



John L. Salomone  
Town Manager

# TOWN OF NEWINGTON

131 CEDAR STREET  
NEWINGTON, CONNECTICUT 06111

**MAYOR STEPHEN WOODS**

## NEWINGTON TOWN COUNCIL

**Conf. Room L-101 (Lower Level) – Town Hall  
131 Cedar Street**

**AGENDA  
May 26, 2015  
7:00 p.m.**

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- I. PLEDGE OF ALLEGIANCE
- II. ROLL CALL
- III. PUBLIC PARTICIPATION – IN GENERAL (**In Person/Via Telephone: 860-665-8736**)  
(3 MINUTE TIME LIMIT PER SPEAKER ON ANY ITEM)
- IV. CONSIDERATION OF OLD BUSINESS (**Action May Be Taken**)
  - A. Trash and Recycling Disposal Contract Extensions
  - B. Town Council Resolution Opposing Substitute Bill 1 (Establishing a Statewide Motor Vehicle Property Tax Collection System)
- V. CONSIDERATION OF NEW BUSINESS (**Action May be Taken by Waiving the Rules**)
  - A. Discussion: Pension Funding Policy
  - B. Year End Transfers
  - C. Suspense List
  - D. Job Description: Board Certified Behavior Analyst (A-8, Board of Education)
- VI. RESIGNATIONS/APPOINTMENTS (**Action May Be Taken**)
  - A. Board of Ethics
    1. Accept Resignation of Barbara DeMaio
    2. Appoint a Replacement (TBD)
  - B. Appointments to Boards and Commissions
    1. Affordable Housing Monitoring Agency
    2. Commission on Aging and Disabled
    3. Balf-Town Committee
    4. Board of Education Roof Replacement Project Building Committee
    - 5. Board of Ethics**
    6. Capitol Region Council of Governments
    7. Central Connecticut Health District Board of Directors
    8. Committee on Community Safety
    9. Conservation Commission
    10. Development Commission

Phone: (860) 665-8510 Fax: (860) 665-8507  
townmanager@newingtonct.gov  
www.newingtonct.gov

11. Downtown Revitalization Committee
12. Employee Insurance & Pension Benefits Committee
13. Environmental Quality Commission
14. Board of Ethics
15. Fair Rent Commission
16. Newington Housing Authority
17. Human Rights Commission
- 18. Library Renovations/Addition Project Building Committee**
19. Newington School Career Technical Program Renovation Project Building Committee
20. Open Space Committee
21. Board of Parks and Recreation
22. School Improvements Project Building Committee
23. STEM Academy PBC
24. Senior & Disabled Center Roof Replacement Project Building Committee
25. Standing Insurance Committee
26. Town Hall Renovations Project Building Committee
27. Town Plan & Zoning Commission
28. Tri-Town Community Cable Access
29. Vehicle Appeals Board
30. West Meadow Cemetery Expansion Project Building Committee
31. Zoning Board of Appeals

VII. TAX REFUNDS (**Action Requested**)

VIII. MINUTES OF PREVIOUS MEETINGS (**Action Requested**)

A. Regular Meeting, May 12, 2015

IX. WRITTEN/ORAL COMMUNICATIONS FROM THE TOWN MANAGER, OTHER TOWN AGENCIES AND OFFICIALS, OTHER GOVERNMENTAL AGENCIES AND OFFICIALS AND THE PUBLIC

X. COUNCIL LIAISON/COMMITTEE REPORTS

XI. PUBLIC PARTICIPATION – IN GENERAL (**In Person/Via Telephone: 860-665-8736**)  
(3 MINUTE TIME LIMIT PER SPEAKER ON ANY ITEM)

XII. REMARKS BY COUNCILORS

XIII. ADJOURNMENT



John Salomone  
Town Manager

# TOWN OF NEWINGTON

131 CEDAR STREET  
NEWINGTON, CONNECTICUT 06111

## OFFICE OF THE TOWN MANAGER

### MEMORANDUM

To: Newington Town Council  
From: John Salomone, Town Manager  
Date: May 22, 2015  
Re: **Trash/Recycling Disposal Contract Extensions**

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As discussed at the last Council meeting, negotiations for trash disposal (Covanta Energy) and recycling disposal (Murphy Road Recycling) contract extensions have resulted in final offers from both vendors. The proposed extensions will be effective from November 16, 2015 through June 30, 2018.

Attached, please see a spreadsheet outlining the costs associated with the extensions. If the Council concurs, a resolution is attached for consideration.

Attach.



John Salomone  
Town Manager

# TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

## Highway Department

Tom Molloy  
Highway Superintendent

### Memorandum

**To:** John Salomone  
**From:** Tom Molloy  
**Date:** May 07, 2015  
**Re:** Trash/Recycling Disposal Contract Extensions

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Discussions regarding trash disposal (Covanta Energy) and recycling disposal (Murphy Road Recycling) contract extensions have resulted in final offers from both vendors. The proposed extensions will commence November 16, 2015 and conclude June 30, 2018.

Logistically, there are two options for trash and recycling disposal; Covanta Bristol or MIRA of Hartford (Formerly CRRA). Trash disposal will increase from \$58.16 per ton to \$61.11 per ton. Due to a drastic downturn in the recycling market, rebates currently at \$22.50 per ton will be reduced to \$5.00 per ton.

**Trash disposal cost analysis beginning November 16, 2015**

| <b>MSW VENDOR</b> | <b>ANNUAL TONNAGE</b> | <b>PRICE PER TON</b> | <b>ANNUAL COSTS</b> | <b>DIFFERENCE</b> |
|-------------------|-----------------------|----------------------|---------------------|-------------------|
| Covanta Bristol   | 8400                  | \$ 61.11             | \$ 513,324.00       | \$ -              |
| MIRA Hartford     | 8400                  | \$ 64.00             | \$ 537,600.00       | \$ 24,276.00      |

| <b>BULKY WASTE</b> | <b>ANNUAL TONNAGE</b> | <b>PRICE PER TON</b> | <b>ANNUAL COSTS</b> | <b>DIFFERENCE</b> |
|--------------------|-----------------------|----------------------|---------------------|-------------------|
| Covanta Bristol    | 300                   | \$ 61.11             | \$ 18,333.00        | \$ -              |
| MIRA Hartford      | 300                   | \$ 85.00             | \$ 25,500.00        | \$ 7,167.00       |

| <b>MATTRESS</b> | <b>UNITS</b> | <b>UNIT COST</b> | <b>ANNUAL COSTS</b> | <b>DIFFERENCE</b> |
|-----------------|--------------|------------------|---------------------|-------------------|
| Covanta Bristol | 988          | \$ 10.00         | \$ 9,880.00         |                   |
| MIRA Hartford   | 988          | \$ 30.00         | \$ 29,640.00        | \$ 19,760.00      |

| <b>BOX SPRING</b> | <b>UNITS</b> | <b>UNIT COST</b> | <b>ANNUAL COSTS</b> | <b>DIFFERENCE</b> |
|-------------------|--------------|------------------|---------------------|-------------------|
| Covanta Bristol   | 523          | \$ -             | \$ -                |                   |
| MIRA Hartford     | 523          | \$ 30.00         | \$ 15,690.00        | \$ 15,690.00      |

Total trash disposal savings, Covanta Bristol over MIRA Htfd \$ 66,893.00

**Recycling rebate analysis beginning November 16, 2015**

| <b>RECYCLING VENDOR</b> | <b>ANNUAL TONNAGE</b> | <b>PRICE PER TON</b> | <b>ANNUAL REBATE</b> | <b>DIFFERENCE</b> |
|-------------------------|-----------------------|----------------------|----------------------|-------------------|
| Murphy Road*            | 2800                  | \$ 5.00              | \$ 14,000.00         | \$ -              |
| MIRA Hartford**         | 2800                  | \$ 5.00              | \$ 14,000.00         | \$ -              |

\* Guaranteed \$5.00 per ton rebate

\*\* No guarantee, rate set to cost of operations and market conditions

\*\* May be charged for recyclables delivered based on market conditions





John Salomone  
Town Manager

# TOWN OF NEWINGTON

131 CEDAR STREET  
NEWINGTON, CONNECTICUT 06111

## OFFICE OF THE TOWN MANAGER

### MEMORANDUM

To: Newington Town Council  
From: John Salomone, Town Manager  
Date: May 7, 2015  
Re: Substitute Bill No. 1

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Attached is the resolution transmitted to me by Dave Nagel of the Newington Town Council. Counselor Nagel requested this resolution appear on the May 12, 2015 agenda for consideration.

Attach.

AGENDA ITEM: V.C. \_\_\_\_\_

DATE: 5-26-15 \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

WHEREAS, Substitute Bill 1 would require towns such as Newington to divert a portion of their tax revenues to a regional authority for reallocation to other jurisdictions; and

WHEREAS, Substitute Bill 1 would establish a state-wide property tax rate on motor vehicles; and

WHEREAS, Substitute Bill 1 would transfer collection of property taxes on motor vehicles to the State of Connecticut Department of Revenue Services; and

WHEREAS, Substitute Bill 1 contains no permanent assurance that revenues provided under this bill would equal what any municipality would collect from its own tax on motor vehicles; and

WHEREAS, the provisions of Substitute Bill 1 would ultimately impose even greater tax burdens on local residents;

NOW, THEREFORE, BE IT RESOLVED, that the Newington Town Council strongly opposes Substitute Bill 1;

BE IT FURTHER RESOLVED, that copies of this resolution be sent to the Town's legislative delegation.

MOTION BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

VOTE: \_\_\_\_\_



May 20, 2015

## Summary of Substitute SB 1

### 1. PROPOSALS IN THE BILL

#### A. Payments in Lieu of Taxes (PILOT)

- All towns would be held harmless at FY 15 PILOT amounts.
- Reimbursement rates for both PILOT programs would remain as they currently are.
- In the event that appropriations are not sufficient to cover the reimbursements, this would create a tiered system for PILOT.
- The 10 towns with the most tax-exempt property, and with a mill rate of 25 mills or more, would receive 42% reimbursement for college and hospital property.
- The next 25 towns would receive 37% reimbursement for college and hospital property.
- The remaining towns would receive 32% reimbursement for college and hospital property.
- The system would be the same for state-owned property, with the reimbursement percentages being 32%, 28%, and 24%, respectively.
- These reimbursement rates would apply to the majority of state-owned and college and hospital property.
- The reimbursement for special properties (e.g., correction facilities, tribal lands, etc.) would not fall under the reimbursement schedules above. They would be reduced proportionally if appropriations were insufficient.
- The PILOT: State-Owned Property grants would be extended to cities, consolidated towns and cities, and consolidated towns and boroughs.
- The Pequot-Mohegan grant amounts tied to PILOT payments would be frozen at FY 15 levels. The Pequot grant amounts not tied to PILOT would be unaffected.
- It is estimated that an additional \$45.3 million would be provided to municipalities in FY 15 if this proposal was in place.
- Would be effective July 1, 2016.

#### B. Motor Vehicle Tax

- Allows municipalities to establish a motor vehicle mill rate (MVMR) that is different than the rate for real property.
- Caps the MVMR at 29.36 mills.
- Allows municipalities with more than one taxing district to create a uniform mill rate for motor vehicles, as long as the rate does not exceed 29.36 mills.

- It is unclear what happens in municipalities with more than one taxing district that do not establish a uniform mill rate. The language appears to consider the “municipal mill rate” when considering the cap, which would likely mean that special taxing districts would be excluded.
- The cap would have reduced municipal revenue by an estimated \$82.6 million in FY 14 if it was in place.
- Applies to assessment years beginning on October 1, 2015.

### **C. Municipal Revenue Sharing Account (MRSA) Funding and Distribution**

- Provides new funding for MRSA through a portion of the sales tax (0.5%) beginning on October 1, 2015.
- Distributes 90% of MRSA to municipalities.
  1. OPM begins by calculating the per-capita and pro-rata distribution for all municipalities. The pro-rata distribution is based on a “municipal weighted mill rate calculation.”
  2. For municipalities with a MVMR of 25 mills or higher, the amount would be the greater of the per-capita or pro-rata distribution.
  3. That amount is then increased based on the difference between the per-capita and pro-rata amounts for municipalities with a MVMR below 25 mills when divided by the sum of both distribution methods for municipalities with a MVMR at or above 25 mills.
  4. For municipalities with a MVMR of less than 25 mills, the amount would be the lesser of the per-capita or pro-rata distribution.
  5. Payments would be reduced proportionally to each municipality if MRSA funding is insufficient.
- Distributes 10% of MRSA to councils of government (COG) on a per capita basis.
- Municipalities that increase spending by more than 2.5% or the rate of inflation, whichever is greater, would be penalized, and their MRSA distribution would be reduced.
- Municipal spending is not clearly defined, but it does explicitly exclude debt service.
- The penalty for exceeding the spending cap is not specified.
- Sales tax payments into MRSA could not be reduced or eliminated without a three-fifths vote from both the Appropriations Committee and the Finance Committee.
- This proposal would generate an estimated \$289.8 million for municipalities and COG in FY 17.
- Would be effective October 1, 2016.

### **D. Property Tax Base Revenue Sharing (Local Option)**

- Creates an optional system to share property tax revenue from commercial and industrial property in each COG. A COG would have to have unanimous support from its members to participate, and a decision to participate would have to be made by August 1, 2016.
- Each participating COG would elect an “administrative auditor” to coordinate the program.

- Assessments on commercial and industrial property would be frozen based on October 1, 2013, grant lists to establish a base year.
- A mill rate would be created for each municipality that would be applied to commercial and industrial property in that municipality. The mill rate would be a blend of the local mill rate and a regional mill rate. This would apply to only municipalities that had an increase in their commercial and industrial tax base.
- Municipalities that experienced no increase or experienced a decrease in their commercial and industrial tax base would tax that property at their local mill rate.
- Participating towns would send their COG up to 20% of revenue collected on new commercial and industrial property, above the property in the base year.
- The COG would then distribute the revenue back to municipalities based on each municipality's fiscal capacity.
- Would be effective October 1, 2015.

## **2. ITEMS REQUIRING FUTHER CLARIFICATION**

- A. It is unclear what happens in municipalities with more than one taxing district that do not establish a uniform mill rate for motor vehicles. Is the rate for special districts excluded from the MVMR cap?**
- B. Municipal spending needs to be defined. Can the list of exemptions to the spending cap be expanded beyond debt service?**
- C. What is the penalty for going above the spending cap?**



General Assembly

## ***Substitute Bill No. 1***

*January Session, 2015* \* \_\_\_\_\_SB00001PD\_FIN033015\_\_\_\_\_ \*

### ***AN ACT CONCERNING TAX FAIRNESS AND ECONOMIC DEVELOPMENT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective July 1, 2016*) (a) For purposes of this section, "state, municipal or tribal property" means all real property described in subsection (a) of section 12-19a of the general statutes, and "college and hospital property" means all real property described in subsection (a) of section 12-20a of the general statutes, "municipality" means town, city, borough, consolidated town and city and consolidated town and borough, and "district" means any district, as defined in section 7-324, of the general statutes.

