicle that is not used or
255 capable of being used that is located in a municipality in this state, shall
256 be listed and valued in the [manner described in subparagraph (A) of
257 this subdivision] same manner as motor vehicles valued pursuant to
258 section 12-63, as amended by this act.

259 Sec. 8. Section 12-71b of the 2024 supplement to the general statutes
260 is repealed and the following is substituted in lieu thereof (*Effective July*
261 *1, 2024, and applicable to assessment years commencing on or after October 1,*
262 *2024):*

263 (a) (1) For assessment years commencing prior to October 1, 2024, any
264 person who owns a motor vehicle which is not registered with the

265 Commissioner of Motor Vehicles on the first day of October in any
266 assessment year and which is registered subsequent to said first day of
267 October but prior to the first day of August in such assessment year shall
268 be liable for the payment of property tax with respect to such motor
269 vehicle in the town where such motor vehicle is subject to property tax,
270 in an amount as hereinafter provided, on the first day of January
271 immediately subsequent to the end of such assessment year. The
272 property tax payable with respect to such motor vehicle on said first day
273 of January shall be in the amount which would be payable if such motor
274 vehicle had been entered in the taxable list of the town where such
275 motor vehicle is subject to property tax on the first day of October in
276 such assessment year if such registration occurs prior to the first day of
277 November. If such registration occurs on or after the first day of
278 November but prior to the first day of August in such assessment year,
279 such tax shall be a pro rata portion of the amount of tax payable if such
280 motor vehicle had been entered in the taxable list of such town on
281 October first in such assessment year to be determined (A) by a ratio,
282 the numerator of which shall be the number of months from the date of
283 such registration, including the month in which registration occurs, to
284 the first day of October next succeeding and the denominator of which
285 shall be twelve, or (B) upon the affirmative vote of the legislative body
286 of the municipality, by a ratio the numerator of which shall be the
287 number of days from the date of such registration, including the day on
288 which the registration occurs, to the first day of October next succeeding
289 and the denominator of which shall be three hundred sixty-five. For
290 purposes of this section the term "assessment year" means the period of
291 twelve full months commencing with October first each year.

292 (2) For assessment years commencing on or after October 1, 2024, any
293 [person who owns a] motor vehicle [which] that is not registered with
294 the Commissioner of Motor Vehicles on the first day of October in any
295 assessment year and which is registered subsequent to said first day of
296 October but prior to the [first day of April] last day of September in such
297 assessment year shall be added to the grand list by the assessor, and the
298 owner of such motor vehicle shall be liable for the payment of property

299 tax with respect to such motor vehicle in the town where such motor
300 vehicle is subject to property tax, in an amount as hereinafter provided,
301 [, on the first day of July in such assessment year. Any person who owns
302 a motor vehicle which is registered with the Commissioner of Motor
303 Vehicles on or after the first day of April in any assessment year but
304 prior to the first day of October next succeeding shall be liable for the
305 payment of property tax with respect to such motor vehicle in the town
306 where such motor vehicle is subject to property tax, in an amount
307 hereinafter provided, on the first day of January immediately
308 subsequent to the end of such assessment year.] The property tax
309 payable with respect to a motor vehicle described in this subdivision
310 shall be in the amount which would be payable if such motor vehicle
311 had been entered into the taxable list of the town where such motor
312 vehicle is subject to property tax on the first day of October in such
313 assessment year if such registration occurs prior to the first day of
314 November. If such registration occurs on or after the first day of
315 November but prior to the first day of October next succeeding, such tax
316 shall be a pro rata portion of the amount of tax payable if such motor
317 vehicle had been entered in the taxable list of such town on October first
318 in such assessment year to be determined (A) by a ratio, the numerator
319 of which shall be the number of months from the date of such
320 registration, including the month in which registration occurs, to the
321 first day of October next succeeding and the denominator of which shall
322 be twelve, or (B) upon the affirmative vote of the legislative body of the
323 municipality, by a ratio the numerator of which shall be the number of
324 days from the date of such registration, including the day on which the
325 registration occurs, to the first day of October next succeeding and the
326 denominator of which shall be three hundred sixty-five.

