PA 26-137—sSB 449
Planning and Development Committee

AN ACT CONCERNING THE RECOMMENDATIONS OF THE INTERGOVERNMENTAL POLICY AND PLANNING DIVISION WITHIN THE OFFICE OF POLICY AND MANAGEMENT

SUMMARY: This act requires the Office of Policy and Management (OPM) to collaborate with state agencies to identify state property that qualifies as PA 490 land and have local assessors classify and value it that way for purposes of making the grand list. The act's provisions apply regardless of conflicting state laws on the PA 490 program, special acts, and municipal charters and ordinances. The PA 490 program allows eligible land (such as farm or forest land) to be assessed at its current use value, rather than fair market value, for property tax purposes. (While the state does not pay property taxes, it makes annual payment in lieu of taxes (PILOT) grants to municipalities for state-owned property, based in part on its assessed value (see BACKGROUND).)

The act also:

1. delays, from March 1 to April 1, the annual deadline for OPM to notify public school operators about their District Repair and Improvement Project (DRIP) grant allocation and post related information online;
2. eliminates a municipal reporting requirement related to zoning regulations on family and group child care homes; and
3. repeals the law on the obsolete Intertown Capital Equipment Purchase Incentive Program.

EFFECTIVE DATE: October 1, 2026, except the provision on classifying land as PA 490 land is effective upon passage and applicable to assessment years beginning on or after October 1, 2026.

CLASSIFICATION OF STATE PROPERTY AS PA 490 LAND

Unchanged by the act, the state is not subject to local property taxes. But under existing law, the state must fully or partially reimburse municipalities for their forgone revenue on state-owned property, based on the property's assessed value, as part of the PILOT program (see BACKGROUND). By requiring eligible state-owned lands to be valued using the PA 490 valuation method, which generally results in a value below fair market value, the act generally decreases the required state PILOT payment for that land.

The PA 490 law allows four classifications of land – farm, forest, open space, and maritime heritage – to be assessed at their current use value, rather than their fair market value. "Current use value" refers to what the land is worth as it is actually used; "fair market value" refers to what the land may be worth on the open market (at its highest and best use).

Identifying Land and Notifying Assessor

Under the act, OPM must work with state agencies to identify land that can be classified as PA 490 land. Specifically, agencies must identify eligible real property that (1) a state agency has custody or control of or (2) belongs to, or is held in trust for, the state ("state land").

When eligible state land is identified, OPM must inform the local assessor that the land should be classified as farm, forest, open space, or maritime heritage land, as applicable. The act requires assessors to classify the land accordingly, value it using the recommended land values the state sets every five years, and add it to the grand list in the manner the law generally sets for adding tax-exempt property.

The act requires OPM to notify assessors about state land that qualifies as PA 490 land within the same timeframes as other property owners must under the PA 490 program (meaning no earlier than 30 days before and no later than 30 days after the assessment date, except OPM can inform assessors as late as 90 days after the assessment date in a revaluation year).

As is the case for other PA 490 land, the classification of state land as open space, farm, forest, or maritime heritage land ends if its use changes or it is sold or transferred.

DRIP PROGRAM

By law, DRIP grants are formula grants awarded to public school operators (such as school boards) to, among other things, help construct, renovate, repair, and enlarge public school buildings or grounds.

The act delays, from March 1 to April 1, the annual deadline for OPM to (1) notify school operators about their DRIP allocation and (2) post these amounts, and the calculations used to determine them, on its website.

By law, unchanged by the act, OPM must issue the grants to school operators by June 30 each year.

ELIMINATION OF THE CHILD CARE HOME ZONING COMPLIANCE CERTIFICATION

The act ends the requirement that municipalities annually certify to OPM by December 1:

1. that their zoning regulations do not restrict family and group child care homes in a way the law prohibits (such as by banning them in residential zones or requiring a special permit to operate one) or
2. the timeframe within which they will bring their zoning ordinances into compliance.

BACKGROUND

PILOT Program (CGS § 12-18b)

The PILOT program generally gives municipalities and fire districts annual grants for (1) state-owned property, municipally owned airports, and tribal reservation land and (2) private nonprofit college and hospital property. PILOT grant amounts are generally determined by multiplying the assessed value of the PILOT-eligible property by the statutory reimbursement rate for the given property type. The rate is generally 45% for state-owned property. The actual grant amounts municipalities and districts receive, however, depend on the amount appropriated for the grants.