(b) Notwithstanding the provisions of sections 12-19a and 12-20a of the general statutes, all funds appropriated for state grants in lieu of taxes shall be payable to municipalities and districts pursuant to the provisions of this section. For fiscal years commencing on and after July 1, 2016, all state grants in lieu of property taxes for state, municipal or tribal property and college and hospital property shall be such that each municipality or district shall receive a grant in lieu of taxes in an amount equal to or more than that paid to the municipality or district pursuant to sections 12-19a and 12-20a of the general statutes for the fiscal year commencing July 1, 2014. On or before January first, annually, the Secretary of the Office of Policy and Management shall determine the amount due, as a state grant in lieu of taxes, to each municipality and district in this state wherein college and hospital property is located and to each municipality in this state wherein state, municipal or tribal property, except that which was acquired and used for highways and bridges, but not excepting property acquired and used for highway administration or maintenance purposes, is located. (1) The grant payable to any municipality for state, municipal or tribal property under the provisions of this section in the fiscal year commencing July 1, 2016, and each fiscal year thereafter shall be equal to the total of:

(A) One hundred per cent of the property taxes that would have been paid with respect to any facility designated by the Commissioner of Correction, on or before August first of each year, to be a correctional facility administered under the auspices of the Department of

Correction or a juvenile detention center under direction of the Department of Children and Families that was used for incarcerative purposes during the preceding fiscal year. If a list containing the name and location of such designated facilities and information concerning their use for purposes of incarceration during the preceding fiscal year is not available from the Secretary of the State on August first of any year, the Commissioner of Correction shall, on said date, certify to the Secretary of the Office of Policy and Management a list containing such information;

(B) One hundred per cent of the property taxes that would have been paid with respect to that portion of the John Dempsey Hospital located at The University of Connecticut Health Center in Farmington that is used as a permanent medical ward for prisoners under the custody of the Department of Correction. Nothing in this section shall be construed as designating any portion of The University of Connecticut Health Center John Dempsey Hospital as a correctional facility;

(C) One hundred per cent of the property taxes that would have been paid on any land designated within the 1983 Settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation on or after June 8, 1999;

(D) Subject to the provisions of subsection (c) of section 12-19a of the general statutes, sixty-five per cent of the property taxes that would have been paid with respect to the buildings and grounds comprising Connecticut Valley Hospital in Middletown;

(E) With respect to any municipality in which more than fifty per cent of the property is state-owned real property, one hundred per cent of the property taxes that would have been paid with respect to such state-owned property;

(F) Forty-five per cent of the property taxes that would have been paid with respect to all municipally owned airports; except for the exemption applicable to such property, on the assessment list in such municipality for the assessment date two years prior to the commencement of the state fiscal year in which such grant is payable. The grant provided pursuant to this section for any municipally owned airport shall be paid to any municipality in which the airport is located, except that the grant applicable to Sikorsky Airport shall be paid one-half to the town of Stratford and one-half to the city of Bridgeport;

(G) Forty-five per cent of the property taxes that would have been paid with respect to any land designated within the 1983 Settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation prior to June 8, 1999, or taken into trust by the federal government for the Mohegan Tribe of Indians of Connecticut, provided the real property subject to this subdivision shall be the land only, and shall not include the assessed value of any structures, buildings or other improvements on such land; and

(H) Forty-five per cent of the property taxes that would have been paid with respect to all other state-owned real property.

(2) (A) The grant payable to any municipality or district for college and hospital property under the provisions of this section in the fiscal year commencing July 1, 2016, and each

fiscal year thereafter shall be equal to the total of seventy-seven per cent of the property taxes that, except for any exemption applicable to any institution of higher education or general hospital facility under the provisions of section 12-81 of the general statutes, would have been paid with respect to college and hospital property on the assessment list in such municipality or district for the assessment date two years prior to the commencement of the state fiscal year in which such grant is payable; and

(B) Notwithstanding the provisions of subparagraph (A) of this subdivision, the grant payable to any municipality or district with respect to a campus of the United States Department of Veterans Affairs Connecticut Healthcare Systems shall be one hundred per cent.

(c) The Secretary of the Office of Policy and Management shall list municipalities and districts based on the percentage of real property on the grand list of each municipality that is exempt from property tax under any provision of the general statutes. Such tax exempt property shall not include municipally owned property except for municipally owned airports. Boroughs and districts shall have the same ranking as the municipality in which such borough or district is located.

(d) (1) In the event that the total of grants payable to each municipality and district in accordance with the provisions of subsection (b) of this section exceeds the amount appropriated for the purposes of this section for the fiscal year, (A) the amount of the grant payable to each municipality in any year for property described in subparagraphs (A) to (G), inclusive, of subdivision (1) of subsection (b) of this section and to each municipality or district in any year for property described in subparagraph (B) of subdivision (2) of subsection (b) of this section shall be reduced proportionately, provided no such grant shall be reduced to an amount less than that received by a municipality or district for such property pursuant to section 12-19a or 12-20a of the general statutes for the fiscal year commencing July 1, 2014; (B) the amount of the grant payable to each municipality or district in any year for property described in subdivision (2) of subsection (b) of this section shall be reduced as follows, provided no such grant shall be reduced to an amount less than that received by a municipality or district for such property pursuant to section 12-20a of the general statutes for the fiscal year commencing July 1, 2014: (i) The ten municipalities or districts with the highest percentage of tax exempt property on the list of municipalities prepared by the secretary pursuant to subsection (c) of this section shall each receive a grant in lieu of taxes equal to forty-two per cent of the property taxes that would have been paid to such municipality or district on college and hospital property; (ii) the next twenty municipalities or districts with the highest percentage of tax exempt property on such list shall each receive a grant in lieu of taxes equal to thirty-seven per cent of the property taxes that would have been paid to such municipality or district on college and hospital property; and (iii) all municipalities or districts not included in subparagraphs (B)(i) and (B)(ii) of this subdivision shall each receive a grant in lieu of taxes equal to thirty-two per cent of the property taxes that would have been paid to such municipality or district on college and hospital property; and (C) the amount of the grant payable to each municipality in any year for property described in subparagraph (H) of subdivision (1) of subsection (b) of this section shall be reduced as follows, provided no such grant shall be reduced to an amount

less than that received by a municipality for such property pursuant to section 12-19a of the general statutes for the fiscal year commencing July 1, 2014: (i) The ten municipalities with the highest percentage of tax exempt property on the list of municipalities prepared by the secretary pursuant to subsection (c) of this section shall each receive a grant in lieu of taxes equal to thirty-two per cent of the property taxes that would have been paid to such municipality for property described in subparagraph (H) of subdivision (1) of subsection (b) of this section; (ii) the next twenty municipalities with the highest percentage of tax exempt property on such list shall each receive a grant in lieu of taxes equal to twenty-eight per cent of the property taxes that would have been paid to such municipality for property described in subparagraph (H) of subdivision (1) of subsection (b) of this section; and (iii) all municipalities not included in subparagraphs (C)(i) and (C)(ii) of subdivision (1) of this section shall each receive a grant in lieu of taxes equal to twenty-four per cent of the property taxes that would have been paid to such municipality for property described in subparagraph (H) of subdivision (1) of subsection (b) of this section.

(2) If the amount appropriated for the purposes of subsection (b) of this section is less than the total of grants payable to each municipality and district in accordance with subsection (b) of this section but exceeds the amount necessary to issue grants to each municipality and district in an amount equal to that received by each such municipality or district pursuant to section 12-19a or 12-20a of the general statutes for the fiscal year commencing July 1, 2014, for property described in subparagraphs (A) to (G), inclusive, of subdivision (1) and subparagraph (B) of subdivision (2) of subsection (b) of this section plus the amount of grants payable pursuant to subparagraphs (B) and (C) of subdivision (1) of this subsection, then each grant payable to a municipality or district in accordance with this section shall be increased proportionately to the amount received by each municipality or district pursuant to subdivision (1) of this subsection.

(e) Notwithstanding the provisions of subsections (a) to (d), inclusive, of this section, for any municipality receiving payments under section 15-120ss of the general statutes, property located in such municipality at Bradley International Airport shall not be included in the calculation of any state grant in lieu of taxes pursuant to this section.

(f) For purposes of this section, any real property which is owned by the John Dempsey Hospital Finance Corporation established pursuant to the provisions of sections 10a-250 to 10a-263, inclusive, of the general statutes or by one or more subsidiary corporations established pursuant to subdivision (13) of section 10a-254 of the general statutes and which is free from taxation pursuant to the provisions of section 10a-259 of the general statutes shall be deemed to be state-owned real property.

(g) The Office of Policy and Management shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, on or before July 1, 2017, and on or before July first annually thereafter until July 1, 2020, with regard to the grants distributed in accordance with this section, and shall include in such reports any recommendations for changes in the grants.

Sec. 2. Section 12-19b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) Not later than April first in any assessment year, any town or borough to which a grant is payable under the provisions of section [12-19a] [1 of this act](#), shall provide the Secretary of the Office of Policy and Management with the assessed valuation of the real property eligible therefor as of the first day of October immediately preceding, adjusted in accordance with any gradual increase in or deferment of assessed values of real property implemented in accordance with section 12-62c, which is required for computation of such grant. Any town which neglects to transmit to the secretary the assessed valuation as required by this section shall forfeit two hundred fifty dollars to the state, provided the secretary may waive such forfeiture in accordance with procedures and standards adopted by regulation in accordance with chapter 54. Said secretary may on or before the first day of August of the state fiscal year in which such grant is payable, reevaluate any such property when, in the secretary's judgment, the valuation is inaccurate and shall notify such town of such reevaluation by certified or registered mail. Any town or borough aggrieved by the action of the secretary under the provisions of this section may, not later than ten business days following receipt of such notice, appeal to the secretary for a hearing concerning such reevaluation. Such appeal shall be in writing and shall include a statement as to the reasons for such appeal. The secretary shall, not later than ten business days following receipt of such appeal, grant or deny such hearing by notification in writing, including in the event of a denial, a statement as to the reasons for such denial. Such notification shall be sent by certified or registered mail. If any town or borough is aggrieved by the action of the secretary following such hearing or in denying any such hearing, the town or borough may not later than ten business days after receiving such notice, appeal to the superior court for the judicial district wherein such town is located. Any such appeal shall be privileged.

(b) Notwithstanding the provisions of section [12-19a] [1 of this act](#) or subsection (a) of this section, there shall be an amount due the municipality of Voluntown, on or before the thirtieth day of September, annually, with respect to any state-owned forest, of an additional sixty thousand dollars, which amount shall be paid from the annual appropriation, from the General Fund, for reimbursement to towns for loss of taxes on private tax-exempt property.

Sec. 3. Section 12-19c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The Secretary of the Office of Policy and Management shall, not later than September fifteenth, certify to the Comptroller the amount due each town or borough under the provisions of section [12-19a] [1 of this act](#), or under any recomputation occurring prior to said September fifteenth which may be effected as the result of the provisions of section 12-19b, [as amended by this act](#), and the Comptroller shall draw an order on the Treasurer on or before the fifth business day following September fifteenth and the Treasurer shall pay the amount thereof to such town on or before the thirtieth day of September following. If any recomputation is effected as the result of the provisions of section 12-19b, [as amended by this act](#), on or after the August first following the date on which the town has provided the assessed valuation in question, any adjustments to the amount due to any town for the

period for which such adjustments were made shall be made in the next payment the Treasurer shall make to such town pursuant to this section.

Sec. 4. Section 12-20b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) Not later than April first in each year, any municipality to which a grant is payable under the provisions of section [12-20a] [1 of this act](#) shall provide the Secretary of the Office of Policy and Management with the assessed valuation of the tax-exempt real property as of the immediately preceding October first, adjusted in accordance with any gradual increase in or deferment of assessed values of real property implemented in accordance with section 12-62c, which is required for computation of such grant. Any municipality which neglects to transmit to the Secretary of the Office of Policy and Management the assessed valuation as required by this section shall forfeit two hundred fifty dollars to the state, provided the secretary may waive such forfeiture in accordance with procedures and standards adopted by regulation in accordance with chapter 54. Said secretary may, on or before the first day of August of the state fiscal year in which such grant is payable, reevaluate any such property when, in his [or her](#) judgment, the valuation is inaccurate and shall notify such municipality of such reevaluation. Any municipality aggrieved by the action of said secretary under the provisions of this section may, not later than ten business days following receipt of such notice, appeal to the secretary for a hearing concerning such reevaluation, provided such appeal shall be in writing and shall include a statement as to the reasons for such appeal. The secretary shall, not later than ten business days following receipt of such appeal, grant or deny such hearing by notification in writing, including in the event of a denial, a statement as to the reasons for such denial. If any municipality is aggrieved by the action of the secretary following such hearing or in denying any such hearing, the municipality may not later than two weeks after such notice, appeal to the superior court for the judicial district in which the municipality is located. Any such appeal shall be privileged. Said secretary shall certify to the Comptroller the amount due each municipality under the provisions of section [12-20a] [1 of this act](#), or under any recomputation occurring prior to September fifteenth which may be effected as the result of the provisions of this section, and the Comptroller shall draw his [or her](#) order on the Treasurer on or before the fifth business day following September fifteenth and the Treasurer shall pay the amount thereof to such municipality on or before the thirtieth day of September following. If any recomputation is effected as the result of the provisions of this section on or after the January first following the date on which the municipality has provided the assessed valuation in question, any adjustments to the amount due to any municipality for the period for which such adjustments were made shall be made in the next payment the Treasurer shall make to such municipality pursuant to this section.

(b) Notwithstanding the provisions of section [12-20a] [1 of this act](#) or subsection (a) of this section, the amount due the municipality of Branford, on or before the thirtieth day of September, annually, with respect to the Connecticut Hospice, in Branford, shall be one hundred thousand dollars, which amount shall be paid from the annual appropriation, from the General Fund, for reimbursement to towns for loss of taxes on private tax-exempt property.

(c) Notwithstanding the provisions of section [12-20a] [1 of this act](#) or subsection (a) of this section, the amount due the city of New London, on or before the thirtieth day of September, annually, with respect to the United States Coast Guard Academy in New London, shall be one million dollars, which amount shall be paid from the annual appropriation, from the General Fund, for reimbursement to towns for loss of taxes on private tax-exempt property.

Sec. 5. Subsection (a) of section 12-63h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) The Secretary of the Office of Policy and Management shall establish a pilot program in up to three municipalities whereby the selected municipalities shall develop a plan for implementation of land value taxation that (1) classifies real estate included in the taxable grand list as (A) land or land exclusive of buildings, or (B) buildings on land; and (2) establishes a different mill rate for property tax purposes for each class, provided the higher mill rate shall apply to land or land exclusive of buildings. The different mill rates for taxable real estate in each class shall not be applicable to any property for which a grant is payable under section [12-19a or 12-20a] [1 of this act](#).

Sec. 6. Subsection (b) of section 12-64 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(b) Except as provided in subsection (c) of this section, any land, buildings or easement to use air rights belonging to or held in trust for the state, not used for purposes attributable to functions of the state government or any other governmental purpose but leased to a person or organization for use unrelated to any such purpose, exclusive of any such lease with respect to which a binding agreement is in effect on June 25, 1985, shall be separately assessed in the name of the lessee and subject to local taxation annually in the name of the lessee having immediate right to occupancy of such land or building, by the town wherein situated as of the assessment day next following the date of leasing pursuant to section 4b-38, [as amended by this act](#). If such property or any portion thereof is leased to any organization which, if the property were owned by or held in trust for such organization, would not be liable for taxes with respect to such property under any of the subdivisions of section 12-81, [as amended by this act](#), such organization shall be entitled to exemption from property taxes as the lessee under such lease, provided such property is used exclusively for the purposes of such organization as stated in the applicable subdivision of [said] section 12-81, [as amended by this act](#), and the portion of such property so leased to such exempt organization shall be eligible for a grant in lieu of taxes pursuant to section [12-19a] [1 of this act](#). Whenever the lessee of such property is required to pay property taxes to the town in which such property is situated as provided in this subsection, the assessed valuation of such property subject to the interest of the lessee shall not be included in the annual list of assessed values of state-owned real property in such town as prepared for purposes of state grants in accordance with [said] section [12-19a] [1 of this act](#) and the amount of grant to such town under [said] section [12-19a] [1 of this act](#) shall be determined without consideration of such assessed value.