327 (b) (1) For assessment years commencing prior to October 1, 2024,
328 whenever any person who owns a motor vehicle which has been entered
329 in the taxable list of the town where such motor vehicle is subject to
330 property tax in any assessment year and who, subsequent to the first
331 day of October in such assessment year but prior to the first day of
332 August in such assessment year, replaces such motor vehicle with

333 another motor vehicle, hereinafter referred to as the replacement
334 vehicle, which vehicle may be in a different classification for purposes
335 of registration than the motor vehicle replaced, and provided one of the
336 following conditions is applicable with respect to the motor vehicle
337 replaced: (A) The unexpired registration of the motor vehicle replaced
338 is transferred to the replacement vehicle, (B) the motor vehicle replaced
339 was stolen or totally damaged and proof concerning such theft or total
340 damage is submitted to the assessor in such town, or (C) the motor
341 vehicle replaced is sold by such person within forty-five days
342 immediately prior to or following the date on which such person
343 acquires the replacement vehicle, such person shall be liable for the
344 payment of property tax with respect to the replacement vehicle in the
345 town in which the motor vehicle replaced is subject to property tax, in
346 an amount as hereinafter provided, on the first day of January
347 immediately subsequent to the end of such assessment year. If the
348 replacement vehicle is replaced by such person with another motor
349 vehicle prior to the first day of August in such assessment year, the
350 replacement vehicle shall be subject to property tax as provided in this
351 subsection and such other motor vehicle replacing the replacement
352 vehicle, or any motor vehicle replacing such other motor vehicle in such
353 assessment year, shall be deemed to be the replacement vehicle for
354 purposes of this subsection and shall be subject to property tax as
355 provided herein. The property tax payable with respect to the
356 replacement vehicle on said first day of January shall be the amount by
357 which (i) is in excess of (ii) as follows: (i) The property tax which would
358 be payable if the replacement vehicle had been entered in the taxable list
359 of the town in which the motor vehicle replaced is subject to property
360 tax on the first day of October in such assessment year if such
361 registration occurs prior to the first day of November, however if such
362 registration occurs on or after the first day of November but prior to the
363 first day of August in such assessment year, such tax shall be a pro rata
364 portion of the amount of tax payable if such motor vehicle had been
365 entered in the taxable list of such town on October first in such
366 assessment year to be determined by a ratio, the numerator of which
367 shall be the number of months from the date of such registration,

368 including the month in which registration occurs, to the first day of
369 October next succeeding and the denominator of which shall be twelve,
370 provided if such person, on said first day of October, was entitled to any
371 exemption under section 12-81, as amended by this act, which was
372 allowed in the assessment of the motor vehicle replaced, such
373 exemption shall be allowed for purposes of determining the property
374 tax payable with respect to the replacement vehicle as provided herein;
375 (ii) the property tax payable by such person with respect to the motor
376 vehicle replaced, provided if the replacement vehicle is registered
377 subsequent to the thirty-first day of October but prior to the first day of
378 August in such assessment year such property tax payable with respect
379 to the motor vehicle replaced shall, for purposes of the computation
380 herein, be deemed to be a pro rata portion of such property tax to be
381 prorated in the same manner as the amount of tax determined under (i)
382 above.

383 (2) For assessment years commencing on or after October 1, 2024,
384 whenever any person who owns a motor vehicle which has been entered
385 in the taxable list of the town where such motor vehicle is subject to
386 property tax in any assessment year and who, subsequent to the first
387 day of October in such assessment year but prior to the [first day of
388 April] last day of September in such assessment year, replaces such
389 motor vehicle with another motor vehicle, hereinafter referred to as the
390 replacement vehicle, which vehicle may be in a different classification
391 for purposes of registration than the motor vehicle replaced, and
392 provided one of the following conditions is applicable with respect to
393 the motor vehicle replaced: (A) The unexpired registration of the motor
394 vehicle replaced is transferred to the replacement vehicle, (B) the motor
395 vehicle replaced was stolen or totally damaged and proof concerning
396 such theft or total damage is submitted to the assessor in such town, or
397 (C) the motor vehicle replaced is sold by such person within forty-five
398 days immediately prior to or following the date on which such person
399 acquires the replacement vehicle, such motor vehicle shall be added by
400 the assessor to the taxable grand list and such person shall be liable for
401 the payment of property tax with respect to the replacement vehicle in

402 the town in which the motor vehicle replaced is subject to property tax
403 pursuant to subdivision [(4)] (3) of this subsection. [, on the first day of
404 July in such assessment year.] If a replacement vehicle is replaced by the
405 owner of such replacement vehicle prior to the first day of October next
406 succeeding such assessment year, the replacement vehicle shall be
407 added by the assessor to the taxable grand list and subject to property
408 tax as provided in this subdivision. [and such other] Any motor vehicle
409 replacing [the] a replacement vehicle, or any motor vehicle replacing
410 such other motor vehicle in such assessment year, shall be deemed to be
411 the replacement vehicle for purposes of this subdivision.

