



To: The Honorable Martin Looney, President Pro Tempore  
The Honorable Bob Duff, Senate Majority Leader  
The Honorable Stephen Harding, Senate Republican Leader  
The Honorable Matt Ritter, House Speaker  
The Honorable Jason Rojas, House Majority Leader  
The Honorable Vincent Candelora, House Republican Leader

From: Betsy Gara, Executive Director, Connecticut Council of Small Towns

Date: May 28, 2024

Re: Request for Special Session to Address Issues Relating to the Assessment of Motor Vehicles

The Connecticut Council of Small Towns (COST) respectfully requests your support in convening a special session to address concerns with provisions included in Public Act 22-118 which made several changes regarding the assessment of motor vehicles.

If such changes are not addressed prior to October 1 when PA 22-118 becomes effective, Connecticut's municipalities and taxpayers will be faced with the following concerns:

1. PA 22-118 requires commercial vehicles to be reported on the municipality's personal property declaration form, resulting in higher property taxes for such vehicles in the 57 municipalities subject to the motor vehicle property tax cap. In some municipalities, these taxes will be significantly higher, burdening local businesses.
2. Under PA 22-118, the assessment of passenger motor vehicles will be based on the Manufacturers' Suggested Retail Price (MSRP) rather than the National Automobile Dealers Association (NADA) values. Although COST supports this change, PA 22-118 fails to address provisions regarding Board of Assessment Appeals which provide that a taxpayer may appeal the assessment based on market value.
3. Inasmuch as commercial vehicles will be valued differently than passenger vehicles, which will be valued based on the MSRP, car tax revenues will be affected in all municipalities.
4. Given that these provisions were expected to be addressed prior to the October 1, 2024 implementation date, municipalities, assessors, state agencies, and software vendors, have not moved forward with efforts needed to properly implement the provisions, including:
  - a) OPM must modify the personal property declaration form in consultation with the Connecticut Association of Assessing Officers (CAAO) and make the

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form available to taxpayers in print and electronically in August. Vendors have indicated that they are not able to make the necessary software revisions to accommodate this change.

- b) Municipalities must finalize their grand lists in order to issue property tax bills and collect revenues. However, revising the grand list to reflect the changes in PA 22-118 requires considerable time and resources. Moreover, given the anticipated fluctuations in motor vehicle assessments and tax bills, municipalities and assessors must conduct public education and outreach to ensure that residents and businesses understand the changes.
- c) If the issues stemming from PA 22-118 are not addressed prior to October 1, 2024, the changes are likely to be adopted in 2025, necessitating another round of updates to grand lists, software, and public outreach. This is an unnecessary waste of limited local resources.
- d) Implementing the ambiguous and sometimes conflicting provisions of Public Act 22-118 will leave municipalities vulnerable to costly legal challenges, disrupting efforts to collect property tax revenues in a timely manner.

If there is not a commitment to fully address these issues by October 1, 2024, municipalities will be faced with considerable confusion in administering the changes which is likely to undermine efforts to collect motor vehicle property taxes. COST is concerned that this will also negatively impact the delivery of critical services to residents.

Although COST recognizes that some lawmakers are interested in phasing out the car tax, we urge you to refrain from doing that in special session given the impact on municipal revenues, homeowners, and other property taxpayers.

Thank you for your consideration.