Sec. 7. Subsections (a) to (d), inclusive, of section 3-55j of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) Twenty million dollars of the moneys available in the Mashantucket Pequot and Mohegan Fund established by section 3-55i shall be paid to municipalities eligible for a state grant in lieu of taxes pursuant to [subsection \(b\) of section \[12-19a\] 1 of this act](#) in addition to the grants payable to such municipalities pursuant to section [12-19a] [1 of this act](#) subject to the provisions of subsection (b) of this section. Such grant shall be **[calculated under the provisions of section 12-19a and shall equal one-third of the additional amount which such municipalities would be eligible to receive if the total amount available for distribution were eighty-five million two hundred five thousand eighty-five dollars and the percentage of reimbursement set forth in section 12-19a were increased to reflect such amount]** [equal to that paid to the municipality pursuant to this section for the fiscal year commencing July 1, 2014](#). Any eligible special services district shall receive a portion of the grant payable under this subsection to the town in which such district is located. The portion payable to any such district under this subsection shall be the amount of the grant to the town under this subsection which results from application of the district mill rate to exempt property in the district. As used in this subsection and subsection (c) of this section, "eligible special services district" means any special services district created by a town charter, having its own governing body and for the assessment year commencing October 1, 1996, containing fifty per cent or more of the value of total taxable property within the town in which such district is located.

(b) No municipality shall receive a grant pursuant to subsection (a) of this section which, when added to the amount of the grant payable to such municipality pursuant to [subsection \(b\) of section \[12-19a\] 1 of this act](#), would exceed one hundred per cent of the property taxes which would have been paid with respect to all state-owned real property, except for the exemption applicable to such property, on the assessment list in such municipality for the assessment date two years prior to the commencement of the state fiscal year in which such grants are payable, except that, notwithstanding the provisions of said subsection (a), no municipality shall receive a grant pursuant to said subsection which is less than one thousand six hundred sixty-seven dollars.

(c) Twenty million one hundred twenty-three thousand nine hundred sixteen dollars of the moneys available in the Mashantucket Pequot and Mohegan Fund established by section 3-55i shall be paid to municipalities eligible for a state grant in lieu of taxes pursuant to [subsection \(b\) of section \[12-20a\] 1 of this act](#), in addition to [and in the same proportion as] the grants payable to such municipalities pursuant to section [12-20a] [1 of this act](#), subject to the provisions of subsection (d) of this section. [Such grant shall be equal to that paid to the municipality pursuant to this section for the fiscal year commencing July 1, 2014](#). Any eligible special services district shall receive a portion of the grant payable under this subsection to the town in which such district is located. The portion payable to any such district under this subsection shall be the amount of the grant to the town under this subsection which results from application of the district mill rate to exempt property in the district.

(d) Notwithstanding the provisions of subsection (c) of this section, no municipality shall receive a grant pursuant to said subsection which, when added to the amount of the grant payable to such municipality pursuant to [subsection \(b\) of section \[12-20a\] 1 of this act](#), would exceed one hundred per cent of the property taxes which, except for any exemption applicable to any private nonprofit institution of higher education, nonprofit general hospital facility or freestanding chronic disease hospital under the provisions of section 12-81, [as amended by this act](#), would have been paid with respect to such exempt real property on the assessment list in such municipality for the assessment date two years prior to the commencement of the state fiscal year in which such grants are payable.

Sec. 8. Subsection (g) of section 4b-38 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(g) Notwithstanding the provisions of this section, the board of trustees of a constituent unit of the state system of higher education may lease land or buildings, or both, and facilities under the control and supervision of such board when such land, buildings or facilities are otherwise not used or needed for use by the constituent unit and such action seems desirable to produce income or is otherwise in the public interest, provided the Treasurer has determined that such action will not affect the status of any tax-exempt obligations issued or to be issued by the state of Connecticut. Upon executing any such lease, said board shall forward a copy to the assessor or board of assessors of the municipality in which the leased property is located. The proceeds from any lease or rental agreement pursuant to this subsection shall be retained by the constituent unit. Any land so leased for private use and the buildings and appurtenances thereon shall be subject to local assessment and taxation annually in the name of the lessee, assignee or sublessee, whichever has immediate right to occupancy of such land or building, by the town wherein situated as of the assessment day of such town next following the date of leasing. Such land and the buildings and appurtenances thereon shall not be included as property of the constituent unit for the purpose of computing a grant in lieu of taxes pursuant to section [12-19a] [1 of this act](#) provided, if such property is leased to an organization which, if the property were owned by or held in trust for such organization would not be liable for taxes with respect to such property under section 12-81, [as amended by this act](#), such organization shall be entitled to exemption from property taxes as the lessee under such lease, and the portion of such property exempted and leased to such organization shall be eligible for a grant in lieu of taxes pursuant to [said] section [12-19a] [1 of this act](#).

Sec. 9. Section 4b-39 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

Land, buildings or facilities leased pursuant to section 4b-35 and section 4b-36 shall be exempt from municipal taxation. The value of such land, buildings or facilities shall be used for computation of grants in lieu of taxes pursuant to section [12-19a] [1 of this act](#).

Sec. 10. Section 4b-46 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

On and after July 1, 1995, any property which is subject to an agreement entered into by the Commissioner of Administrative Services for the purchase of such property through a long-term financing contract shall be exempt from taxation by the municipality in which such property is located, during the term of such contract. The assessed valuation of such property shall be included with the assessed valuation of state-owned land and buildings for purposes of determining the state grant in lieu of taxes under the provisions of section [12-19a] [1 of this act](#).

Sec. 11. Section 10a-90 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The Board of Trustees for the Connecticut State University System, with the approval of the Governor and the Secretary of the Office of Policy and Management, may lease state-owned land under its care, custody or control to private developers for construction of dormitory buildings, provided such developers agree to lease such buildings to such board of trustees with an option to purchase and provided further that any such agreement to lease is subject to the provisions of section 4b-23, prior to the making of the original lease by the board of trustees. The plans for such buildings shall be subject to approval of such board, the Commissioner of Administrative Services and the State Properties Review Board and such leases shall be for the periods and upon such terms and conditions as the Commissioner of Administrative Services determines, and such buildings, while privately owned, shall be subject to taxation by the town in which they are located. The Board of Trustees for the Connecticut State University System may also deed, transfer or lease state-owned land under its care, custody or control to the State of Connecticut Health and Educational Facilities Authority for financing or refinancing the planning, development, acquisition and construction and equipping of dormitory buildings and student housing facilities and to lease or sublease such dormitory buildings or student housing facilities and authorize the execution of financing leases of land, interests therein, buildings and fixtures in order to secure obligations to repay any loan from the State of Connecticut Health and Educational Facilities Authority from the proceeds of bonds issued thereby pursuant to the provisions of chapter 187 made by the authority to finance or refinance the planning, development, acquisition and construction of dormitory buildings. Any such financing lease shall not be subject to the provisions of section 4b-23 and the plans for such dormitories shall be subject only to the approval of the board. Such financing leases shall be for such periods and upon such terms and conditions that the board shall determine. Any state property so leased shall not be subject to local assessment and taxation and such state property shall be included as property of the Connecticut State University System for the purpose of computing a grant in lieu of taxes pursuant to section [12-19a] [1 of this act](#).

Sec. 12. Subsection (b) of section 10a-91 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(b) Any land so leased to a private developer for rental housing or commercial establishments and the buildings and appurtenances thereon shall be subject to local assessment and taxation annually in the name of the lessee, assignee or sublessee, whichever has immediate right to occupancy of such land or building, by the town wherein situated as

of the assessment day of such town next following the date of leasing. Such land shall not be included as property of the Connecticut State University System for the purpose of computing a grant in lieu of taxes pursuant to section [12-19a] [1 of this act](#).

Sec. 13. Section 15-101dd of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

Whenever any lessee is required to pay property taxes under this chapter, the assessed valuation of such property subject to the interest of the lessee shall not be included in the annual list of assessed values of state-owned real property in such town as prepared for purposes of state grants in accordance with section [12-19a] [1 of this act](#) and the amount of grant to such town under [said] section [12-19a] [1 of this act](#) shall be determined without consideration of such assessed value.

Sec. 14. Subsection (c) of section 22-26jj of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(c) The commissioner may lease all or part of one property acquired by him under this section as part of a demonstration project, in accordance with subsection (d) of this section, provided such project is approved by the Secretary of the Office of Policy and Management. Such property may be leased to one or more agricultural users for a period not to exceed five years. Such lease may be renewed for periods not to exceed five years. Any property leased under such demonstration project shall be exempt from taxation by the municipality in which the property is located. The assessed valuation of the property shall be included with the assessed valuation of state-owned land and buildings for purposes of determining the state's grant in lieu of taxes under the provisions of section [12-19a] [1 of this act](#).

Sec. 15. Subsection (c) of section 22-26oo of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(c) The Commissioner of Agriculture may lease, permit or license all or part of said farm to one or more persons for the purpose of engaging in agriculture, as defined in section 1-1. Any such lease, permit or license shall be for a period not to exceed fifteen years and shall contain, as a condition thereof, compliance with the provisions of the permanent conservation easement granted pursuant to subsection (b) of this section. Any such lease, permit or license may be renewed for a period not to exceed fifteen years. Any property leased, permitted or licensed pursuant to this subsection shall be exempt from taxation by the municipality in which said property is located. The assessed valuation of said property shall be included in the assessed valuation of state-owned land and buildings for purposes of determining the state's grant in lieu of taxes pursuant to the provisions of section [12-19a] [1 of this act](#). Any such lease, permit or license shall be subject to the review and approval of the State Properties Review Board. The State Properties Review Board shall complete a review of each lease, permit or license not later than thirty days after receipt of a proposed lease, permit or license from the Commissioner of Agriculture.

Sec. 16. Section 22a-282 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The Materials Innovation and Recycling Authority, notwithstanding the provisions of subsection (b) of section 22a-208a concerning the right of any local body to regulate, through zoning, land usage for solid waste disposal and section 22a-276, may use and operate as a solid waste disposal area, pursuant to a permit issued under sections 22a-208, 22a-208a and 22a-430, any real property owned by said authority on or before May 11, 1984, any portion of which has been operated as a solid waste disposal area, and the authority shall not be subject to regulation by any such body, except that the authority shall pay to the municipality in which such property is located one dollar per ton of unprocessed solid waste received from outside of such municipality and disposed of at the solid waste disposal area by the authority. Any payment shall be in addition to any other agreement between the municipality and the authority. The provisions of section [12-19a] [1 of this act](#) shall not be construed to apply to any such real property.

Sec. 17. Section 23-30 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The Commissioner of Energy and Environmental Protection may, for the purposes specified in section 23-29, lease, for a period of not less than ninety-nine years, any lands within the state, title to which has been acquired by the resettlement administration or other agency of the government of the United States, provided the form of such lease shall be approved by the Attorney General. Said commissioner may enter into cooperative agreements with any branch of the government of the United States regarding the custody, management and use of lands so leased. All lands leased under this section shall, for the purposes of taxation, be considered as owned by the state, and the towns in which such lands are situated shall receive from the state grants in lieu of taxes thereon, as provided in section [12-19a] [1 of this act](#).

Sec. 18. Section 32-610 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The exercise of the powers granted by section 32-602 constitute the performance of an essential governmental function and the Capital Region Development Authority shall not be required to pay any taxes or assessments upon or in respect of the convention center or the convention center project, as defined in section 32-600, levied by any municipality or political subdivision or special district having taxing powers of the state and such project and the principal and interest of any bonds and notes issued under the provisions of section 32-607, their transfer and the income therefrom, including revenues derived from the sale thereof, shall at all times be free from taxation of every kind by the state of Connecticut or under its authority, except for estate or succession taxes but the interest on such bonds and notes shall be included in the computation of any excise or franchise tax. Notwithstanding the foregoing, the convention center and the related parking facilities owned by the authority shall be deemed to be state-owned real property for purposes of sections [12-19a and] 12-19b, [as amended by this act, and 1 of this act](#) and the state shall make grants in lieu of taxes with respect to the convention center and such related parking facilities to the municipality in which the convention center and such related parking facilities are located

as otherwise provided in [said] sections [12-19a and] 12-19b, [as amended by this act, and 1 of this act](#).

Sec. 19. Subsections (a) and (b) of section 32-666 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) Any land on the Adriaen's Landing site leased by the secretary for purposes of site acquisition for an initial term of at least ninety-nine years shall, while such lease remains in effect, be deemed to be state-owned real property for purposes of sections [12-19a and] 12-19b, [as amended by this act, and 1 of this act](#) and subdivision (2) of section 12-81 and the state shall make grants in lieu of taxes with respect to such land to the municipality in which the same is located as otherwise provided in sections [12-19a and] 12-19b, [as amended by this act, and 1 of this act](#).

(b) Any land that comprises a private development district designated pursuant to section 32-600 and all improvements on or to such land shall, while such designation continues, be deemed to be state-owned real property for purposes of sections [12-19a and] 12-19b, [as amended by this act, and 1 of this act](#) and subdivision (2) of section 12-81, and the state shall make grants in lieu of taxes with respect to such land and improvements to the municipality in which the same is located as otherwise provided in sections [12-19a and] 12-19b, [as amended by this act, and 1 of this act](#). Section 32-666a shall not be applicable to any such land or improvements while designated as part of the private development district.

Sec. 20. Subsection (a) of section 12-62m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) If real property eligible for a grant or for reimbursement of a property tax or a portion thereof under the provisions of [sections 12-19a] [section 1 of this act](#), 12-20b, [as amended by this act](#), and 12-129p, or any other provision of the general statutes, is located in a town that (1) elected to phase in assessment increases pursuant to section 12-62a of the general statutes, revision of 1958, revised to January 1, 2005, with respect to a revaluation effective on or before October 1, 2005, or (2) elects to phase in assessment increases pursuant to section 12-62c with respect to a revaluation effective on or after October 1, 2006, the assessed valuation of said property as reported to the Secretary of the Office of Policy and Management shall reflect the gradual increase in assessment applicable to comparable taxable real property for the same assessment year.

Sec. 21. (NEW) (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*) (a) For the purposes of this section:

(1) "Base year" means the assessment year commencing on October 1, 2014;

(2) "Motor vehicle" means a motor vehicle, as defined in section 14-1 of the general statutes, or a snowmobile;

(3) "Municipality" means any town, city or borough, consolidated town and city or consolidated town and borough; and

(4) "Taxable value" means seventy per cent of the true and actual value, determined pursuant to section 26 of this act, less three thousand dollars.

(b) Except as otherwise provided in section 12-81 of the general statutes, as amended by this act, on and after October 1, 2016, there is hereby imposed a tax on registered and unregistered motor vehicles pursuant to the provisions of subsection (c) of this section. No other tax may be imposed on motor vehicles by any municipality. Such tax shall be in an amount equal to the uniform state-wide mill rate multiplied by the taxable value of each motor vehicle. Such tax shall be payable by the owner of such vehicle. The uniform state-wide mill rate shall be calculated once on or before October 1, 2016, by the Commissioner of Revenue Services and shall be such that the total tax levied is equal to the amount of the total tax levied by all municipalities on motor vehicles for the base year.

(c) The tax on motor vehicles set forth in this section shall apply to (1) registered motor vehicles and unregistered motor vehicles that, in the normal course of operation, most frequently leave from and return to or remain in this state; (2) any other motor vehicle located in this state that is not used or is not capable of being used; (3) registered and unregistered motor vehicles owned by a nonresident of this state, provided such vehicle in the normal course of operation most frequently leaves from and returns to this state or remains in this state; (4) notwithstanding the provisions of subdivision (1) of this subsection, any registered motor vehicle that is assigned to an employee of the owner of such vehicle for the exclusive use of such employee and which, in the normal course of operation, most frequently leaves from and returns to or remains in this state; and (5) notwithstanding the provisions of subdivision (1) of this subsection, any registered motor vehicle that is being operated, pursuant to a lease, by a person other than the owner of such vehicle, or such owner's employee, provided the person who is operating such vehicle resides in this state, as determined pursuant to subsection (d) of this section.

(d) It shall be presumed that a motor vehicle most frequently leaves from and returns to or remains in the state in which the owner of such vehicle resides. As used in this subsection, "the state in which the owner of such vehicle resides" means the state where (1) the owner, if an individual, has established a legal residence consisting of a true, fixed and permanent home to which such individual intends to return after any absence, or (2) the owner, if a company, corporation, limited liability company, partnership, firm or any other type of public or private organization, association or society, has an established site for conducting the purposes for which it was created.