412 [(3) For assessment years commencing on or after October 1, 2024,
413 whenever any person who owns a motor vehicle which has been entered
414 into the taxable list of the town where such motor vehicle is subject to
415 property tax in any assessment year and who, on or after the first day of
416 April of such assessment year but prior to the first day of October next
417 succeeding, replaces such motor vehicle with another motor vehicle,
418 hereinafter referred to as the replacement vehicle, which vehicle may be
419 in a different classification for purposes of registration than the motor
420 vehicle replaced, and provided one of the following conditions is
421 applicable with respect to the motor vehicle replaced: (A) The unexpired
422 registration of the motor vehicle replaced is transferred to the
423 replacement vehicle, (B) the motor vehicle replaced was stolen or totally
424 damaged and proof concerning such theft or total damage is submitted
425 to the assessor in such town, or (C) the motor vehicle replaced is sold by
426 such person within forty-five days immediately prior to or following the
427 date on which such person acquires the replacement vehicle, such
428 person shall be liable for the payment of property tax with respect to the
429 replacement vehicle in the town in which the motor vehicle replaced is
430 subject to property tax pursuant to subdivision (4) of this subsection, on
431 the first day of January immediately succeeding such assessment year.
432 If a replacement vehicle is replaced by the owner of such replacement
433 vehicle prior to the first day of October next succeeding such assessment
434 year, the replacement vehicle shall be subject to property tax as
435 provided in this subdivision and such other motor vehicle replacing the

436 replacement vehicle, or any motor vehicle replacing such other motor
437 vehicle in such assessment year, shall be deemed to be the replacement
438 vehicle for purposes of this subdivision.]

439 [(4)] (3) The property tax payable with respect to a replacement
440 vehicle described in subdivision (2) [or (3)] of this subsection shall be
441 the amount by which (A) is in excess of (B) as follows: (A) The property
442 tax which would be payable if the replacement vehicle had been entered
443 in the taxable list of the town in which the motor vehicle replaced is
444 subject to property tax on the first day of October in such assessment
445 year if such registration occurs prior to the first day of November,
446 however, if such registration occurs on or after the first day of
447 November but prior to the first day of October next succeeding, such tax
448 shall be a pro rata portion of the amount of tax payable if such motor
449 vehicle had been entered in the taxable list of such town on October first
450 in such assessment year to be determined by ratio, the numerator of
451 which shall be the number of months from the date of such registration,
452 including the month in which registration occurs, to the first day of
453 October next succeeding and the denominator of which shall be twelve,
454 provided if such person, on said first day of October, was entitled to any
455 exemption under section 12-81, as amended by this act, which was
456 allowed in the assessment of the motor vehicle replaced, such
457 exemption shall be allowed for purposes of determining the property
458 tax payable with respect to the replacement vehicle as provided herein;
459 (B) the property tax payable by such person with respect to the motor
460 vehicle replaced, provided if the replacement vehicle is registered
461 subsequent to the thirty-first day of October but prior to the first day of
462 October next succeeding such property tax payable with respect to the
463 motor vehicle replaced shall, for purposes of the computation herein, be
464 deemed to be a pro rata portion of such property tax to be prorated in
465 the same manner as the amount of tax determined under subparagraph
466 (A) [above] of this subdivision.

467 (c) (1) For assessment years commencing prior to October 1, 2024, any
468 person who owns a commercial motor vehicle which has been
469 temporarily registered at any time during any assessment year and

470 which has not during such period been entered in the taxable list of any
471 town in the state for purposes of the property tax and with respect to
472 which no permanent registration has been issued during such period,
473 shall be liable for the payment of property tax with respect to such motor
474 vehicle in the town where such motor vehicle is subject to property tax
475 on the first day of January immediately following the end of such
476 assessment year, in an amount as hereinafter provided. The property tax
477 payable shall be in the amount which would be payable if such motor
478 vehicle had been entered in the taxable list of the town where such
479 motor vehicle is subject to property tax on the first day of October in
480 such assessment year.

