
OLR Bill Analysis

sSB 1556

AN ACT ESTABLISHING THE CONNECTICUT APPEALS BOARD FOR PROPERTY VALUATION.

SUMMARY

This bill creates a five-member Connecticut Appeals Board for Property Valuation and allows any municipality to elect to use this board to hear and decide property tax appeals in place of its local board of assessment appeals. The state board is within the Office of Policy and Management (OPM) for administrative purposes only.

Under the bill, municipalities may make this election by ordinance after they receive notice from the OPM secretary that the state board will begin accepting applications. For municipalities that make this election, any matters pending before their local boards of assessment appeals automatically transfer to the state board.

The bill establishes procedural requirements for appeals to the state board that are generally similar to those under existing law for appealing a local board of assessment appeals' action to the Superior Court. In doing so, it also allows anyone claiming to be aggrieved by a decision of the state board to appeal to the Superior Court, just as existing law allows for appeals of local board of assessment actions.

EFFECTIVE DATE: Upon passage, except the provision on appealing state appeals board actions to the Superior Court is effective on the OPM-certified date that the board begins accepting applications.

CONNECTICUT APPEALS BOARD FOR PROPERTY VALUATION

Members

Under the bill, the board consists of five gubernatorially appointed members who must be approved by both chambers of the legislature. Except for the chairperson, each member must have at least 10 years of

experience in appraising or assessing real and personal property, with the immediately preceding three years' experience primarily in Connecticut. The remaining member must be the board's chairperson and a Connecticut licensed attorney with at least 10 years of law practice experience, including substantial appraisal or assessment experience, as determined by the Governor. No more than three members may be of the same political party as the Governor.

The Governor must make his initial appointments by September 1, 2025. The initial members serve staggered terms with (1) the board chairperson and one additional member serving until September 1, 2031; (2) two members serving until September 1, 2030; and (3) one member serving until September 1, 2029, regardless of when the appointments are made. After the initial terms expire, members serve six-year terms. The Governor must fill any vacancy for the balance of the unexpired term. Three members constitute a quorum.

Board members serve full-time. The chairperson must be paid the same salary as a Superior Court judge (currently, \$201,023) and other members are paid 90% of this amount. During their term, members cannot (1) act as an attorney, assessor, appraiser, accountant, or counselor in any matter directly or indirectly related to a matter before the board or a Connecticut court or assessor or (2) participate in appeals of board actions related to matters in which they previously participated in any of these capacities. A member may be removed by a majority vote of the House and Senate if the governor recommends it, or by a two-thirds vote of each chamber if a legislator recommends it.

Certified Date for Accepting Appeals Applications

Before it can start accepting appeals applications, the board's chairperson must notify the OPM secretary of the date it will begin doing so and the first assessment year for which it will accept applications. The OPM secretary must certify this date and notify municipal chief executive officers about the date and applicable assessment year.

Municipal Election to Use State Board for Assessment Appeals

After receiving the notice from OPM, municipal legislative bodies may enact an ordinance to require anyone aggrieved by the action of their municipal assessor to appeal to the state board rather than the local board of assessment appeals. For any municipality making this election, the bill automatically transfers to the state board any matters pending before the local board on the ordinance's effective date. But it also specifically validates any decisions the local board made before this automatic transfer.

Regulations

The state board must adopt regulations to establish requirements for its operations, including (1) the start of proceedings, (2) prehearing conferences, (3) motion practice, (4) required discovery, (5) conduct of hearings, (6) treatment of and penalties for frivolous applications, (7) any application filing fees, and (8) other matters the board deems necessary to implement the bill's requirements. The board may waive any filing fee it establishes for good cause.

Reporting Requirement

Starting in the calendar year immediately following the OPM-certified date, the board must annually report to the Planning and Development and Finance, Revenue and Bonding committees on the following information for the preceding calendar year:

1. the number of applications received, hearings held, and decisions issued;
2. the municipalities for which appeal applications were filed;
3. the outcomes of decisions issued; and
4. any other information the board finds relevant to its duties.

APPEALS SUBMITTED TO THE BOARD

Applications

Beginning on the OPM-certified date that the board will begin accepting appeals applications, anyone in an electing-municipality

claiming to be aggrieved by a municipal assessor's action (including anyone responsible for paying property taxes on leased real property under a lease agreement) may apply to the state board. Applicants may file their appeals for the first assessment year for which the board is accepting applications or any year after, but must do so within two months after the assessor's action. They must include with their applications the filing fee required under the board's regulations and a notice to the municipality to appear before the board.

The bill prohibits anyone from filing, and the board from considering, appeals applications for a matter based on essentially the same facts and legal questions as an appeal pending before the Superior Court for an assessment year before the state board began accepting appeals. This prohibition applies as long as the Superior Court appeal remains pending.