(e) The assessed value of each antique, rare or special interest motor vehicle, as defined in section 14-1 of the general statutes, shall not be more than five hundred dollars. The owner of any antique, rare or special interest motor vehicle may be required by the Commissioner of Revenue Services to provide reasonable documentation that such motor vehicle is an antique, rare or special interest motor vehicle, provided the owner of any motor vehicle for which special number plates have been issued pursuant to section 14-20 of the general statutes shall not be required to provide any such documentation.

(f) The Department of Revenue Services, in consultation with the Department of Motor Vehicles, shall establish a system to collect and administer the motor vehicle tax annually. The Commissioner of Revenue Services shall segregate the revenue from such tax and shall deposit it into the municipal motor vehicle reimbursement and revenue account established pursuant to section 23 of this act. On or before the thirty first day of January each year, the Commissioner of Revenue Services shall publish a taxable list of motor vehicles in the state.

(g) The tax hereby imposed shall be due and payable not later than July first annually and shall be made payable to the Commissioner of Revenue Services. As soon as such tax becomes delinquent, it shall be subject to interest at the rate of one and one-half per cent of such tax for each month or fraction thereof which elapses from the time when such becomes due and payable until the same is paid. The commissioner for good cause may extend the time for paying any amount required to be paid under this section if a written request therefor is filed with the commissioner not later than September first. Any person to whom an extension is granted shall pay, in addition to the tax, interest at the rate of one per cent per month or fraction thereof from the date on which the tax would have been due without the extension until the date of payment. Whenever there is an overpayment of the tax imposed by this section, the commissioner shall return to the taxpayer the overpayment.

(h) Any tax on a motor vehicle levied by a municipality prior to the effective date of this section that remains unpaid after the effective date of this section shall remain payable to such municipality. Such municipality may continue to take any action available pursuant to chapter 204 of the general statutes to collect such tax.

Sec. 22. (NEW) (*Effective from passage*) On or before January 1, 2016, the Commissioner of Revenue Services shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to carry out the provisions of section 21 of this act. Such regulations (1) shall set forth the process for administering the tax, including procedures to be followed by the Commissioner of Revenue Services to (A) notify owners of motor vehicles of the tax due, (B) correct, as may be necessary, any tax assessed, and (C) allow taxpayers to appeal the imposition or amount of any tax on a motor vehicle imposed pursuant to section 21 of this act; and (2) may provide procedures for taxation of motor vehicles upon registration with the Department of Motor Vehicles.

Sec. 23. (NEW) (*Effective October 1, 2016*) (a) There is established an account to be known as the "municipal motor vehicle reimbursement and revenue account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Secretary of the Office of Policy and Management for the purpose of distributing the tax on motor vehicles collected pursuant to section 21 of this act to municipalities.

(b) The Secretary of the Office of Policy and Management shall annually distribute moneys from such account in the following manner: (1) Each municipality shall receive an amount equal to the total tax levied by such municipality on motor vehicles for the base year unless the total tax on motor vehicles levied pursuant to section 21 of this act is less than such total

tax levied by all municipalities for the base year, in which case, each municipality shall receive an amount which bears the same proportion as the amount such municipality would have received had the total tax levied pursuant to section 21 of this act been equal to or greater than the amount of the total tax levied by all municipalities for the base year; and (2) for the moneys remaining after the distribution pursuant to subdivision (1) of this subsection, (A) fifty per cent of such moneys shall be distributed to each municipality in an amount which bears the same proportion as such municipality's population bears to the total state-wide population; (B) twenty-five per cent of such moneys shall be allocated, in addition to appropriations, to supplement grants payable to municipalities pursuant to section 1 of this act; and (C) twenty-five per cent of such moneys shall be distributed to each municipality in an amount which bears the same proportion as such municipality's population of persons living under the federal poverty level bears to the total state-wide population of persons living under the federal poverty level.

Sec. 24. (NEW) (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*) (a) Any person who owns a motor vehicle which is not registered with the Commissioner of Motor Vehicles on the first day of October in any assessment year and which is registered subsequent to said first day of October but prior to the first day of August in such assessment year shall be liable for the payment of the motor vehicle tax imposed pursuant to section 21 of this act with respect to such motor vehicle in an amount as hereinafter provided, on the first day of January immediately subsequent to the end of such assessment year. The motor vehicle tax payable with respect to such motor vehicle on said first day of January shall be in the amount which would be payable if such motor vehicle had been entered in the taxable list of motor vehicles of the Commissioner of Revenue Services on the first day of October in such assessment year if such registration occurs prior to the first day of November. If such registration occurs on or after the first day of November but prior to the first day of August in such assessment year, such tax shall be a pro rata portion of the amount of tax payable if such motor vehicle had been entered in the taxable list of motor vehicles of the Commissioner of Revenue Services on October first in such assessment year to be determined by a ratio, the numerator of which shall be the number of months from the date of such registration, including the month in which registration occurs, to the first day of October next succeeding and the denominator of which shall be twelve. For purposes of this section the term "assessment year" means the period of twelve full months commencing with October first each year.

(b) Whenever any person who owns a motor vehicle which has been entered in the taxable list of motor vehicles of the Commissioner of Revenue Services in any assessment year and who, subsequent to the first day of October in such assessment year but prior to the first day of August in such assessment year, replaces such motor vehicle with another motor vehicle, hereinafter referred to as the replacement vehicle, which vehicle may be in a different classification for purposes of registration than the motor vehicle replaced, and provided one of the following conditions is applicable with respect to the motor vehicle replaced: (1) The unexpired registration of the motor vehicle replaced is transferred to the replacement vehicle, (2) the motor vehicle replaced was stolen or totally damaged and proof concerning such theft or total damage is submitted to the assessor in such town, or (3) the motor vehicle replaced is sold by such person within forty-five days immediately prior to or following the

date on which such person acquires the replacement vehicle, such person shall be liable for the payment of motor vehicle tax with respect to the replacement vehicle in an amount as hereinafter provided, on the first day of January immediately subsequent to the end of such assessment year. If the replacement vehicle is replaced by such person with another motor vehicle prior to the first day of August in such assessment year, the replacement vehicle shall be subject to motor vehicle tax as provided in this subsection and such other motor vehicle replacing the replacement vehicle, or any motor vehicle replacing such other motor vehicle in such assessment year, shall be deemed to be the replacement vehicle for purposes of this subsection and shall be subject to motor vehicle tax as provided herein. The motor vehicle tax payable with respect to the replacement vehicle on said first day of January shall be the amount by which subparagraph (A) is in excess of subparagraph (B) as follows: (A) The motor vehicle tax which would be payable if the replacement vehicle had been entered in the taxable list of motor vehicles of the Commissioner of Revenue Services on the first day of October in such assessment year if such registration occurs prior to the first day of November, however if such registration occurs on or after the first day of November but prior to the first day of August in such assessment year, such tax shall be a pro rata portion of the amount of tax payable if such motor vehicle had been entered in the taxable list of motor vehicles of the Commissioner of Revenue Services on October first in such assessment year to be determined by a ratio, the numerator of which shall be the number of months from the date of such registration, including the month in which registration occurs, to the first day of October next succeeding and the denominator of which shall be twelve, provided if such person, on said first day of October, was entitled to any exemption under section 12-81 of the general statutes, as amended by this act, which was allowed in the assessment of the motor vehicle replaced, such exemption shall be allowed for purposes of determining the motor vehicle tax payable with respect to the replacement vehicle as provided herein; (B) the motor vehicle tax payable by such person with respect to the motor vehicle replaced, provided if the replacement vehicle is registered subsequent to the thirty-first day of October but prior to the first day of August in such assessment year such motor vehicle tax payable with respect to the motor vehicle replaced shall, for purposes of the computation herein, be deemed to be a pro rata portion of such motor vehicle tax to be prorated in the same manner as the amount of tax determined under subparagraph (A) of this subsection.

(c) Any person who owns a commercial motor vehicle which has been temporarily registered at any time during any assessment year and which has not during such period been entered in the taxable list of motor vehicles of the Commissioner of Revenue Services for purposes of the motor vehicle tax and with respect to which no permanent registration has been issued during such period, shall be liable for the payment of motor vehicle tax with respect to such motor vehicle on the first day of January immediately following the end of such assessment year, in an amount as hereinafter provided. The motor vehicle tax payable shall be in the amount which would be payable if such motor vehicle had been entered in the taxable list of motor vehicles of the Commissioner of Revenue Services on the first day of October in such assessment year.

(d) Whenever any motor vehicle subject to motor vehicle tax as provided in this section has been replaced by the owner with another motor vehicle in the assessment year immediately

preceding the day on which such motor vehicle tax is payable, each such motor vehicle shall be subject to motor vehicle tax as provided in this section.

(e) Upon receipt by the Commissioner of Revenue Services of notice from the Commissioner of Motor Vehicles, in a manner as prescribed by the Commissioner of Motor Vehicles, with respect to any motor vehicle subject to motor vehicle tax in accordance with the provisions of this section and which has not been entered in the taxable list of motor vehicles of the Commissioner of Revenue Services, the Commissioner of Revenue Services shall determine the value of such motor vehicle for purposes of motor vehicle tax assessment and shall add such value to the taxable list of motor vehicles for the immediately preceding assessment date and the tax thereon shall be levied and collected by the Commissioner of Revenue Services. Such motor vehicle tax shall be payable not later than the first day of February following the first day of January on which the owner of such motor vehicle becomes liable for the payment of motor vehicle tax with respect to such motor vehicle in accordance with the provisions of this section, subject to any determination that such tax shall be due and payable in installments.

(f) Any motor vehicle which is not registered in this state shall be subject to motor vehicle tax in this state if such motor vehicle in the normal course of operation most frequently leaves from and returns to or remains in one or more points within this state.

Sec. 25. (NEW) (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*) (a) Any person who is liable for the motor vehicle tax imposed under section 21 of this act in any assessment year in respect to a motor vehicle which in such assessment year is (1) sold by such person with ownership thereof transferred to the purchaser, (2) totally damaged, (3) stolen from such person and not recovered, or (4) removed from this state and registered in another state by such person who concurrently ceases to be a resident of this state, shall be entitled to a motor vehicle tax credit against the motor vehicle tax imposed under section 21 of this act in respect to such motor vehicle to be applied against any motor vehicle tax imposed under section 21 of this act for which such person is liable in the assessment year in which such motor vehicle is sold, damaged, stolen or removed and registered as provided in this section, or in the assessment year next following. Such motor vehicle tax credit shall be a pro rata portion of the tax payable in respect to such motor vehicle for the assessment year in which it is so sold, damaged, stolen or removed and registered to be determined by a ratio, the numerator of which shall be the number of full months from the date such motor vehicle is so sold, damaged, stolen or removed and registered, to the first day of October next succeeding and the denominator of which shall be twelve, provided (A) such credit shall not be allowed in such assessment year next following if motor vehicle tax paid in respect to such motor vehicle, for the assessment year in which such motor vehicle is so sold, damaged, stolen or removed and registered, is allowed in reduction of the motor vehicle tax imposed under section 21 of this act due in respect to another motor vehicle replacing such motor vehicle as provided under subsection (b) of section 24 of this act, or (B) in the event such credit is allowed in the assessment year in which such motor vehicle is so sold, damaged, stolen or removed and registered, the motor vehicle tax paid in respect to such motor vehicle for such assessment year shall not be

allowed in reduction of motor vehicle tax due in respect to another motor vehicle replacing such motor vehicle as provided under subsection (b) of section 24 of this act.

(b) Any person claiming a motor vehicle credit with respect to a motor vehicle in accordance with subsection (a) of this section for any assessment year shall, not later than the thirty-first day of December immediately following the end of the assessment year which next follows the assessment year in which such motor vehicle is so sold, damaged, stolen or removed and registered, file with the Commissioner of Revenue Services, documentation satisfactory to the commissioner concerning the sale, total damage, theft or removal and registration of such motor vehicle. Failure to file such claim and documentation as prescribed herein shall constitute a waiver of the right to such motor vehicle tax credit.

Sec. 26. (NEW) (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*) On or before the first day of October each year, the Secretary of the Office of Policy and Management shall recommend a schedule of motor vehicle values which shall be used by the Commissioner of Revenue Services in determining the assessed value of motor vehicles for purposes of taxation, as provided in section 21 of this act. For every vehicle not listed in the schedule the determination of the value of any motor vehicle shall be the responsibility of the Commissioner of Revenue Services. Such schedule of values shall include, to the extent that information for such purpose is available, the value for assessment purposes of any motor vehicle currently in use. The value for each motor vehicle as listed shall represent one hundred per cent of the average retail price applicable to such motor vehicle in this state as of the first day of October in such year as determined by said secretary in cooperation with the Connecticut Association of Assessing Officers.

Sec. 27. Section 12-24b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

The provisions of any special act to the extent inconsistent with the provisions of subsection [(c)] (b) of section 12-41, [as amended by this act](#), section 12-58 and subdivision (50) of section 12-81 are repealed.

Sec. 28. Section 12-41 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(a) "Municipality", whenever used in this section, includes each town, consolidated town and city, and consolidated town and borough.

[(b) No person required by law to file an annual declaration of personal property shall include in such declaration motor vehicles that are registered in the office of the state Commissioner of Motor Vehicles. With respect to any vehicle subject to taxation in a town other than the town in which such vehicle is registered, pursuant to section 12-71, information concerning such vehicle may be included in a declaration filed pursuant to this section or section 12-43, or on a report filed pursuant to section 12-57a.]

**[(c)] (b)** The annual declaration of the tangible personal property owned by such person on the assessment date, shall include, but is not limited to, the following property: Machinery used in mills and factories, cables, wires, poles, underground mains, conduits, pipes and other fixtures of water, gas, electric and heating companies, leasehold improvements classified as other than real property and furniture and fixtures of stores, offices, hotels, restaurants, taverns, halls, factories and manufacturers. Commercial or financial information in any declaration filed under this section shall not be open for public inspection but may be disclosed to municipal officers for tax collection purposes.

**[(d)] (c)** Any person required by law to file an annual declaration of personal property may sign and file such declaration electronically on a form provided by the assessor of a municipality, provided such municipality (1) has the technological ability to accept electronic signatures, and (2) agrees to accept electronic signatures for annual declarations of personal property.

**[(e)] (d)** (1) Any person who fails to file a declaration of personal property on or before the first day of November, or on or before the extended filing date as granted by the assessor pursuant to section 12-42 shall be subject to a penalty equal to twenty-five per cent of the assessment of such property; (2) any person who files a declaration of personal property in a timely manner, but has omitted property, as defined in section 12-53, shall be subject to a penalty equal to twenty-five per cent of the assessment of such omitted property. The penalty shall be added to the grand list by the assessor of the town in which such property is taxable; and (3) any declaration received by the municipality to which it is due that is in an envelope bearing a postmark, as defined in section 1-2a, showing a date within the allowed filing period shall not be deemed to be delinquent.

Sec. 29. Section 12-43 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

Each owner of tangible personal property located in any town for three months or more during the assessment year immediately preceding any assessment day, who is a nonresident of such town, shall file a declaration of such personal property with the assessors of the town in which the same is located on such assessment day, if located in such town for three months or more in such year, otherwise, in the town in which such property is located for the three months or more in such year nearest to such assessment day, under the same provisions as apply to residents, and such personal property shall not be liable to taxation in any other town in this state. The declaration of each nonresident taxpayer shall contain the nonresident's post-office and street address. At least thirty days before the expiration of the time for filing such declaration, the assessors shall mail blank declaration forms to each nonresident, or to such nonresident's attorney or agent having custody of the nonresident's taxable property, or send such forms electronically to such nonresident's electronic mail address or the electronic mail address of such nonresident's attorney or agent, provided such nonresident has requested, in writing, to receive such forms electronically. If the identity or mailing address of a nonresident taxpayer is not discovered until after the expiration of time for filing a declaration, the assessor shall, not later than ten

days after determining the identity or mailing address, mail a declaration form to the nonresident taxpayer. Said taxpayer shall file the declaration not later than fifteen days after the date such declaration form is sent. Each nonresident taxpayer who fails to file a declaration in accordance with the provisions of this section shall be subject to the penalty provided in subsection [(e)] (d) of section 12-41, [as amended by this act](#). As used in this section, "nonresident" means a person who does not reside in the town in which such person's tangible personal property is located on the assessment day, or a company, corporation, limited liability company, partnership or any other type of business enterprise that does not have an established place for conducting business in such town on the assessment day.