481 (2) For assessment years commencing on or after October 1, 2024, any
482 person who owns a commercial motor vehicle which has been
483 temporarily registered at any time during any assessment year and
484 which has not during such period been entered in the taxable list of any
485 town in the state for purposes of the property tax and with respect to
486 which no permanent registration has been issued during such period,
487 shall be liable for the payment of property tax with respect to such motor
488 vehicle in the town where such motor vehicle is subject to property tax,
489 [on the first day of July of such assessment year or the first day of
490 January immediately following such assessment year, as applicable,
491 pursuant to subdivisions (2) and (3) of subsection (b) of this section.] The
492 property tax payable shall be in the amount which would be payable if
493 such motor vehicle had been entered in the taxable list of the town
494 where such motor vehicle is subject to property tax on the first day of
495 October in such assessment year.

496 (d) [Any] (1) For assessment years commencing prior to October 1,
497 2024, any motor vehicle subject to property tax as provided in this
498 section shall, except as otherwise provided in subsection (b) of this
499 section, be subject to such property tax in the town in which such motor
500 vehicle was last registered in the assessment year ending immediately
501 preceding the day on which such property tax is payable as provided in
502 this section.

503 (2) For assessment years commencing on or after October 1, 2024, any
504 motor vehicle subject to property tax as provided in this section shall,
505 except as otherwise provided in subsection (b) of this section, be subject
506 to property tax in the town in which such motor vehicle was first
507 registered in the assessment year.

508 (e) Whenever any motor vehicle subject to property tax as provided
509 in this section has been replaced by the owner with another motor
510 vehicle in the assessment year immediately preceding the day on which
511 such property tax is payable, each such motor vehicle shall be subject to
512 property tax as provided in this section.

513 (f) Upon receipt by the assessor in any town of notice from the
514 Commissioner of Motor Vehicles, in a manner as prescribed by said
515 commissioner, with respect to any motor vehicle subject to property tax
516 in accordance with the provisions of this section and which has not been
517 entered in the taxable grand list of such town, such assessor shall
518 determine the value of such motor vehicle for purposes of property tax
519 assessment and shall, for assessment years commencing (1) prior to
520 October 1, 2024, add such value to the taxable grand list in such town
521 for the immediately preceding assessment date, and [the] (2) on or after
522 October 1, 2024, add such value to the taxable grand list in such town.
523 The tax thereon shall be levied and collected by the tax collector. Such
524 property tax shall be payable not later than the first day of [(1)] (A)
525 February following the first day of January on which the owner of such
526 motor vehicle becomes liable for the payment of property tax, for
527 assessment years commencing prior to October 1, 2024, and [(2)] (B) the
528 month succeeding the month in which such property tax became due
529 and payable, for assessment years commencing on or after October 1,
530 2024, with respect to such motor vehicle in accordance with the
531 provisions of this section, subject to any determination in accordance
532 with section 12-142 that such tax shall be due and payable in
533 installments. [Said]

534 (g) (1) For assessment years commencing prior to October 1, 2024,
535 said owner may appeal the assessment of such motor vehicle, as

536 determined by the assessor in accordance with [this] subsection (f) of
537 this section, to the board of assessment appeals next succeeding the date
538 on which the tax based on such assessment is payable, and thereafter, to
539 the Superior Court as provided in section 12-117a. If the amount of such
540 tax is reduced upon appeal, the portion thereof which has been paid in
541 excess of the amount determined to be due upon appeal shall be
542 refunded to said owner.

543 (2) For assessment years commencing on or after October 1, 2024, said
544 owner may appeal the determination of the manufacturer's suggested
545 retail price used to assess a motor vehicle to the board of assessment
546 appeals next succeeding the date on which the tax based on such
547 assessment is payable, and thereafter, to the Superior Court as provided
548 in section 12-117a. If the amount of such tax is reduced upon appeal, the
549 portion thereof which has been paid in excess of the amount determined
550 to be due upon appeal shall be refunded to said owner.