Hearing and Notice Requirements

When it receives an appeal, the board must hold a hearing and send the applicant and municipal assessor notice at least 21 days before the hearing (either by certified mail or email, if agreed to by the applicant). The board generally must hold its hearings in Hartford but may conduct them elsewhere. If the applicant consents, it may hold hearings by phone, video, or other conferencing platform.

The board may assign a single member to conduct the hearing for appeals involving single-family residential dwellings or any property with an assessed value of less than \$1 million. If a single member hears a case, he or she must submit findings and determinations for consideration to the entire board after the hearing.

Pending Appeals

The appeal does not suspend any action the municipality is taking to collect up to 75% of the tax owed on the property. If a new assessment year starts while an appeal is pending, the applicant can change any part of his or her application, including amending it to include the new assessment year, without first appearing before the municipal assessor. If the board determines that any part of an assessor's action that is

pending appeal is not affected by the issues raised, it may, on a motion or on its own motion, direct the taxpayer to comply with the unaffected part.

Standard of Review

Appeals to the board are not limited to the arguments, issues, and evidence presented to the assessor or his or her designee. They are original proceedings and must be heard by the board de novo.

Decisions

The board must issue a decision affirming, modifying, or reversing the municipal assessor's action within 90 days after the hearing and must send copies by certified mail (or email if agreed to by the applicant). The decision must include the board's findings and legal conclusions.

If the board determines during a hearing that a municipal assessor has omitted taxable property from the grand list, the board may add this property to the municipality's grand list according to the same process specified under current law for local boards of assessment appeals. Specifically, it may add the omitted property, assessed at 70% of its present true and actual value, plus an additional 25% penalty if the property owner failed to include the property on its required personal property declaration form.

The bill allows anyone aggrieved by the board's decisions to appeal to Superior Court as described below.

Information Provided to OPM

The board must give the OPM secretary any information he needs on its applications and hearings to carry out his responsibilities under the state property tax assessment laws.

APPEALS TO SUPERIOR COURT

Under the bill, taxpayers claiming to be aggrieved by a decision of the Connecticut Appeals Board for Property Valuation may appeal to the Superior Court for the judicial district in which the municipality is

located, just as current law allows for appeals of local board of assessment appeals actions.

As under existing law for appeals of local board of assessment appeals actions, applicants must:

1. submit these appeals within two months after the board sent its decision,
2. include a citation to the municipality to appear in court and serve the citation on the municipality like a summons in a civil action, and
3. post a bond with surety running to the municipality.

These appeals are preferred cases which, except for good cause, must be heard at the first session, by the court or by a committee appointed by the court. The appeals do not stop the municipality from collecting up to 75% of the tax assessed on the property (or up to 90% on real property assessed at \$500,000 or more). If a new assessment year begins while the appeal is pending, the applicant can amend the appeal to cover the new year and does not have to appear before the board to do so.

The court may grant any relief that justice and equity may require. If it finds that the application was made without probable cause, it can assess double or triple costs, at its discretion. If the court reduces the property's assessment, the municipality must reimburse the applicant for the tax overpayment, plus interest and any costs the court awards. The taxpayer may instead choose to receive a tax credit for this amount. If a motion is filed, the court must enter judgment for the overpayment (minus any lien recording fees incurred) plus interest and any awarded costs.

The court-ordered assessment becomes the property's grand list valuation for succeeding years until the municipal assessor determines that its value has changed.

BACKGROUND

Appealing Property Tax Assessments to Local Board of Assessment Appeals

By law, anyone aggrieved by an assessor's actions can appeal to the municipality's board of assessment appeals. The aggrieved person must generally do so in writing or by email on or before February 20. The written appeal must include, among other things, the person's name, a description of the property, the reasons for the appeal, and the person's estimate of the property's value. The board must hold a hearing on each appeal, except for those for commercial, industrial, utility, or apartment properties assessed at over \$1 million (see below).

In cases where the board must hold a hearing or chooses to hold one, it generally must:

1. notify the appellant of the hearing's date, time, and place by March 1;
2. hold the hearing in March; and
3. decide the appeal by the last business day of March.

The board meets during September solely for appeals of motor vehicle assessments appearing on the preceding grand list. The taxpayer must appear before the board for it to consider the appeal, or give written authorization for someone to appear on his or her behalf (CGS §§ 12-110 to 12-112).

A taxpayer aggrieved by an appeals board's decision can appeal to Superior Court (CGS § 12-117a).

Appealing Assessments Directly to Superior Court

The law allows a taxpayer to appeal directly to Superior Court when the:

1. board of assessment appeals declines to hear an appeal on commercial, industrial, utility, or apartment properties assessed at over \$1 million (CGS § 12-111) or

2. taxpayer alleges that the tax was illegal (i.e. assessed on property not taxable in the municipality or “computed on an assessment which, under all circumstances, was manifestly excessive and could not have been arrived at except by disregarding the provisions of the statutes for determining the valuation of such property”) (CGS § 12-119).

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 33 Nay 19 (04/24/2025)