Sec. 30. Section 12-57 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016*):

[(a)] When it has been determined by the assessors of a municipality that tangible personal property has been assessed when it should not have been, the assessors shall, not later than three years following the tax due date relative to the property, issue a certificate of correction removing such tangible personal property from the list of the person who was assessed in error, whether such error resulted from information furnished by such person or otherwise. If such tangible personal property was subject to taxation on the same grand list by such municipality in the name of some other person and was not so previously assessed in the name of such other person, the assessor shall add such tangible personal property to the list of such other person and, in such event, the tax shall be levied upon, and collected from, such other person. If such tangible personal property should have been subject to taxation for the same taxing period on the grand list of another municipality in this state, the assessors shall promptly notify, in writing, the assessors of the municipality where the tangible personal property should be properly assessed and taxed, and the assessors of such municipality shall assess such tangible personal property and shall thereupon issue a certificate of correction adding such tangible personal property to the list of the person owning such property, and the tax thereon shall be levied and collected by the tax collector. Each such certificate of correction shall be made in duplicate, one copy of which shall be filed with the tax collector of such municipality and the other kept by the assessors in accordance with a records retention schedule issued by the Public Records Administrator.

[(b) When it has been determined by the assessors of a municipality, at any time, that a motor vehicle registered with the Department of Motor Vehicles has been assessed when it should not have been, the assessors shall issue a certificate of correction removing such vehicle from the list of the person who was assessed in error, and, if such vehicle should have been subject to taxation for the same taxing period on the grand list of another municipality in this state, the assessors shall promptly notify, in writing, the assessors of the municipality where the vehicle should be properly assessed and taxed, and the assessors of such municipality shall assess such vehicle and shall thereupon issue a certificate of correction adding such vehicle to the list of the person owning such vehicle, and the tax thereon shall be levied and collected by the tax collector.]

Sec. 31. Section 12-71 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(a) All goods, chattels and effects or any interest therein, including any interest in a leasehold improvement classified as other than real property, but not including motor vehicles and snowmobiles, belonging to any person who is a resident in this state, shall be listed for purposes of property tax in the town where such person resides, subject to the provisions of sections 12-41, as amended by this act, 12-43, as amended by this act, and 12-59. Any such property belonging to any nonresident shall be listed for purposes of property tax as provided in section 12-43, as amended by this act. **[Motor vehicles and snowmobiles shall be listed for purposes of the property tax in accordance with subsection (f) of this section.]**

(b) Except as otherwise provided by the general statutes, property subject to this section shall be valued at the same percentage of its then actual valuation as the assessors have determined with respect to the listing of real estate for the same year. **[**except that any antique, rare or special interest motor vehicle, as defined in section 14-1, shall be assessed at a value of not more than five hundred dollars. The owner of such antique, rare or special interest motor vehicle may be required by the assessors to provide reasonable documentation that such motor vehicle is an antique, rare or special interest motor vehicle, provided any motor vehicle for which special number plates have been issued pursuant to section 14-20 shall not be required to provide any such documentation.**]** The provisions of this section shall not include money or property actually invested in merchandise or manufacturing carried on out of this state or machinery or equipment which would be eligible for exemption under subdivision (72) of section 12-81 once installed and which cannot begin or which has not begun manufacturing, processing or fabricating; or which is being used for research and development, including experimental or laboratory research and development, design or engineering directly related to manufacturing or being used for the significant servicing, overhauling or rebuilding of machinery and equipment for industrial use or the significant overhauling or rebuilding of other products on a factory basis or being used for measuring or testing or metal finishing or in the production of motion pictures, video and sound recordings.

(c) Upon payment of the property tax assessed with respect to any property referred to in this section, owned by a resident or nonresident of this state, which is currently used or intended for use in relation to construction, building, grading, paving or similar projects, including, but not limited to, motor vehicles, bulldozers, tractors and any trailer-type vehicle, excluding any such equipment weighing less than five hundred pounds, and excluding any motor vehicle subject to registration pursuant to chapter 246 or exempt from such registration by section 14-34, the town in which such equipment is taxed shall issue, at the time of such payment, for display on a conspicuous surface of each such item of equipment for which such tax has been paid, a validation decal or sticker, identifiable as to the year of issue, which will be presumptive evidence that such tax has been paid in the appropriate town of the state.

(d) (1) Personal property subject to taxation under this chapter shall not include computer software, except when the cost thereof is included, without being separately stated, in the cost of computer hardware. "Computer software" shall include any program or routine used to cause a computer to perform a specific task or set of tasks, including without limitation, operational and applicational programs and all documentation related thereto.

(2) The provisions of subdivision (1) of this subsection shall be applicable (A) to the assessment year commencing October 1, 1988, and each assessment year thereafter, and (B) to any assessment of computer software made after September 30, 1988, for any assessment year commencing before October 1, 1988.

(3) Nothing contained in this subsection shall create any implication related to liability for property tax with respect to computer software prior to July 1, 1989.

(4) A certificate of correction in accordance with section 12-57, [as amended by this act](#), shall not be issued with respect to any property described in subdivision (1) of this subsection for any assessment year commencing prior to October 1, 1989.

(e) For assessment years commencing on or after October 1, 1992, each municipality shall exempt aircraft, as defined in section 15-34, from the provisions of this chapter.

**[(f) (1) Property subject to taxation under this chapter shall include each registered and unregistered motor vehicle and snowmobile that, in the normal course of operation, most frequently leaves from and returns to or remains in a town in this state, and any other motor vehicle or snowmobile located in a town in this state, which motor vehicle or snowmobile is not used or is not capable of being used.]**

(2) Any motor vehicle or snowmobile registered in this state subject to taxation in accordance with the provisions of this subsection shall be set in the list of the town where such vehicle in the normal course of operation most frequently leaves from and returns to or in which it remains. It shall be presumed that any such motor vehicle or snowmobile most frequently leaves from and returns to or remains in the town in which the owner of such vehicle resides, unless a provision of this subsection otherwise expressly provides. As used in this subsection, "the town in which the owner of such vehicle resides" means the town in this state where (A) the owner, if an individual, has established a legal residence consisting of a true, fixed and permanent home to which such individual intends to return after any absence, or (B) the owner, if a company, corporation, limited liability company, partnership, firm or any other type of public or private organization, association or society, has an established site for conducting the purposes for which it was created. In the event such an entity resides in more than one town in this state, it shall be subject to taxation by each such town with respect to any registered or unregistered motor vehicle or snowmobile that most frequently leaves from and returns to or remains in such town.

(3) Any motor vehicle owned by a nonresident of this state shall be set in the list of the town where such vehicle in the normal course of operation most frequently leaves from and returns to or in which it remains. If such vehicle in the normal course of operation most frequently leaves from and returns to or remains in more than one town, it shall be set in the

list of the town in which such vehicle is located for the three or more months preceding the assessment day in any year, except that, if such vehicle is located in more than one town for three or more months preceding the assessment day in any year, it shall be set in the list of the town where it is located for the three months or more in such year nearest to such assessment day. In the event a motor vehicle owned by a nonresident is not located in any town for three or more of the months preceding the assessment day in any year, such vehicle shall be set in the list of the town where such vehicle is located on such assessment day.

(4) Notwithstanding any provision of subdivision (2) of this subsection: (A) Any registered motor vehicle that is assigned to an employee of the owner of such vehicle for the exclusive use of such employee and which, in the normal course of operation most frequently leaves from and returns to or remains in such employee's town of residence, shall be set in the list of the town where such employee resides; (B) any registered motor vehicle that is being operated, pursuant to a lease, by a person other than the owner of such vehicle, or such owner's employee, shall be set in the list of the town where the person who is operating such vehicle pursuant to said lease resides; (C) any registered motor vehicle designed or used for recreational purposes, including, but not limited to, a camp trailer, camper or motor home, shall be set in the list of the town such vehicle, in the normal course of its operation for camping, travel or recreational purposes in this state, most frequently leaves from and returns to or the town in which it remains. If such a vehicle is not used in this state in its normal course of operation for camping, travel or recreational purposes, such vehicle shall be set in the list of the town in this state in which the owner of such vehicle resides; and (D) any registered motor vehicle that is used or intended for use for the purposes of construction, building, grading, paving or similar projects, or to facilitate any such project, shall be set in the list of the town in which such project is situated if such vehicle is located in said town for the three or more months preceding the assessment day in any year, provided (i) if such vehicle is located in more than one town in this state for three or more months preceding the assessment day in any year, such vehicle shall be set in the list of the town where it is located for the three months or more in such year nearest to such assessment day, and (ii) if such vehicle is not located in any town for three or more of the months preceding the assessment day in any year, such vehicle shall be set in the list of the town where such vehicle is located on such assessment day.

(5) The owner of a motor vehicle subject to taxation in accordance with the provisions of subdivision (4) of this subsection in a town other than the town in which such owner resides may register such vehicle in the town in which such vehicle is subject to taxation.

(6) Information concerning any vehicle subject to taxation in a town other than the town in which it is registered may be included on any declaration or report filed pursuant to section 12-41, 12-43 or 12-57a. If a motor vehicle or snowmobile is registered in a town in which it is not subject to taxation, pursuant to the provisions of subdivision (4) of this section, the assessor of the town in which such vehicle is subject to taxation shall notify the assessor of the town in which such vehicle is registered of the name and address of the owner of such motor vehicle or snowmobile, the vehicle identification number and the town in which such vehicle is subject to taxation. The assessor of the town in which said vehicle is registered and the assessor of the town in which said vehicle is subject to taxation shall cooperate in

administering the provisions of this section concerning the listing of such vehicle for property tax purposes.]

Sec. 32. Subdivision (53) of section 12-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(53) (a) One motor vehicle belonging to, leased to or held in trust for, any member of the United States armed forces, if such motor vehicle is garaged inside or outside the state;

(b) Any person claiming the exemption provided under this subdivision for any assessment year shall, not later than the thirty-first day of December next following the date on which property tax is due in such assessment year, file with the [assessor or board of assessors, in the town in which such motor vehicle is registered,] [Commissioner of Revenue Services](#) written application claiming such exemption on a form approved for such purpose by [such assessor or board] [said commissioner](#). Notwithstanding the provisions of this chapter, any person claiming the exemption under this subdivision for a leased motor vehicle shall be entitled to a refund of the tax paid with respect to such vehicle, whether such tax was paid by the lessee or by the lessor pursuant to the terms of the lease. Upon approving such person's exemption claim, the [assessor] [commissioner](#) shall certify the amount of refund to which the applicant is entitled [and shall notify the tax collector of such amount. The tax collector shall refer such certification to the board of selectmen in a town or to the corresponding authority in any other municipality. Upon receipt of such certification, the selectmen or such other authority shall draw an order on the Treasurer in favor of such person for the amount of refund so certified] [and shall draw an order on the Secretary of the Office of Policy and Management in favor of such person for the amount of refund so certified](#). Failure to file such application as prescribed herein with respect to any assessment year shall constitute a waiver of the right to such exemption for such assessment year;

Sec. 33. Subdivision (74) of section 12-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(74) (A) (i) For a period not to exceed five assessment years following the assessment year in which it is first registered, any new commercial truck, truck tractor, tractor and semitrailer, and vehicle used in combination therewith, which is used exclusively to transport freight for hire and: Is either subject to the jurisdiction of the United States Department of Transportation pursuant to Chapter 135 of Title 49, United States Code, or any successor thereto, or would otherwise be subject to said jurisdiction except for the fact that the vehicle is used exclusively in intrastate commerce; has a gross vehicle weight rating in excess of twenty-six thousand pounds; and prior to August 1, 1996, was not registered in this state or in any other jurisdiction but was registered in this state on or after said date. (ii) For a period not to exceed five assessment years following the assessment year in which it is first registered, any new commercial truck, truck tractor, tractor and semitrailer, and vehicle used in combination therewith, not eligible under subparagraph (A)(i) of this subdivision, that has a gross vehicle weight rating in excess of fifty-five thousand pounds and was not

registered in this state or in any other jurisdiction but was registered in this state on or after August 1, 1999. As used in this subdivision, "gross vehicle weight rating" has the same meaning as provided in section 14-1;

(B) Any person who on October first in any year holds title to or is the registrant of a vehicle for which such person intends to claim the exemption provided in this subdivision shall file with the [assessor or board of assessors in the municipality in which the vehicle is subject to property taxation] [Commissioner of Revenue Services](#), on or before the first day of November in such year, a written application claiming such exemption on a form prescribed by the Secretary of the Office of Policy and Management. Such person shall include information as to the make, model, year and vehicle identification number of each such vehicle, and any appurtenances attached thereto, in such application. The person holding title to or the registrant of such vehicle for which exemption is claimed shall furnish the [assessor or board of assessors] [commissioner](#) with such supporting documentation as said secretary may require, including, but not limited to, evidence of vehicle use, acquisition cost and registration. Failure to file such application in this manner and form within the time limit prescribed shall constitute a waiver of the right to such exemption for such assessment year, unless an extension of time is allowed as provided in section 12-81k. Such application shall not be required for any assessment year following that for which the initial application is filed, provided if the vehicle is modified, such modification shall be deemed a waiver of the right to such exemption until a new application is filed and the right to such exemption is established as required initially; [ . With respect to any vehicle for which the exemption under this subdivision has previously been claimed in a town other than that in which the vehicle is registered on any assessment date, the person shall not be entitled to such exemption until a new application is filed and the right to such exemption is established in said town;]

(C) With respect to any vehicle which is not registered on the first day of October in any assessment year and which is registered subsequent to said first day of October but prior to the first day of August in such assessment year, the value of such vehicle for property tax exemption purposes shall be a pro rata portion of the value determined in accordance with subparagraph (D) of this subdivision, to be determined by a ratio, the numerator of which shall be the number of months from the date of such registration, including the month in which registration occurs, to the first day of October next succeeding and the denominator of which shall be twelve. For purposes of this subdivision, "assessment year" means the period of twelve full months commencing with October first each year;

(D) Notwithstanding the provisions of section [12-71d] [26 of this act](#), the [assessor or board of assessors] [Secretary of the Office of Policy and Management](#) shall determine the value for each vehicle with respect to which a claim for exemption under this subdivision is approved, based on the vehicle's cost of acquisition, including costs related to the modification of such vehicle, adjusted for depreciation;

Sec. 34. Section 12-81h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

[**Any municipality, upon approval by its legislative body,**] [The Commissioner of Revenue Services](#) may allow an exemption from [**property tax**] [the motor vehicle tax imposed pursuant to section 21 of this act](#) to be determined as a uniform percentage of the assessed value of any one motor vehicle owned by any veteran with a condition of disability enabling such veteran to qualify for the exemption from property tax currently allowed under subdivision (20) or subdivision (21) of section 12-81, provided such motor vehicle must be specially equipped for purposes of adapting its use to the disability of such veteran.

Sec. 35. Section 12-95 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016*):

No individual shall receive any exemption to which he is entitled by any one of subdivisions (19), (20), (22), (23), (25), (26) and (28) of section 12-81 or section 12-82 until he has proved his right to such exemption in accordance with the provisions of sections 12-93 and 12-94, together with such further proof as is necessary under the provisions of any of said sections. Exemptions so proved by residents shall take effect on the next succeeding assessment day, provided individuals entitled to an exemption under the provisions of subdivision (20) of section 12-81 may prove such right at any time before the expiration of the time limited by law for the board of assessment appeals of the town wherein the exemption is claimed to complete its duties and such exemption shall take effect on the assessment day next preceding the date of the proof thereof. For purposes of any tax payable in accordance with the provisions of section [**12-71b**] [24 of this act](#), any such exemption referred to in this section shall take effect on the first day of January next following the date on which the right to such exemption has been proved.