551 ~~[(g)]~~ (h) Any motor vehicle which is not registered in this state shall
552 be subject to property tax in this state if such motor vehicle in the normal
553 course of operation most frequently leaves from and returns to or
554 remains in one or more points within this state, and such motor vehicle
555 shall be subject to such property tax in the town within which such
556 motor vehicle in the normal course of operation most frequently leaves
557 from and returns to or remains, provided when the owner of such motor
558 vehicle is a resident in any town in the state, it shall be presumed that
559 such motor vehicle most frequently leaves from and returns to or
560 remains in such town unless evidence, satisfactory to the assessor in
561 such town, is submitted to the contrary.

562 Sec. 9. Subsection (b) of section 12-71c of the 2024 supplement to the
563 general statutes is repealed and the following is substituted in lieu
564 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
565 *on or after October 1, 2024*):

566 (b) Any person claiming a property tax credit with respect to a motor
567 vehicle in accordance with subsection (a) of this section shall file with

568 the assessor in the town in which such person is entitled to such
569 property tax credit, documentation satisfactory to the assessor
570 concerning the sale, total damage, theft or removal and registration of
571 such motor vehicle. [For assessment years commencing prior to October
572 1, 2024, such] Such documentation shall be filed not later than the thirty-
573 first day of December immediately following the end of the assessment
574 year which next follows the assessment year in which such motor
575 vehicle was sold, damaged, stolen or removed and registered. [For
576 assessment years commencing on or after October 1, 2024, such
577 documentation shall be filed not later than three years after the date
578 upon which such tax was due and payable for such motor vehicle.]
579 Failure to file such claim and documentation as prescribed herein shall
580 constitute a waiver of the right to such property tax credit.

581 Sec. 10. Subdivision (74) of section 12-81 of the 2024 supplement to
582 the general statutes is repealed and the following is substituted in lieu
583 thereof (*Effective July 1, 2024, and applicable to assessment years commencing*
584 *on or after October 1, 2024*):

585 (74) (A) (i) For a period not to exceed five assessment years following
586 the assessment year in which it is first registered, any new commercial
587 truck, truck tractor, tractor and semitrailer, and vehicle used in
588 combination therewith, which is used exclusively to transport freight for
589 hire and: Is either subject to the jurisdiction of the United States
590 Department of Transportation pursuant to Chapter 135 of Title 49,
591 United States Code, or any successor thereto, or would otherwise be
592 subject to said jurisdiction except for the fact that the vehicle is used
593 exclusively in intrastate commerce; has a gross vehicle weight rating in
594 excess of twenty-six thousand pounds; and prior to August 1, 1996, was
595 not registered in this state or in any other jurisdiction but was registered
596 in this state on or after said date. (ii) For a period not to exceed five
597 assessment years following the assessment year in which it is first
598 registered, any new commercial truck, truck tractor, tractor and
599 semitrailer, and vehicle used in combination therewith, not eligible
600 under subparagraph (A)(i) of this subdivision, that has a gross vehicle
601 weight rating in excess of fifty-five thousand pounds and was not

602 registered in this state or in any other jurisdiction but was registered in
603 this state on or after August 1, 1999. As used in this subdivision, "gross
604 vehicle weight rating" has the same meaning as provided in section 14-
605 1;

606 (B) Any person who on October first in any year holds title to or is
607 the registrant of a vehicle for which such person intends to claim the
608 exemption provided in this subdivision shall file with the assessor or
609 board of assessors in the municipality in which the vehicle is subject to
610 property taxation, on or before the first day of November in such year,
611 a written application claiming such exemption on a form prescribed by
612 the Secretary of the Office of Policy and Management. Such person shall
613 include information as to the make, model, year and vehicle
614 identification number of each such vehicle, and any appurtenances
615 attached thereto, in such application. The person holding title to or the
616 registrant of such vehicle for which exemption is claimed shall furnish
617 the assessor or board of assessors with such supporting documentation
618 as said secretary may require, including, but not limited to, evidence of
619 vehicle use, acquisition cost and registration. Failure to file such
620 application in this manner and form within the time limit prescribed
621 shall constitute a waiver of the right to such exemption for such
622 assessment year, unless an extension of time is allowed as provided in
623 section 12-81k. Such application shall not be required for any assessment
624 year following that for which the initial application is filed, provided if
625 the vehicle is modified, such modification shall be deemed a waiver of
626 the right to such exemption until a new application is filed and the right
627 to such exemption is established as required initially. With respect to
628 any vehicle for which the exemption under this subdivision has
629 previously been claimed in a town other than that in which the vehicle
630 is registered on any assessment date, the person shall not be entitled to
631 such exemption until a new application is filed and the right to such
632 exemption is established in said town;

