



General Assembly

**Substitute Bill No. 5424**

February Session, 2022



**AN ACT CONCERNING THE ELIGIBILITY OF CERTAIN REAL  
PROPERTY FOR THE PAYMENT IN LIEU OF TAXES PROGRAM.**

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

1 Section 1. Section 12-18b of the 2022 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective October 1, 2022*):

4 (a) For the purposes of this section:

5 (1) "College and hospital property" means all real property described  
6 in subsection (a) of section 12-20a;

7 (2) "District" has the same meaning as provided in section 7-324;

8 (3) "Equalized net grand list per capita" means the grand list of a  
9 municipality upon which taxes were levied for the general expenses of  
10 such municipality three years prior to the fiscal year in which a grant  
11 under this section is to be paid, equalized in accordance with the  
12 provisions of section 10-261a and divided by the total population of such  
13 municipality;

14 (4) "Municipality" means any town, city, borough, consolidated town  
15 and city and consolidated town and borough;

16 (5) "State, municipal or tribal property" means all real property  
17 described in subsection (a) of section 12-19a;

18 (6) "Tier one municipality" means a municipality with an equalized  
19 net grand list per capita of less than one hundred thousand dollars;

20 (7) "Tier two municipality" means a municipality with an equalized  
21 net grand list per capita of one hundred thousand dollars to two  
22 hundred thousand dollars; and

23 (8) "Tier three municipality" means a municipality with an equalized  
24 net grand list per capita of greater than two hundred thousand dollars.

25 (b) Notwithstanding the provisions of sections 12-19a and 12-20a, all  
26 funds appropriated for state grants in lieu of taxes shall be payable to  
27 municipalities and districts pursuant to the provisions of this section.  
28 On or before January first, annually, the Secretary of the Office of Policy  
29 and Management shall determine the amount due, as a state grant in  
30 lieu of taxes, to each municipality and district in this state wherein  
31 college and hospital property is located, [and] to each municipality and  
32 district in this state wherein state, municipal or tribal property, except  
33 that which was acquired and used for highways and bridges, but not  
34 excepting property acquired and used for highway administration or  
35 maintenance purposes, is located, and to each municipality and district  
36 in this state wherein any real property exempt from taxation under  
37 section 12-81, except for any house of religious worship exempt from  
38 taxation pursuant to subdivision (13) of section 12-81, is located.

39 (1) The grant payable to any municipality or district for [state,  
40 municipal or tribal] property under the provisions of this section in the  
41 fiscal year ending June 30, 2022, and each fiscal year thereafter, shall be  
42 equal to the total of [:] seventy-seven per cent of the property taxes that  
43 would have been paid with respect to any real property exempt from  
44 taxation under section 12-81, except for any house of religious worship  
45 exempt from taxation pursuant to subdivision (13) of section 12-81.

46 (2) Notwithstanding the provisions of subdivision (1) of this

47 subsection, the grant for any real property listed in this subdivision shall  
48 be equal to the total of:

49 (A) One hundred per cent of the property taxes that would have been  
50 paid with respect to any facility designated by the Commissioner of  
51 Correction, on or before August first of each year, to be a correctional  
52 facility administered under the auspices of the Department of  
53 Correction or a juvenile detention center under direction of the  
54 Department of Children and Families that was used for incarcerative  
55 purposes during the preceding fiscal year. If a list containing the name  
56 and location of such designated facilities and information concerning  
57 their use for purposes of incarceration during the preceding fiscal year  
58 is not available from the Secretary of the State on August first of any  
59 year, the Commissioner of Correction shall, on said date, certify to the  
60 Secretary of the Office of Policy and Management a list containing such  
61 information;

62 (B) One hundred per cent of the property taxes that would have been  
63 paid with respect to that portion of the John Dempsey Hospital located  
64 at The University of Connecticut Health Center in Farmington that is  
65 used as a permanent medical ward for prisoners under the custody of  
66 the Department of Correction. Nothing in this section shall be construed  
67 as designating any portion of The University of Connecticut Health  
68 Center John Dempsey Hospital as a correctional facility;

69 (C) One hundred per cent of the property taxes that would have been  
70 paid on any land designated within the 1983 Settlement boundary and  
71 taken into trust by the federal government for the Mashantucket Pequot  
72 Tribal Nation on or after June 8, 1999;

73 (D) One hundred per cent of the property taxes that would have been  
74 paid with respect to the property and facilities owned by the  
75 Connecticut Port Authority;

76 (E) Subject to the provisions of subsection (c) of section 12-19a, sixty-  
77 five per cent of the property taxes that would have been paid with

78 respect to the buildings and grounds comprising Connecticut Valley  
79 Hospital and Whiting Forensic Hospital in Middletown;

80 (F) With respect to any municipality in which more than fifty per cent  
81 of the property is state-owned real property, one hundred per cent of  
82 the property taxes that would have been paid with respect to such state-  
83 owned property;

84 (G) Forty-five per cent of the property taxes that would have been  
85 paid with respect to all municipally owned airports; except for the  
86 exemption applicable to such property, on the assessment list in such  
87 municipality for the assessment date two years prior to the  
88 commencement of the state fiscal year in which such grant is payable.  
89 The grant provided pursuant to this section for any municipally owned  
90 airport shall be paid to any municipality in which the airport is located,  
91 except that the grant applicable to Sikorsky Airport shall be paid one-  
92 half to the town of Stratford and one-half to the city of Bridgeport;

93 (H) One hundred per cent of the property taxes that would have been  
94 paid with respect to any land designated within the 1983 Settlement  
95 boundary and taken into trust by the federal government for the  
96 Mashantucket Pequot Tribal Nation prior to June 8, 1999, or taken into  
97 trust by the federal government for the Mohegan Tribe of Indians of  
98 Connecticut, provided the real property subject to this subparagraph  
99 shall be the land only, and shall not include the assessed value of any  
100 structures, buildings or other improvements on such land; and

101 (I) Forty-five per cent of the property taxes that would have been paid  
102 with respect to all other state-owned real property.