Sec. 36. Section 12-110 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

[**(a) The board of assessment appeals in each town shall meet at least once in the month of September, annually, provided any meeting in the month of September shall be for the sole purpose of hearing appeals related to the assessment of motor vehicles, and shall give notice of the time and place of such meetings by posting it at least ten days before the first meeting in the office of the town clerk, and publishing it in some newspaper published therein or, if no newspaper is published in such town, in a newspaper having a general circulation in such town. Such meetings shall be held on business days, which may be Saturdays, the last not later than the last business day in the month of September, on or before which date such board shall complete the duties imposed upon it.**]

[**(b)**] The board of assessment appeals in each town shall meet in the month of March to hear appeals related to the assessment of property. Any such meeting shall be held on business days, which may be Saturdays, the last not later than the last business day in the month of March, on or before which date such board shall complete the duties imposed upon it.

Sec. 37. Section 12-112 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

No appeal from the doings of the assessors in any town shall be heard or entertained by the board of assessment appeals [unless referred to it at one of its meetings during the month of September in the case of an appeal related to motor vehicle assessment or] unless written appeal is made on or before February twentieth in accordance with the provisions of section 12-111.

Sec. 38. Section 12-121f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(a) An assessment list in any town, city or borough is not invalid as to the taxpayers of the taxing district as a whole because the assessor committed any one or more of the errors or omissions listed in subdivisions (1) to (15), inclusive, of this subsection unless an action contesting the validity of the assessment list is brought within four months after the assessment date and the plaintiff establishes that the assessor's error or omission will produce a substantial injustice to the taxpayers as a whole:

(1) The assessor failed to give the legal notice required by section 12-40 that all persons liable to pay taxes in the taxing district must, when required by law, bring in written or printed lists of the taxable property belonging to them;

(2) The assessor received a list that is either not sworn to or not signed by the person giving that list as required by section 12-49;

(3) The assessor received a list after the deadline specified by section 12-42 but neglected to fill out a list of the property described and add to the assessment the penalty set by section 12-42 for failing to file before the deadline;

(4) The assessor failed to give the notice required by subsection (c) of section 12-53 after adding property to the list of any person or corporation making a sworn list;

(5) The assessor failed to give the notice required by subsection (c) of section 12-53 after making out a list for a person or corporation that was liable to pay taxes and failed to give a required list;

(6) The assessor failed to assess and set house lots separately in lists as land as required by section 12-42;

(7) The assessor failed to sign any assessment list, or did not sign the assessment list of a town, city or borough collectively but signed the assessment list individually for districts in the town, city or borough;

(8) The assessor failed, as required by subsection (a) of section 12-55, to arrange an assessment list in alphabetical order, or to lodge the list in the required office on or before the day designated by law, or at all;

(9) The assessor decreased valuations after the day on which the assessment list was lodged or was required by law to be lodged in the required office, but before the date on which the

abstract of such list was transmitted or was required to be transmitted to the Secretary of the Office of Policy and Management;

(10) The assessor failed, as required by section 12-42, to fill out a list for any person or corporation that failed to return a required list;

(11) The assessor incorrectly made an assessment list abstract required by subsection (a) of section 12-55;

(12) The assessor failed to compare, sign, return, date or make oath to an abstract of an assessment list of his or her town, as required by law, or omitted from an abstract any part of the list of any person;

(13) The assessor did not take the oath required by law;

(14) The assessor failed to return to a district clerk an assessment list of the district assessment; or

(15) The assessor omitted from the assessment list the taxable property of any person or corporation liable to pay taxes.

(b) An assessment list in any town, city or borough is not invalid as to the taxpayers of the taxing district as a whole because the board of assessment appeals or a member or members of the board committed any one or more of the errors or omissions listed in subdivisions (1) to [(6)] (5), inclusive, of this subsection unless an action contesting the validity of the assessment list is brought within four months after the assessment date and the plaintiff establishes that the error or omission will produce a substantial injustice to the taxpayers as a whole:

(1) A member or members of the board of assessment appeals did not take the oath required by law;

[(2) The board of assessment appeals failed to give notice of the times and places of the meetings as required by section 12-110;]

[(3) (2) The board of assessment appeals held its first meeting on some day other than the day provided by section 12-110, as amended by this act;

[(4) (3) The board of assessment appeals added to the list of any person or corporation any item of taxable property actually owned by the person or corporation without giving the notice required by section 12-111 or 12-115;

[(5) (4) The board of assessment appeals increased the list of any person or corporation, or added to the assessment list the name of any person or corporation, without giving such person or corporation the notice required by section 12-111 or 12-115, and the amount of such list is not excessive or unjust; or

~~[(6)]~~ (5) Any assessment list or abstract thereof is not signed by a member acting on behalf of the board of assessment appeals after having been examined and corrected by the board of assessment appeals.

(c) A tax laid and imposed in any town, city or borough is not invalid as to the taxpayers of the taxing district as a whole because of any one or more of the errors or omissions listed in subdivisions (1) to (5), inclusive, of this subsection unless an action contesting the validity of the tax is brought within four months after the tax is imposed and the plaintiff establishes that the error or omission will produce a substantial injustice to the taxpayers as a whole:

(1) The abstract of an assessment list was not transmitted to the Secretary of the Office of Policy and Management when required;

(2) The proper authorities voted to levy a tax, but failed to fix the time when such tax should become due, and the tax collector has given notice that the taxes were to become due at a certain time;

(3) A rate bill or a bill for taxes for the collection of any tax was not made under the hands of the proper authority according to law;

(4) The selectmen of any town made their rate bill from an assessment list made and corrected by the assessor and board of assessment appeals and lodged in the town clerk's office and disregarded any illegal alteration in the list made after the list and abstract were completed and lodged in the town clerk's office; or

(5) A mistake, irregularity or omission occurred in any of the steps preparatory to the issuance of a rate bill or bill for taxes for any tax, or in the preparation or issuance of such a rate bill or bill for taxes, or in the warrant for collection thereof, provided such mistake, irregularity or omission is not shown by the taxpayer to have made his or her tax materially greater and that notice of the bill has been given to the taxpayer.

Sec. 39. Subdivision (1) of subsection (i) of section 12-157 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(i) (1) If the sale realizes an amount in excess of the amount needed to pay all delinquent taxes, interest, penalties, fees, and costs, the amount of the excess shall be held in an interest-bearing escrow account separate from all other accounts of the municipality. (A) If the property is redeemed prior to the expiration of the redemption period, the amount held in escrow shall, within ten days of the tax collector receiving notice of redemption, be turned over to the purchaser. Any interest earned shall be the property of the municipality. (B) If the property is not redeemed in the redemption period, the amount held in escrow may be used to pay the delinquent taxes, interest, penalties, fees and costs on the same or any other property of the taxpayer, including personal property. [and motor vehicles.] In the case of subparagraph (B) of this subdivision, the tax collector shall, within ten days of the expiration of the redemption period, pay to the clerk of the court for the judicial district in which the property is located the amount held in escrow remaining after paying the delinquent taxes,

interest, fees, penalties and costs owed by the taxpayer to the municipality. The tax collector shall, within five days of the payment, provide notice to the delinquent taxpayer, any mortgagee, lienholder, or other encumbrancer of record whose interest in such property is choate and is affected by the sale, by certified mail, return receipt requested of the name and address of the court to which the moneys were paid, the person's right to file an application with the court for return of said money, and the amount of money paid to the court.

Sec. 40. Section 12-169a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016*):

(a) A municipality, by ordinance adopted by its legislative body, may establish a local scholarship fund to provide financial assistance for postsecondary education for residents of the municipality.

(b) Any municipality which establishes a local scholarship fund pursuant to subsection (a) of this section shall establish a scholarship committee or designate an existing committee in the municipality to select, annually, the scholarship recipients.

(c) A municipality may redesign and designate a place on its municipal [motor vehicle] real property tax bill for taxpayers to check off amounts to donate to the local scholarship fund. The redesign of such tax bill shall be done so as to allow a taxpayer to voluntarily check off and donate an amount of at least one dollar. The donated amount shall not reduce the tax liability but shall be in addition to the amount otherwise due and payable. The redesign of the [motor vehicle] real property tax bill shall be approved by the Office of Policy and Management prior to its use. The municipality may include an insert with its [motor vehicle] real property tax bills which explains the scholarship fund and the check-off provision to the taxpayer. The town treasurer shall deposit all moneys collected as a result of the check-off in the fund and the treasurer may accept donations from other sources for purposes of the fund.

Sec. 41. Section 12-195b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(a) If any personal property tax [, **other than a tax on a motor vehicle,**] due any municipality is not paid within the time limited by any local charter or ordinance, or in the event that the municipality, following the assessment date for such tax, has reason to believe that such tax will not be paid when due, the municipality shall have a lien, upon perfection as hereinafter provided, upon the goods situated in this state and owned by the taxpayer upon the date of perfection, or upon the goods thereafter acquired by the taxpayer. Such lien shall attach and become perfected at the time when notice of such lien is filed pursuant to the filing provisions of part 5 of article 9 of title 42a, except that the signature of the taxpayer against whose property the lien is claimed shall not be required on said notice of lien and, in each case, the notice of lien shall be filed as if the debtor were located in this state. Except as hereinafter provided, upon perfection, such lien shall have priority over all subsequently perfected liens and security interests. Such lien shall not attach to or be applicable to proceeds.

(b) On and after July 1, 1999, and except as otherwise provided by law, a notice of lien upon personal property for taxes payable to a municipality shall, once perfected under part 5 of article 9 of title 42a, have priority over all previously perfected liens and security interests and other encumbrances of record under the Connecticut Uniform Commercial Code. If more than one municipality perfects such a notice of lien on the same day, the priority of such liens shall be determined by the time of day such liens were perfected, and if perfected at the same time, the lien for the highest tax amount shall take precedence. As used in this section, "municipality" means any town, consolidated town and city, consolidated town and borough, borough, district, as defined in section 7-324, and any city not consolidated with a town.

(c) The provisions of this section shall not be construed to create any implication related to the priority of a lien perfected on or before June 30, 1999.

Sec. 42. Subsection (b) of section 14-15a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(b) (1) If the commissioner finds, upon investigation, that any motor vehicle available for lease or rental in this state has been registered in another state for the purpose of evading, or the effect of which is the avoidance of, the motor vehicle laws of this state, for the purposes of paying a lower registration fee or evading the payment of any tax levied by this state or any Connecticut municipality, said commissioner may, in said commissioner's discretion, (A) prohibit the lease or rental of any such motor vehicle in this state, (B) require that such motor vehicle be registered in this state in accordance with the provisions of section 14-12, (C) suspend or revoke a license to engage in such leasing or renting issued under the provisions of section 14-15, or (D) require a licensee to furnish a bond in the amount of one thousand dollars for each vehicle registered in another state. (2) If the commissioner finds, upon investigation, that any licensee has failed to satisfy its obligations for payment of [municipal property taxes] [the motor vehicle tax imposed under section 21 of this act](#), the commissioner may, thirty days after the issuance of notice to such licensee, and after notice and an opportunity for a hearing in accordance with the provisions of chapter 54, suspend such license until all such obligations are satisfied.

Sec. 43. Subsections (c) and (d) of section 14-16 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2016*):

(c) If the owner of a registered motor vehicle dies, the registration for the vehicle shall, unless the vehicle is destroyed, continue in force as a valid registration until the end of the registration period unless: (1) Ownership of the vehicle is transferred pursuant to subsection (b) of this section or by the deceased owner's executor, administrator, legatee or distributee prior to the end of the registration period, in which case the registration shall continue in force until the time of the transfer; or (2) ownership of the vehicle is transferred to the brother, sister, father, mother, child or spouse of the owner, in which case the registration shall, upon the payment of a fee of twenty dollars, continue in force until the end of the registration period or until the ownership is sooner transferred to a person other than such a

relative. If at the end of the registration period the relative has not transferred ownership of the vehicle and the relative applies for registration of the vehicle, the registration shall not be subject to the provisions of subsection (a) of section [12-71b] [24 of this act](#).

(d) If a motor vehicle is transferred in connection with the organization, reorganization or dissolution, or because of the partial liquidation, of an incorporated or unincorporated business in which gain or loss to the transferor is not recognized for federal income tax purposes under the Internal Revenue Code and Treasury regulations and rulings issued thereunder, the registration of the vehicle shall, upon the payment of a fee of twenty dollars, continue in force until the end of the registration period or until the registration is sooner transferred to anyone outside the original business organization. If the transferee of the motor vehicle has not transferred ownership of the motor vehicle to anyone outside the original business organization at the end of the registration period and the transferee applies for a registration for the vehicle, the registration shall not be subject to the provisions of subsection (a) of section [12-71b] [24 of this act](#).

Sec. 44. Section 14-33 of the general statutes, as amended by section 1 of public act 14-19, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(a) If any property tax, or any installment thereof, laid by any city, town, borough or other taxing district upon a registered motor vehicle or snowmobile remains unpaid, the [**tax collector of such city, town, borough or other taxing district**] [Commissioner of Revenue Services](#) shall notify the Commissioner of Motor Vehicles of such delinquency in accordance with subsection (e) of this section and guidelines and procedures established by the commissioner. The [**commissioner**] [Commissioner of Motor Vehicles](#) shall not issue registration for such motor vehicle or snowmobile for the next registration period if, according to the commissioner's records, it is then owned by the person against whom such tax has been assessed or by any person to whom such vehicle has not been transferred by bona fide sale. Unless notice has been received by the commissioner under the provisions of section 14-33a, [as amended by this act](#), no such registration shall be issued until the commissioner receives notification that the tax obligation has been legally discharged; nor shall the commissioner register any other motor vehicle, snowmobile, all-terrain vehicle or vessel in the name of such person, except that the commissioner may continue to register other vehicles owned by a leasing or rental firm licensed pursuant to section 14-15, and may issue such registration to any private owner of three or more paratransit vehicles in direct proportion to the percentage of total tax due on such vehicles which has been paid and notice of payment on which has been received. The Commissioner of Motor Vehicles may immediately suspend or cancel all motor vehicle, snowmobile, all-terrain vehicle or vessel registrations issued in the name of any person (1) who has been reported as delinquent and whose registration was renewed through an error or through the production of false evidence that the delinquent tax on any motor vehicle or snowmobile had been paid, or (2) who has been reported by [**a tax collector**] [the Commissioner of Revenue Services](#) as having paid [**a property**] [the motor vehicle](#) tax on a motor vehicle or snowmobile with a check which was dishonored by a bank and such tax remains unpaid. Any person aggrieved by any action of the [**commissioner**] [Commissioner of Motor Vehicles](#) under this section may

appeal therefrom in the manner provided in section 14-134. For the purposes of this subsection, "paratransit vehicle" means a motor bus, taxicab or motor vehicle in livery service operated under a certificate of convenience and necessity issued by the Department of Transportation or by a transit district and which is on call or demand or used for the transportation of passengers for hire.

(b) Notwithstanding the provisions of subsection (a) of this section, the Commissioner of Motor Vehicles, in consultation with the Treasurer and the Secretary of the Office of Policy and Management, may enter into an agreement with the [tax collector of any city, town, borough or other taxing district] [Commissioner of Revenue Services](#) whereby the [commissioner] [Commissioner of Motor Vehicles](#) shall collect any property tax or any installment thereof on a registered motor vehicle which remains unpaid from any person against whom such tax has been assessed who makes application for registration for such motor vehicle. Each such agreement shall include a procedure for the remission of taxes collected to the [city, town, borough or other taxing district,] [Commissioner of Revenue Services](#) on a regular basis. [, and may provide that a fee be paid by the city, town, borough or other taxing district to the commissioner to cover any costs associated with the administration of the agreement.] In the event an agreement is in effect, the [commissioner] [Commissioner of Motor Vehicles](#) shall immediately issue a registration for a motor vehicle owned by a person against whom such tax has been assessed upon receipt of payment of such tax and a service fee of two dollars, in addition to the fee prescribed for the renewal of the registration.