633 (C) With respect to any vehicle which is not registered on the first day
634 of October in any assessment year and which is registered subsequent
635 to said first day of October [but prior to the first day of August] in such

636 assessment year, the value of such vehicle for property tax exemption
637 purposes shall be a pro rata portion of the value determined in
638 accordance with subparagraph (D) of this subdivision, to be determined
639 by a ratio, the numerator of which shall be the number of months from
640 the date of such registration, including the month in which registration
641 occurs, to the first day of October next succeeding and the denominator
642 of which shall be twelve. For purposes of this subdivision, "assessment
643 year" means the period of twelve full months commencing with October
644 first each year;

645 (D) For assessment years commencing prior to October 1, 2024,
646 notwithstanding the provisions of section 12-71d, as amended by this
647 act, the assessor or board of assessors shall determine the value for each
648 vehicle with respect to which a claim for exemption under this
649 subdivision is approved, based on the vehicle's cost of acquisition,
650 including costs related to the modification of such vehicle, adjusted for
651 depreciation;

652 (E) For assessment years commencing on or after October 1, 2024, the
653 assessor or board of assessors shall determine the value for each vehicle,
654 with respect to which a claim for exemption under this subdivision is
655 approved, pursuant to the provisions of section 12-71d, as amended by
656 this act;

657 Sec. 11. Subsection (a) of section 7-152e of the general statutes is
658 repealed and the following is substituted in lieu thereof (*Effective July 1,*
659 *2024*):

660 (a) Notwithstanding any provision of the general statutes or special
661 act, municipal charter or ordinance, any municipality may, by ordinance
662 adopted by its legislative body, establish a fine to be imposed against
663 any owner of a motor vehicle that is subject to property tax in the
664 municipality pursuant to subsection [(g)] (h) of section 12-71b, as
665 amended by this act, who fails to register such motor vehicle with the
666 Commissioner of Motor Vehicles, provided (1) such motor vehicle is
667 eligible for registration and required to be registered under the

668 provisions of chapter 246, (2) such fine shall not be more than two
 669 hundred fifty dollars, (3) any penalty for the failure to pay such fine by
 670 a date prescribed by the municipality shall not be more than twenty-five
 671 per cent of such fine, and (4) such fine shall be suspended for a first time
 672 violator who presents proof of registration for such motor vehicle
 673 subsequent to the violation but prior to the imposition of a fine.

674 Sec. 12. Subparagraph (B) of subdivision (7) of subsection (f) of
 675 section 12-71 of the 2024 supplement to the general statutes is repealed
 676 and the following is substituted in lieu thereof (*Effective from passage*):

677 (B) For assessment years commencing on or after October 1, 2024,
 678 information concerning any vehicle subject to taxation in a town other
 679 than the town in which it is registered may be included on any
 680 declaration or report filed pursuant to section 12-41, as amended by this
 681 act, 12-43 or 12-57a. If a motor vehicle is listed in a town in which it is
 682 not subject to taxation, pursuant to the provisions of subdivision (5) of
 683 this subsection, the assessor of the town in which such vehicle is listed
 684 shall notify the assessor of the town in which such vehicle is [listed]
 685 registered of the name and address of the owner of such motor vehicle,
 686 the vehicle identification number and the town in which such vehicle is
 687 taxed. The assessor of the town in which said vehicle is registered and
 688 the assessor of the town in which said vehicle is listed shall cooperate in
 689 administering the provisions of this section concerning the listing of
 690 such vehicle for property tax purposes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	14-33(a)(2)
Sec. 2	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71d(b)

Sec. 3	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-63(b)
Sec. 4	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-41(b) and (c)
Sec. 5	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-53(a)
Sec. 6	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71(a)(2)
Sec. 7	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71(f)(2)
Sec. 8	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71b
Sec. 9	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-71c(b)
Sec. 10	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-81(74)
Sec. 11	<i>July 1, 2024</i>	7-152e(a)
Sec. 12	<i>from passage</i>	12-71(f)(7)(B)

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: See Below

Explanation

The bill makes various changes to the valuation and taxation of motor vehicles described below.

