



General Assembly

**Substitute Bill No. 5478**

February Session, 2024



**AN ACT CONCERNING THE LAND VALUE TAXATION PILOT PROGRAM.**

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 Section 12-63h of the general statutes is repealed and the  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, 2024*):

3 (a) The Secretary of the Office of Policy and Management shall  
4 establish a pilot program in up to [three] five municipalities whereby  
5 the selected municipalities shall develop a plan for implementation of  
6 land value taxation that (1) classifies real estate included in the taxable  
7 grand list as (A) land or land exclusive of buildings, or (B) buildings on  
8 land; and (2) establishes a different mill rate for property tax purposes  
9 for each class, provided the higher mill rate shall apply to land or land  
10 exclusive of buildings. The different mill rates for taxable real estate in  
11 each class shall not be applicable to any property for which a grant is  
12 payable under section 12-18b.

13 (b) The secretary shall establish an application procedure and any  
14 other criteria for the program and shall send a copy of such application  
15 procedure and any other criteria to the joint standing committee of the  
16 General Assembly having cognizance of matters relating to planning  
17 and development. The secretary shall not select a municipality for the  
18 pilot program unless the legislative body of the municipality has

19 approved the application. The secretary shall send a notice of selection  
20 for the pilot program to the chief executive officer of the municipality  
21 and to the joint standing committee of the General Assembly having  
22 cognizance of matters relating to planning and development.

23 (c) After receipt of the notice of selection provided by the Secretary of  
24 the Office of Policy and Management pursuant to subsection (b) of this  
25 section, the chief elected official of such municipality shall appoint a  
26 committee consisting of (1) a representative of the legislative body of the  
27 municipality or where the legislative body is the town meeting, a  
28 representative of the board of selectmen; (2) a representative from the  
29 business community; (3) a land use attorney; and (4) relevant taxpayers  
30 and stakeholders. Such committee shall prepare a plan for  
31 implementation of land value taxation. Such plan shall (A) provide a  
32 process for implementation of differentiated tax rates; (B) designate  
33 geographic areas of the municipality where the differentiated rates shall  
34 be applied; and (C) identify legal and administrative issues affecting the  
35 implementation of the plan. The chief executive officer, the chief elected  
36 official, the assessor and the tax collector of the municipality shall have  
37 an opportunity to review and comment on the plan. On or before  
38 December 31, [2020] 2027, and upon approval of the plan by the  
39 legislative body, the plan shall be submitted to the joint standing  
40 committees of the General Assembly having cognizance of matters  
41 relating to planning and development, finance, revenue and bonding  
42 and commerce. Any municipality that has previously applied for and  
43 participated in the pilot program established pursuant to this section  
44 shall be ineligible for subsequent selection to participate in the pilot  
45 program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	12-63h

**PD** Joint Favorable Subst.