

Planning and Development Committee

JOINT FAVORABLE REPORT

Bill No.: HB-7001

AN ACT CONCERNING THE DETERMINATION OF FAIR MARKET VALUE OF

Title: RETAIL SALES FACILITIES FOR PURPOSES OF PROPERTY TAXATION.

Vote Date: 3/12/2025

Vote Action: Joint Favorable

PH Date: 2/28/2025

File No.: 358

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SPONSORS OF BILL:

Planning and Development Committee

REASONS FOR BILL:

The bill aims to standardize the assessment of retail sales facilities, ensuring fairness and consistency in property valuations. It requires assessors to use established methods like cost less depreciation, income, and comparable sales approaches, reflecting actual market conditions. This approach helps prevent over- or under-valuation, ensuring that retail property owners are taxed fairly. The bill also adapts to the evolving retail landscape, considering changes like online shopping, and allows for flexible valuation methods based on property characteristics. Ultimately, it ensures property assessments align with best practices, reducing potential legal disputes.

RESPONSE FROM ADMINISTRATION/AGENCY:

[James Berardino, Lobbyist/Legislative Director, The Connecticut Council of Small Towns \(COST\)](#): They oppose HB-7001 but suggests minor revisions. They propose adding a fourth option for municipal assessors to determine retail sales facility values using the mass appraisal methodology, which is widely used and ensures consistency in property assessments. COST believes this would reduce assessors' workloads, improve data accuracy, and save time and costs, particularly for smaller municipalities with limited resources. They argue that this change would not significantly alter the bill and urge the committee to consider this alternative.

[Randy Collins, Associate Director, The Connecticut Conference of Municipalities \(CCM\):](#)

They oppose HB 7001, which would require municipal assessors to use specific approaches (cost less depreciation, income, or comparable sales) to value retail properties, instead of the current mass appraisal method. CCM argues that mass appraisal is a widely accepted and efficient practice for property tax valuations. The bill would increase workload and costs for municipalities and create a two-tiered system based on property type.

NATURE AND SOURCES OF SUPPORT:

[Jason Rojas, House Majority Leader, Connecticut General Assembly:](#) He supports, H.B. No. 7001, which aims to clarify how the fair market value of retail sales facilities is determined for property tax purposes. It addresses challenges from big box stores that often claim their properties should be assessed as if they were not in use, which reduces tax revenue for municipalities. The bill would require assessors to consider the "highest and best use" of the property to ensure the tax assessments reflect its true market value.

NATURE AND SOURCES OF OPPOSITION:

[John Chaponis, Legislative Chairman, The Connecticut Association of Assessing Officers \(CAAO\):](#) They oppose HB 7001, arguing that it creates unfair treatment for retail properties by requiring municipalities to perform full narrative appraisals solely for retail sales facilities. They believe this would significantly increase the cost of municipal revaluations, which are already expensive for taxpayers. CAAO also points out that the nationwide standard for revaluations is mass appraisal, which is more cost-effective and ensures fair taxation. Additionally, the bill's requirements could lengthen the revaluation process and create challenges in small towns with few retail properties.

Reported by: Austin Adil

Date: 4/28/2025