The bill increases the depreciation schedule for motor vehicles by five percentage points for each year starting at 85% instead of 80%. This results in a grand list increase to municipalities beginning in FY 26.

The bill also changes the minimum from \$500 valued, to \$500 assessed under the depreciation schedule. A vehicle valued at \$500 is approximately \$350 assessed. This results in a grand list increase beginning in FY 26 as no vehicles will have a taxable (assessed) value of less than \$500.

Under this bill, assessors must determine the method for (1) valuing modifications and attachments to commercial vehicles and (2) the vehicles to which these are attached. Any impact is dependent on how these modifications, attachments, and vehicles would have otherwise been valued.

The bill also eliminates certain deadlines for supplemental motor vehicle tax bill. To the extent this results in some motor vehicles being added to a different town's grand list at different points in time, there is a potential shift of grand lists between towns. This also results in a potential revenue gain to various municipalities associated with

increased interest charged as the due date for supplemental tax bills will be moved up.

Certain deadlines for motor vehicle tax credits are also eliminated. This may result in a savings to municipalities beginning in FY 25 to the extent fewer claims are made due to the shorter deadline and less tax credits are issued.

The bill makes various other changes that do not result in a fiscal impact.

House "A" alters the original bill by (1) increasing the depreciation schedule for motor vehicles by five percentage points each year starting at 85% and (2) removing a provision that requires assessors to value a vehicle using its depreciated original cost if the manufacturer's suggested retail price (MSRP) cannot be obtained.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to how certain commercial vehicles with attachments and modifications are valued, interest charged, and tax credits issued.

OLR Bill Analysis**sHB 5172 (as amended by House "A")******AN ACT CONCERNING THE ASSESSMENT OF MOTOR VEHICLES FOR PROPERTY TAXATION.*****SUMMARY**

This bill changes laws on motor vehicle assessments and property tax billing procedures that, by law, take effect October 1, 2024, (see BACKGROUND). Principally, the bill does the following:

1. eliminates a requirement that the Office of Policy and Management (OPM) define a class of motor vehicles that would be treated as non-vehicle personal property for certain property tax purposes;
2. requires assessors to determine whether to value modifications and attachments to commercial vehicles, as well as the vehicles to which they are affixed, as motor vehicles or as non-vehicle personal property; and
3. eliminates certain statutory deadlines for supplemental motor vehicle tax bills and re-establishes the prior law's time limit for taxpayers to apply for certain credits (e.g., for stolen or totaled vehicles).

Beginning with the 2024 assessment year (i.e., for tax bills sent out beginning July 1, 2025), existing law generally requires assessors to value vehicles using the manufacturer's suggested retail price (MSRP), subject to a depreciation schedule (rather than using a schedule of values OPM annually selects, as prior law required). For these assessments, the bill additionally:

1. adjusts the depreciation schedule, increasing the taxable portion of each vehicle's MSRP by five percentage points (e.g., a vehicle up to one year old must be valued at 85% of its MSRP rather than 80%) and making corresponding changes to the increments over the 20-year depreciation schedule (§ 3);
2. requires OPM to annually establish valuation guidelines, in consultation with the Department of Motor Vehicles, that assessors must use to determine vehicles' use for property tax purposes (§ 2);
3. requires assessors, in consultation with the Connecticut Association of Assessing Officers, to value a vehicle if its MSRP cannot be obtained (§ 2); and
4. requires assessors to value tax-exempt commercial trucks, truck tractors, and tractors and semitrailers used exclusively to transport freight for hire in the same way as other vehicles (i.e., using their MSRP subject to depreciation or assessor-determined values, as applicable), rather than using their purchase cost subject to depreciation (§ 10).

The bill also explicitly authorizes taxpayers to contest the MSRP used to assess their vehicles in the same way as existing law sets for appeals of the current valuation method (i.e., at the next board of assessment appeals meeting after the tax bill becomes due and then to the Superior Court) (§§ 3 & 8).

The bill additionally makes minor and conforming changes.