(c) On and after March 1, 1989, any municipality may participate in a program administered by the Commissioner of Motor Vehicles to facilitate the payment of fines for parking violations. If any such municipality elects to participate in such program, it shall provide for a notice of violation to be served personally upon the operator of a motor vehicle who is present at the time of service. If the operator is not present, the notice shall be served upon the owner of the motor vehicle by affixing notice to said vehicle in a conspicuous place. In the case of any motor vehicle that is leased or rented by the owner, not more than thirty days after the initial notice of a parking violation for which a fine remains unpaid at such time, a second notice of violation shall be mailed to the address of record of the owner leasing or renting the motor vehicle to such operator. No fines or penalties shall accrue to the owner of such rented or leased vehicle for the violation for a period of sixty days after the second notice is mailed. Upon receipt of such notification, the owner of such rented or leased vehicle may notify the municipality as to whom the lessee was at the time of such issuance of the notice of violation, the lessee's address, motor vehicle operator's license number and state of issuance, and the municipality shall issue such notice of violation to such lessee. A participating municipality shall notify the commissioner of every owner of a registered motor vehicle who has unpaid fines for more than five parking violations committed within such municipality on and after March 1, 1989. Upon receipt of such notification, the commissioner shall not issue or renew the motor vehicle registration of such person until he receives notification from such municipality that the delinquent fines have been paid.

(d) The provisions of subsection (c) of this section shall not apply to any person, firm or corporation engaged in the business of leasing or renting motor vehicles without drivers in this state with respect to any motor vehicle which is leased or rented. The commissioner shall adopt regulations, in accordance with chapter 54, to implement the provisions of subsection (c) of this section.

(e) The [tax collector of a city, town, borough or other district] [Commissioner of Revenue Services](#) shall, at least once during each calendar month, notify the Commissioner of Motor Vehicles of any outstanding delinquent [property] [motor vehicle](#) tax payment or installment thereof for a registered motor vehicle or snowmobile. If a tax collector fails to provide such notice to the commissioner, the commissioner shall not be required to deny the issuance of a registration, pursuant to subsection (a) of this section, to the person against whom such tax has been assessed by said city or town, or by a borough or other taxing district located therein.

(f) Any city, town, borough or other taxing district that notifies the commissioner of [(1) a delinquency in accordance with subsection (a) of this section, or (2)] an owner of a registered motor vehicle who has unpaid fines for more than five parking violations in accordance with subsection (c) of this section, may participate in a program to issue temporary registrations for passenger motor vehicles on behalf of the commissioner to persons whose registrations have been denied, and who subsequently make full payment to the city, town, borough or other taxing district for the amounts owed under said subsections. A participating city, town, borough or other taxing district shall issue such temporary registrations in accordance with subsection (i) of section 14-12 and shall retain the fees authorized in subsection (n) of section 14-49 for such registrations. The commissioner may adopt regulations in accordance with chapter 54 to carry out the provisions of this subsection.

Sec. 45. Section 14-33a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

When a taxpayer who was reported to the Commissioner of Motor Vehicles as delinquent in taxes by [a tax collector] [the Commissioner of Revenue Services](#) in accordance with section 14-33, [as amended by this act](#), is no longer delinquent, the [tax collector] [Commissioner of Revenue Services](#) shall immediately notify the Commissioner of Motor Vehicles in accordance with guidelines and procedures established by the [commissioner] [Commissioner of Motor Vehicles](#). [No tax collector shall] [The Commissioner of Revenue Services shall not](#) knowingly submit a false report to the Commissioner of Motor Vehicles that a motor vehicle tax is no longer delinquent pursuant to this section.

Sec. 46. Subsection (c) of section 14-34a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(c) Notwithstanding any such agreement or plan, (1) any such commercial vehicle garaged at any fixed location or which leaves from and returns to one or more points within this

state in the normal course of operations, shall be taxable in this state; [as personal property in the town where such vehicle is garaged;] (2) registration shall be denied any such vehicle if any [personal property] taxes are unpaid with respect to such vehicle, as provided in section 14-33, as amended by this act; (3) any such vehicle based in this state shall be subject to the provisions of sections 14-12, 14-15, 14-15a, as amended by this act, 14-16a and chapter 247.

Sec. 47. Section 14-163 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(a) The commissioner shall compile information concerning motor vehicles [and snowmobiles subject to property taxation pursuant to section 12-71] and snowmobiles subject to the motor vehicle tax imposed under section 21 of this act using the records of the Department of Motor Vehicles and information reported by owners of motor vehicles and snowmobiles. [In addition to any other information the owner of a motor vehicle or snowmobile is required to file with the commissioner by law, such owner shall provide the commissioner with the name of the town in which such owner's motor vehicle or snowmobile is to be set in the list for property tax purposes, pursuant to section 12-71.] On or before December 1, [2004] 2015, and annually thereafter, the commissioner shall provide to [each assessor in this state] the Secretary of the Office of Policy and Management and the Commissioner of Revenue Services a list identifying motor vehicles and snowmobiles that are subject to [property taxation in each such assessor's town] the motor vehicle property tax pursuant to section 21 of this act. Said list shall include the names and addresses of the owners of such motor vehicles and snowmobiles, and the vehicle identification numbers for all such vehicles for which such numbers are available.

(b) On or before October 1, [2004] 2017, and annually thereafter, the commissioner shall provide to [each assessor in this state] the Secretary of the Office of Policy and Management and the Commissioner of Revenue Services a list identifying motor vehicles and snowmobiles [in each such assessor's town] that were registered subsequent to the first day of October of the assessment year immediately preceding, but prior to the first day of August in such assessment year, and that are subject to [property taxation] the motor vehicle property tax imposed pursuant to section 21 of this act on a supplemental list pursuant to section [12-71b] 24 of this act. In addition to the information for each such [vehicle and] snowmobile specified under subsection (a) of this section that is available to the commissioner, the list provided under this subsection shall include a code related to the date of registration of each such [vehicle or] snowmobile.

[(c) No assessor or tax collector shall disclose any information contained in any list provided by the commissioner pursuant to subsections (a) and (b) of this section if the commissioner is not required to provide such information or if such information is protected from disclosure under state or federal law.]

Sec. 48. Section 14-192 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(a) The commissioner shall be paid the following fees: (1) For filing an application for a certificate of title, twenty-five dollars; (2) for each security interest noted upon a certificate of title or maintained in the electronic title file pursuant to subsection (b) of section 14-175, ten dollars; (3) for each record copy search, twenty dollars; (4) for each assignment of a security interest noted upon a certificate of title or maintained in the electronic title file, ten dollars; (5) for an application for a replacement certificate of title, twenty-five dollars, provided such fee shall not be required for any such replacement certificate of title (A) which is requested on a form prepared and signed by the **[assessor in any town]** [Commissioner of Revenue Services](#) for purposes of such proof of ownership of a motor vehicle as may be required in accordance with section **[12-71b]** [24 of this act for purposes of the motor vehicle tax imposed pursuant to section 21 of this act](#), or (B) in connection with an application submitted by a licensed dealer in accordance with the provisions of subsection (c) of section 14-12 or section 14-61; (6) for an ordinary certificate of title issued upon surrender of a distinctive certificate, ten dollars; (7) for filing a notice of security interest, ten dollars; (8) for a certificate of search of the records of the Department of Motor Vehicles, for each name or identification number searched against, twenty dollars; (9) for filing an assignment of security interest, ten dollars; (10) for search of a motor vehicle certificate of title record, requested by a person other than the owner of such motor vehicle, twenty dollars; and (11) for a bond filing under section 14-176, twenty-five dollars.

(b) If an application, certificate of title or other document required to be mailed or delivered to the commissioner under any provision of this chapter is not delivered to the commissioner within ten days from the time it is required to be mailed or delivered, the commissioner shall collect, as a penalty, an amount equal to the fee required for the transaction.

(c) Motor vehicles leased to an agency of this state and motor vehicles owned by the state, an agency of the state, or a municipality, as defined in section 7-245, shall be exempt from the fees imposed by this section.

Sec. 49. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) The following terms, when used in sections 51 to 54, inclusive, of this act have the following meanings, unless the context otherwise requires:

(1) "Administrative auditor" means the person selected pursuant to section 50 of this act;

(2) "Average fiscal capacity" means the assessed value of all real property in all municipalities within the planning region combined, including property eligible for grants pursuant to sections 12-19a and 12-20a of the general statutes, divided by the total population of all municipalities of the region combined;

(3) "Base year" means the assessment year commencing October 1, 2013;

(4) "Commercial and industrial property" means (A) real property used for the sale of goods or services, including, but not limited to, nonresidential living accommodations, dining establishments, motor vehicle services, warehouses and distribution facilities, retail services, banks, office buildings, multipurpose buildings wherein one or more occupations are conducted, commercial condominiums for retail or wholesale use, recreation facilities, entertainment facilities, airports, hotels and motels, and (B) real property used for production and fabrication of durable and nondurable man-made goods from raw materials or compounded parts. Commercial and industrial property includes the lot or land on which a building is situated and accessory improvements located thereon, including, but not limited to, pavement and storage buildings. Commercial and industrial property does not include real property located in an enterprise zone;

(5) "Increase from base year" means the total assessed value of all commercial and industrial property within a municipality for the current year less the total assessed value of all commercial and industrial property within a municipality for the base year;

(6) "Municipality" means any town, city, borough, consolidated town and city or consolidated town and borough;

(7) "Municipal base value" means the total assessed value of commercial and industrial property within a municipality for the base year;

(8) "Municipal commercial industrial mill rate" means:

|    |  |   |            |
|----|--|---|------------|
| T1 | .4 X increase from base year X regional mill rate  | + |            |
| T2 | .6 X increase from base year X municipal mill rate | + |            |
| T3 | effective July 1 of the current year               |   |            |
| T4 | Municipal base value X municipal mill rate         |   | Municipal  |
| T5 | effective July 1 of the current year               | = | commercial |
| T6 |  |   | industrial |
| T7 | Total value  |   | mill rate  |

(9) "Municipal contribution to the area-wide tax base" means:

T8 regional Municipal

T9 Increase from base year X.4 X mill = contribution

T10 1000 rate to area-wide

T11 tax base

(10) "Municipal fiscal capacity" means the assessed value of all real property within a municipality, including property eligible for grants pursuant to section 1 of this act, and sections 12-19a and 12-20a of the general statutes, divided by the population of such municipality;

(11) "Municipal distribution index" means:

T12 Average Fiscal Capacity Municipal

T13 Municipal Population X Municipal Fiscal = Distribution

T14 Capacity Index

(12) "Planning region" means a planning region of the state as defined or redefined by the Secretary of the Office of Policy and Management, or his or her designee, under the provisions of section 16a-4a of the general statutes;

(13) "Population" means the number of persons residing in a municipality according to the most recent federal decennial census, except that, in intervening years between such censuses, "population" means the number of persons according to the most recent estimate made, pursuant to section 19a-2a of the general statutes, by the Department of Public Health, with patients and inmates of state hospitals, institutions of correction, and other state institutions excluded;

(14) "Regional mill rate" means the average mill rate of all municipalities within its respective planning region as of January first as calculated by the administrative auditor for such planning region and verified by the Secretary of the Office of Policy and Management; and

(15) "Total value" means the total assessed value of commercial and industrial property within a municipality for the current tax year.

Sec. 50. (NEW) (*Effective October 1, 2015*) (a) On or before August first and each subsequent even-numbered year thereafter, the regional council of governments, established pursuant to section 4-124j of the general statutes, for each planning region shall meet and elect from among their number one member to serve as administrative auditor for a period of two years and until a successor is elected. If a majority is unable to agree upon a person to serve as administrative auditor, the Secretary of the Office of Policy and Management shall appoint one member from among the council's members. If the administrative auditor ceases to serve as a member within the planning region during the term for which elected or appointed, a successor shall be chosen in the same manner as provided in this subsection for the original selection, to serve for the unexpired term.

(b) The administrative auditor shall utilize the staff and facilities of the planning region. The planning region shall be reimbursed for the marginal expenses incurred by its staff by contribution from each other municipality in the planning region in an amount which bears the same proportion of the total expenses as the population such municipality bears to the total population of the planning region. The administrative auditor shall annually, on or before February first, certify the amounts of total expense for the preceding calendar year, and the share of each municipality, to the treasurer or other fiscal officer of each municipality within the planning region. Payment shall be made by the treasurer or other fiscal officer of each municipality to the treasurer or other fiscal officer of the planning region on or before the succeeding March first.

Sec. 51. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) Notwithstanding any provision of any general statute, public act or special act, a municipality's municipal commercial industrial mill rate shall be the mill rate used to determine the amount of taxes imposed on commercial and industrial property within such municipality, unless there is no increase from the base year, in which case the municipal mill rate shall be used.

Sec. 52. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) There is established a regional property tax base revenue sharing system. On and after January 1, 2017, the tax collector of each municipality within a planning region shall remit its municipal contribution to the area-wide tax base, not later than February first, annually, to the administrative auditor for the planning region in which such municipality is located. The administrative auditor shall distribute such revenue to each municipality within the planning region pursuant to section 53 of this act.

Sec. 53. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) The administrative auditor of each planning region shall distribute the moneys remitted to such auditor pursuant to section 52 of this act to each municipality on or before March first, annually, in an amount which bears the same proportion as such municipality's municipal distribution index bears to the total of all municipal distribution indices within such planning region. The revenue distributed to a municipality under this section shall be used by a municipality in the same manner and for the same purposes as the proceeds from taxes on real property levied by the municipality.

Sec. 54. Section 47-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

[Each estate, given in fee tail, shall be an absolute estate in fee simple to the issue of the first donee in tail.] Each estate given in fee tail shall be an absolute estate in fee simple to the named grantee.