103 [(2)] (3) The grant payable to any municipality or district for college  
104 and hospital property under the provisions of this section in the fiscal  
105 year ending June 30, 2017, and each fiscal year thereafter, shall be equal  
106 to the total of seventy-seven per cent of the property taxes that, except  
107 for any exemption applicable to any college and hospital property under  
108 the provisions of section 12-81, would have been paid with respect to

109 college and hospital property on the assessment list in such municipality  
110 or district for the assessment date two years prior to the commencement  
111 of the state fiscal year in which such grant is payable.

112 (c) The Secretary of the Office of Policy and Management shall list  
113 municipalities, boroughs and districts based on the equalized net grand  
114 list per capita. Boroughs and districts shall have the same equalized net  
115 grand list per capita as the town, city, consolidated town and city or  
116 consolidated town and borough in which such borough or district is  
117 located.

118 (d) For the fiscal year ending June 30, 2022, and each fiscal year  
119 thereafter:

120 (1) The total amount of the grants paid to a municipality or district  
121 pursuant to the provisions of this subsection shall not be lower than the  
122 total amount of the payment in lieu of taxes grants received by such  
123 municipality or district for the fiscal year ending June 30, 2021.

124 (2) If the total of grants payable to each municipality and district in  
125 accordance with the provisions of subsection (b) of this section exceeds  
126 the amount appropriated for the purposes of said subsection for a fiscal  
127 year:

128 (A) Each tier one municipality shall receive fifty per cent of the grant  
129 amount payable to such municipality as calculated under subsection (b)  
130 of this section;

131 (B) Each tier two municipality shall receive forty per cent of the grant  
132 amount payable to such municipality as calculated under subsection (b)  
133 of this section; and

134 (C) Each tier three municipality shall receive thirty per cent of the  
135 grant amount payable to such municipality as calculated under  
136 subsection (b) of this section.

137 (3) Each municipality designated as an alliance district pursuant to

138 section 10-262u or in which more than fifty per cent of the property is  
139 state-owned real property shall be classified as a tier one municipality.

140 (4) Each district shall receive the same percentage of the grant amount  
141 payable to the municipality in which it is located.

142 (5) (A) If the total of grants payable to each municipality and district  
143 in accordance with the provisions of subsection (b) of this section  
144 exceeds the amount appropriated for the purposes of said subsection,  
145 but such appropriated amount exceeds the amount required for grants  
146 payable to each municipality and district in accordance with the  
147 provisions of subdivisions (1) to (4), inclusive, of this subsection, the  
148 amount of the grant payable to each municipality and district shall be  
149 increased proportionately.

150 (B) If the total of grants payable to each municipality and district in  
151 accordance with the provisions of subdivisions (1) to (4), inclusive, of  
152 this subsection exceeds the amount appropriated for the purposes of  
153 said subdivisions, the amount of the grant payable to each municipality  
154 and district shall be reduced proportionately, except that no grant shall  
155 be reduced below the amount set forth in subdivision (1) of this  
156 subsection.

157 (e) Notwithstanding the provisions of subsections (a) to (d), inclusive,  
158 of this section:

159 (1) The grant payable to any municipality or district with respect to a  
160 campus of the United States Department of Veterans Affairs  
161 Connecticut Healthcare Systems shall be one hundred per cent;

162 (2) For any municipality receiving payments under section 15-120ss,  
163 property located in such municipality at Bradley International Airport  
164 shall not be included in the calculation of any state grant in lieu of taxes  
165 pursuant to this section; and

166 (3) The city of Bridgeport shall be due five million dollars, on or  
167 before the thirtieth day of September, annually, which amount shall be

168 in addition to the amount due such city pursuant to the provisions of  
169 subsections (b) or (d) of this section.

170 (f) For purposes of this section, any real property that is owned by the  
171 John Dempsey Hospital Finance Corporation established pursuant to  
172 the provisions of sections 10a-250 to 10a-263, inclusive, or by one or  
173 more subsidiary corporations established pursuant to subdivision (13)  
174 of section 10a-254 and that is free from taxation pursuant to the  
175 provisions of section 10a-259 shall be deemed to be state-owned real  
176 property.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	12-18b

**Statement of Legislative Commissioners:**

In Subsec. (b), "and to each municipality and district in this state wherein any real property exempt from taxation under section 12-81, except for any house of religious worship exempt from taxation pursuant to subdivision (13) of section 12-81, is located" was added for consistency and accuracy.

**PD**            *Joint Favorable Subst.*