*House Amendment "A" (1) eliminates the requirement that assessors value vehicles using their original costs if their MSRPs are unavailable and (2) adds the provision adjusting the depreciation schedule for assessing motor vehicles.

EFFECTIVE DATE: July 1, 2024, and applicable to assessment years starting on or after October 1, 2024, except for a minor change in § 7,

which is effective July 1, 2024, and a technical correction in § 12, which is effective upon passage.

COMMERCIAL VEHICLE MODIFICATIONS AND ATTACHMENTS

Under property tax laws, motor vehicles and other, non-vehicle personal property are valued differently (e.g., using different methods and depreciation schedules). Beginning October 1, 2024, the bill requires assessors to determine whether to value commercial motor vehicles with modifications or certain attachments as motor vehicles or as personal property. It requires assessors to do the same for the modifications and attachments that are designed, manufactured, or modified to be affixed to the vehicle (e.g., a customized truck body or aftermarket add-on).

Under the bill, non-permanent modifications and attachments are considered personal property, which taxpayers must list on their annual personal property declarations. (Presumably, attachments and modifications that are intended to be permanently affixed are valued as part of the motor vehicle, not as personal property.)

Under current law, OPM must define a class of motor vehicles and taxpayers must list those vehicles, and their values, on a personal property declaration. In addition to eliminating the OPM-established class, the bill restores a provision in the underlying law specifying that registered motor vehicles are not to be listed on a personal property declaration. However, the bill also allows the assessor to determine that a commercial motor vehicle must be valued as personal property listed on a personal property declaration. It is unclear whether these commercial vehicles must be listed on declarations and how they must be valued (i.e., as other motor vehicles or as personal property).

SUPPLEMENTAL MOTOR VEHICLE TAX BILLS AND CREDITS

Late Additions to the Grand List

Under current law, when an assessor receives notice from the motor vehicles commissioner about a taxable vehicle that is not already in the town's taxable grand list, he or she must assess the vehicle and add it to

the town's grand list for the immediately preceding October 1. Under the bill, beginning October 1, 2024, the assessor must instead add the vehicle to the town's taxable grand list. (It is unclear to which grand list this refers.)

Supplemental Tax Bill Due Dates

By law, until October 1, 2024, tax bills for vehicles (including replacement vehicles and temporarily registered commercial vehicles) registered after the start of the assessment year (October 1) are due the following January 1 in a supplemental tax bill, and interest on delinquent payments begins accruing February 1. Starting October 1, 2024, current law creates a second supplemental tax bill due date (July 1) and, in doing so, generally advances the payment date for vehicles registered after October 1 but before April 1.

The bill eliminates these statutory due dates and instead makes supplemental bills payable not later than the first day of the month after they become due. (Presumably, this means municipalities will set supplemental tax bills' due dates and interest will begin accruing the first day of the successive month.)

Where Supplemental Motor Vehicle Tax is Paid

Under current law, supplemental motor vehicle tax bills for vehicles registered after the start of the assessment year (other than replacement vehicles) are due to the municipality in which the vehicle was last registered in the assessment year immediately preceding the day on which the tax is payable. The bill instead makes these supplemental tax bills due to the municipality where the vehicle was first registered during the assessment year. (By law, unchanged by the bill, supplemental motor vehicle tax bills are prorated for the number of months remaining in the assessment year.)

By law, and under the bill, supplemental tax bills on replacement vehicles are due to the municipality that billed the original, replaced vehicle.

Deadline to Request Credit

The bill reestablishes prior law’s deadline for a taxpayer to claim a credit against their property taxes for a vehicle that was sold, totaled, stolen, or registered by the taxpayer in another state upon moving. So, under the bill, the deadline remains the December 31 following the first full assessment year after the assessment year in which the event (e.g., sale or theft) occurred.

BACKGROUND

Changes to Motor Vehicle Assessment Laws in 2023 and 2024

PA 22-118, §§ 497-509, beginning October 1, 2023, (1) required assessors to value vehicles using their MSRPs, subject to depreciation (rather than using a guide OPM annually selects); (2) required the Department of Motor Vehicles to give municipalities a supplemental list of vehicles it registered on a monthly, rather than annual, basis; and (3) modified the timeline for supplemental bills. However, PA 23-304, §§ 209-219, delayed these changes by one year, until the 2024 assessment year.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/15/2024)