Sec. 55. Sections 7-328b, 12-71b, 12-71c, 12-71d, 12-81c, 12-122a, 12-129s and 12-144a of the general statutes are repealed. (*Effective October 1, 2016*)

|   |                     |                 |
|---|---------------------|-----------------|
| This act shall take effect as follows and shall amend the following sections: |                     |                 |
| Section 1   | <i>July 1, 2016</i> | New section     |
| Sec. 2  | <i>July 1, 2016</i> | 12-19b          |
| Sec. 3  | <i>July 1, 2016</i> | 12-19c          |
| Sec. 4  | <i>July 1, 2016</i> | 12-20b          |
| Sec. 5  | <i>July 1, 2016</i> | 12-63h(a)       |
| Sec. 6  | <i>July 1, 2016</i> | 12-64(b)        |
| Sec. 7  | <i>July 1, 2016</i> | 3-55j(a) to (d) |
| Sec. 8  | <i>July 1, 2016</i> | 4b-38(g)        |
| Sec. 9  | <i>July 1, 2016</i> | 4b-39           |
| Sec. 10   | <i>July 1, 2016</i> | 4b-46           |
| Sec. 11   | <i>July 1, 2016</i> | 10a-90          |

|         |   |                   |
|---------|---|-------------------|
| Sec. 12 | <i>July 1, 2016</i>   | 10a-91(b)         |
| Sec. 13 | <i>July 1, 2016</i>   | 15-101dd          |
| Sec. 14 | <i>July 1, 2016</i>   | 22-26jj(c)        |
| Sec. 15 | <i>July 1, 2016</i>   | 22-26oo(c)        |
| Sec. 16 | <i>July 1, 2016</i>   | 22a-282           |
| Sec. 17 | <i>July 1, 2016</i>   | 23-30             |
| Sec. 18 | <i>July 1, 2016</i>   | 32-610            |
| Sec. 19 | <i>July 1, 2016</i>   | 32-666(a) and (b) |
| Sec. 20 | <i>July 1, 2016</i>   | 12-62m(a)         |
| Sec. 21 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | New section       |
| Sec. 22 | <i>from passage</i>   | New section       |
| Sec. 23 | <i>October 1, 2016</i>  | New section       |
| Sec. 24 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | New section       |
| Sec. 25 | <i>October 1, 2016, and applicable to assessment</i>  | New section       |

|         |   |             |
|---------|---|-------------|
|         | <i>years commencing on or after October 1, 2016</i>   |             |
| Sec. 26 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | New section |
| Sec. 27 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-24b      |
| Sec. 28 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-41       |
| Sec. 29 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-43       |
| Sec. 30 | <i>October 1, 2016</i>  | 12-57       |
| Sec. 31 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-71       |
| Sec. 32 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-81(53)   |
| Sec. 33 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-81(74)   |

|         |   |              |
|---------|---|--------------|
| Sec. 34 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-81h       |
| Sec. 35 | <i>October 1, 2016</i>  | 12-95        |
| Sec. 36 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-110       |
| Sec. 37 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-112       |
| Sec. 38 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-121f      |
| Sec. 39 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-157(i)(1) |
| Sec. 40 | <i>October 1, 2016</i>  | 12-169a      |
| Sec. 41 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-195b      |
| Sec. 42 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 14-15a(b)    |

|         |   |                  |
|---------|---|------------------|
| Sec. 43 | <i>October 1, 2016</i>  | 14-16(c) and (d) |
| Sec. 44 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 14-33            |
| Sec. 45 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 14-33a           |
| Sec. 46 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 14-34a(c)        |
| Sec. 47 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 14-163           |
| Sec. 48 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 14-192           |
| Sec. 49 | <i>October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015</i> | New section      |
| Sec. 50 | <i>October 1, 2015</i>  | New section      |
| Sec. 51 | <i>October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015</i> | New section      |

|         |   |                  |
|---------|---|------------------|
| Sec. 52 | <i>October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015</i> | New section      |
| Sec. 53 | <i>October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015</i> | New section      |
| Sec. 54 | <i>October 1, 2015</i>  | 47-3             |
| Sec. 55 | <i>October 1, 2016</i>  | Repealer section |

**PD***Joint Favorable Subst. C/R***FIN**



John Salomone  
Town Manager

# TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

## Finance Department

Ann J. Harter  
Director of Finance

### Memorandum

**To:** John Salomone, Town Manager  
**From:** Ann Harter, Director of Finance AH  
**Date:** May 22, 2015  
**Re:** Administrative, Municipal & Police Defined Benefit Pension Plans

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Becky Sielman, Principal & Consulting Actuary from Milliman and Marc Shegoski, Senior Institutional Consultant of UBS Institutional Consulting Group will be in attendance at the May 26th Town Council meeting to review the Town's Administrative, Municipal & Police Defined Benefit Pension Plans. The review will include the following:

- July 1, 2014 Valuation Results
- Historical Funding
- Long-Range Forecast
- Investment Portfolio

Additionally, in accordance with the recently issued Government Accounting Standard Board (GASB) Statement No. 67 & 68, I am suggesting the Town adopt the attached Funding Policy. The policy provides guidelines to determine the Town's annual funding contribution. The Funding Policy was presented and endorsed by the Employee Insurance and Pension Benefits (EIPB) Committee at their March 9<sup>th</sup> meeting. As a matter of reference, I have included two publications 1) *GFOA Best Practice: Guidelines for Funding Defined Benefit Pensions* and 2) *Pension Funding: A Guide for Elected Officials*.

A resolution to adopt the Funding Policy will be presented at the June 9<sup>th</sup> Town Council meeting.

# Biography

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**Rebecca A. Sielman** FSA, MAAA, EA  
*Principal, Consulting Actuary*



## Current Responsibility

Becky Sielman has been with Milliman's pension consulting practice since 1986 and is a Principal of the firm.

## Experience

Becky has done extensive technical and consulting work in all aspects of defined benefit pension plans, including actuarial valuations, experience studies, accounting calculations, plan design studies, and employee communications. She specializes in using complex interactive models to assist clients in understanding and managing their retirement programs. She is also a leading expert and frequent speaker on GASB 45 and GASB 67 issues. Becky is the lead author of Milliman's Public Pension Funding Study, which explores the funded status of the 100 largest US public pension plans.

Becky currently serves on the Connecticut Municipal Finance Advisory Commission.

In Connecticut, Becky is the primary pension actuary for the towns of Avon, Cheshire, Chester, East Hampton, East Windsor, Farmington, Granby, Madison, New Fairfield, Newington, Norwalk, North Branford, Simsbury, Stratford, Southbury, West Hartford, Westport, Wethersfield, Windham, and Windsor, and she is the backup pension actuary for Bristol, Clinton, Glastonbury, New Britain, Old Saybrook, Orange, Plymouth, and West Haven.

## Professional Designations

Fellow, Society of Actuaries  
Member, American Academy of Actuaries  
Enrolled Actuary, ERISA

## Education

BA, Swarthmore College



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Direct +1 860 687.0125  
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## TOWN OF NEWINGTON PENSION PLANS

### JULY 1, 2014 VALUATIONS Summary of Principal Results

|   | Administrative | Municipal        | Police           | Total            |
|---|----------------|------------------|------------------|------------------|
| <b>Membership as of July 1, 2014</b>                  |                |                  |                  |                  |
| Active Members  | 10             | 114              | 58               | 182              |
| Terminated Vested Members                             | 2              | 9                | 0                | 11               |
| Members in Pay Status                                 | 33             | 181              | 68               | 282              |
| Total Members   | 45             | 304              | 126              | 475              |
| <br>Payroll   | <br>\$864,498  | <br>\$7,037,357  | <br>\$5,765,839  | <br>\$13,667,694 |
| <b>Assets and Liabilities as of July 1, 2014</b>      |                |                  |                  |                  |
| Market Value of Assets                                | \$5,843,728    | \$22,813,406     | \$33,973,643     | \$62,630,777     |
| Actuarial Value of Assets                             | 5,426,265      | 21,260,237       | 31,673,813       | 58,360,315       |
| <br>Accrued Liability for Active Members              | <br>2,743,115  | <br>19,584,713   | <br>16,548,639   | <br>38,876,467   |
| Accrued Liability for Terminated Vested Members       | 384,670        | 469,385          | 0                | 854,055          |
| Accrued Liability for Members in Pay Status           | 8,508,711      | 21,014,171       | 39,057,966       | 68,580,848       |
| Total Accrued Liability                               | 11,636,496     | 41,068,269       | 55,606,605       | 108,311,370      |
| <br>Unfunded Accrued Liability                        | <br>6,210,231  | <br>19,808,032   | <br>23,932,792   | <br>49,951,055   |
| <br>Funded Ratio                                      | <br>46.6%      | <br>51.8%        | <br>57.0%        | <br>53.9%        |
| <b>Actuarially Determined Contribution for FY2016</b> |                |                  |                  |                  |
| Net Normal Cost                                       | \$28,496       | \$280,140        | \$727,185        | \$1,035,821      |
| Past Service Cost/(Credit)                            | <u>420,902</u> | <u>1,342,502</u> | <u>2,611,100</u> | <u>4,374,504</u> |
| Actuarially Determined Contribution                   | 449,398        | 1,622,642        | 3,338,285        | 5,410,325        |

July 1, 2014 Actuarial Valuation

Town of Newington Pension Plans

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Milliman Actuarial Valuation

**PENSION PLANS - HISTORICAL FUNDING**  
**Based on July 1, 2014 Valuations**

| Actuarial Valuation Date | (1)<br>Actuarial Value of Assets | (2)<br>Actuarial Accrued Liability | (3)<br>Unfunded Accrued Liability (2) - (1) | (4)<br>Funded Ratio (1) / (2) | For Fiscal Year | (5)<br>Actuarially Determined Contribution | (6)<br>Actual Town Contribution | (7)<br>Percent Funded (5) / (6) |
|--------------------------|----------------------------------|------------------------------------|---|-------------------------------|-----------------|--|---------------------------------|---------------------------------|
| 07/01/2005               | \$48,440,315                     | \$67,953,249                       | \$19,512,934                                | 71.3%                         | 2006-07         | \$2,180,481                                | \$2,180,481                     | 100%                            |
| 07/01/2006               | 50,163,865                       | 70,824,574                         | 20,660,709                                  | 70.8%                         | 2007-08         | 2,293,643                                  | 2,293,643                       | 100%                            |
| 07/01/2007               | 53,664,414                       | 74,550,539                         | 20,886,125                                  | 72.0%                         | 2008-09         | 2,361,779                                  | 2,361,779                       | 100%                            |
| 07/01/2008               | 56,495,050                       | 80,260,486                         | 23,765,436                                  | 70.4%                         | 2009-10         | 2,690,870                                  | 2,690,870                       | 100%                            |
| 07/01/2009               | 55,780,444                       | 85,219,568                         | 29,439,124                                  | 65.5%                         | 2010-11         | 3,255,717                                  | 3,255,717                       | 100%                            |
| 07/01/2010               | 55,015,997                       | 88,196,364                         | 33,180,367                                  | 62.4%                         | 2011-12         | 3,619,705                                  | 3,619,705                       | 100%                            |
| 07/01/2011               | 52,483,132                       | 94,448,739                         | 41,965,607                                  | 55.6%                         | 2012-13         | 4,123,178                                  | 4,923,178                       | 84%                             |
| 07/01/2012               | 51,545,859                       | 96,755,411                         | 45,209,552                                  | 53.3%                         | 2013-14         | 4,496,826                                  | 4,496,826                       | 100%                            |
| 07/01/2013               | 53,593,089                       | 104,603,750                        | 51,010,661                                  | 51.2%                         | 2014-15         | 5,225,599                                  | TBD                             | TBD                             |
| 07/01/2014               | 58,360,315                       | 108,311,370                        | 49,951,055                                  | 53.9%                         | 2015-16         | 5,410,325                                  | TBD                             | TBD                             |

July 1, 2014 Actuarial Valuation  
Town of Newington Pension Plans

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Milliman Actuarial Valuation

**PENSION PLANS - LONG RANGE FORECAST**  
**Based on July 1, 2014 Valuations**

This forecast is based on the results of the July 1, 2014 actuarial valuations and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

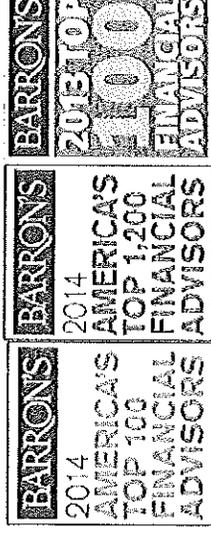
| Valuation Date | Interest Rate | Values as of the Valuation Date |                           |                            |              | Cash Flows Projected to the Following Fiscal Year |                    |                        |                  |                |
|----------------|---------------|---------------------------------|---------------------------|----------------------------|--------------|---|--------------------|------------------------|------------------|----------------|
|                |               | Accrued Liability               | Actuarial Value of Assets | Unfunded Accrued Liability | Funded Ratio | Fiscal Year Ending                                | Town Contributions | Employee Contributions | Benefit Payments | Net Cash Flows |
| 7/1/2014       | 7.500%        | \$108,311,370                   | \$58,360,315              | \$49,951,055               | 53.9%        | 2016  | \$5,410,325        | \$779,000              | (\$6,999,000)    | (\$809,675)    |
| 7/1/2015       | 7.375%        | 113,325,000                     | 64,389,000                | 48,936,000                 | 56.8%        | 2017  | 5,536,000          | 768,000                | (7,237,000)      | (933,000)      |
| 7/1/2016       | 7.250%        | 117,840,000                     | 68,846,000                | 48,994,000                 | 58.4%        | 2018  | 5,828,000          | 757,000                | (7,521,000)      | (936,000)      |
| 7/1/2017       | 7.125%        | 122,355,000                     | 74,295,000                | 48,060,000                 | 60.7%        | 2019  | 6,082,000          | 736,000                | (7,809,000)      | (991,000)      |
| 7/1/2018       | 7.000%        | 126,830,000                     | 79,519,000                | 47,311,000                 | 62.7%        | 2020  | 6,430,000          | 723,000                | (8,154,000)      | (1,001,000)    |
| 7/1/2019       | 6.875%        | 131,259,000                     | 84,009,000                | 47,250,000                 | 64.0%        | 2021  | 6,939,000          | 705,000                | (8,472,000)      | (828,000)      |
| 7/1/2020       | 6.750%        | 135,519,000                     | 88,696,000                | 46,823,000                 | 65.4%        | 2022  | 7,553,000          | 695,000                | (8,757,000)      | (509,000)      |
| 7/1/2021       | 6.750%        | 137,840,000                     | 93,772,000                | 44,068,000                 | 68.0%        | 2023  | 7,938,000          | 681,000                | (9,044,000)      | (425,000)      |
| 7/1/2022       | 6.750%        | 139,956,000                     | 99,520,000                | 40,436,000                 | 71.1%        | 2024  | 8,303,000          | 668,000                | (9,349,000)      | (378,000)      |
| 7/1/2023       | 6.750%        | 141,862,000                     | 105,741,000               | 36,121,000                 | 74.5%        | 2025  | 8,758,000          | 656,000                | (9,642,000)      | (228,000)      |
| 7/1/2024       | 6.750%        | 143,547,000                     | 112,428,000               | 31,119,000                 | 78.3%        | 2026  | 9,512,000          | 642,000                | (9,924,000)      | 230,000        |
| 7/1/2025       | 6.750%        | 145,006,000                     | 119,719,000               | 25,287,000                 | 82.6%        | 2027  | 4,767,000          | 632,000                | (10,200,000)     | (4,801,000)    |
| 7/1/2026       | 6.750%        | 146,232,000                     | 127,975,000               | 18,257,000                 | 87.5%        | 2028  | 3,057,000          | 625,000                | (10,460,000)     | (6,778,000)    |
| 7/1/2027       | 6.750%        | 147,214,000                     | 131,585,000               | 15,629,000                 | 89.4%        | 2029  | 3,172,000          | 627,000                | (10,610,000)     | (6,811,000)    |
| 7/1/2028       | 6.750%        | 147,962,000                     | 133,393,000               | 14,569,000                 | 90.2%        | 2030  | 3,301,000          | 616,000                | (10,803,000)     | (6,886,000)    |
| 7/1/2029       | 6.750%        | 148,612,000                     | 135,287,000               | 13,325,000                 | 91.0%        | 2031  | 3,444,000          | 611,000                | (11,047,000)     | (6,992,000)    |
| 7/1/2030       | 6.750%        | 149,075,000                     | 137,227,000               | 11,848,000                 | 92.1%        | 2032  | 3,602,000          | 611,000                | (11,209,000)     | (6,996,000)    |
| 7/1/2031       | 6.750%        | 149,304,000                     | 139,187,000               | 10,117,000                 | 93.2%        | 2033  | 3,787,000          | 608,000                | (11,383,000)     | (6,988,000)    |
| 7/1/2032       | 6.750%        | 149,385,000                     | 141,274,000               | 8,111,000                  | 94.6%        | 2034  | 4,014,000          | 606,000                | (11,569,000)     | (6,949,000)    |
| 7/1/2033       | 6.750%        | 149,285,000                     | 143,506,000               | 5,779,000                  | 96.1%        | 2035  | 4,322,000          | 613,000                | (11,677,000)     | (6,742,000)    |

For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility.

July 1, 2014 Actuarial Valuation  
 Town of Newington Pension Plans

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# Introduction to our Team:



## **L. Marc Shegoski, Senior Institutional Consultant**

- Marc has 33 years of investment consulting, portfolio management, and trading experience. Marc specializes in asset allocation, manager due diligence, portfolio construction, equity and fixed income trading. Marc was a partner in the development of the UBS Institutional Consulting Group, previously named PRIME Asset Consulting at Paine Webber & Kidder Peabody. Additionally, Marc was a founding partner of a New York Stock Exchange firm, a Director of the Office State Courts Administrator for the State of Missouri, and a Consultant to the Special Investigation Commission of the New Jersey Senate.
- Marc holds a Masters of Science with highest honors from the Harry S. Truman School of Government at the University of Missouri – Columbia, which he attended under a National Presidential Fellowship. Marc also holds a BA from Rutgers College, graduating with Distinction.

## **Ashley Martella, CFP®, CFA®, Senior Vice President – Wealth Management**

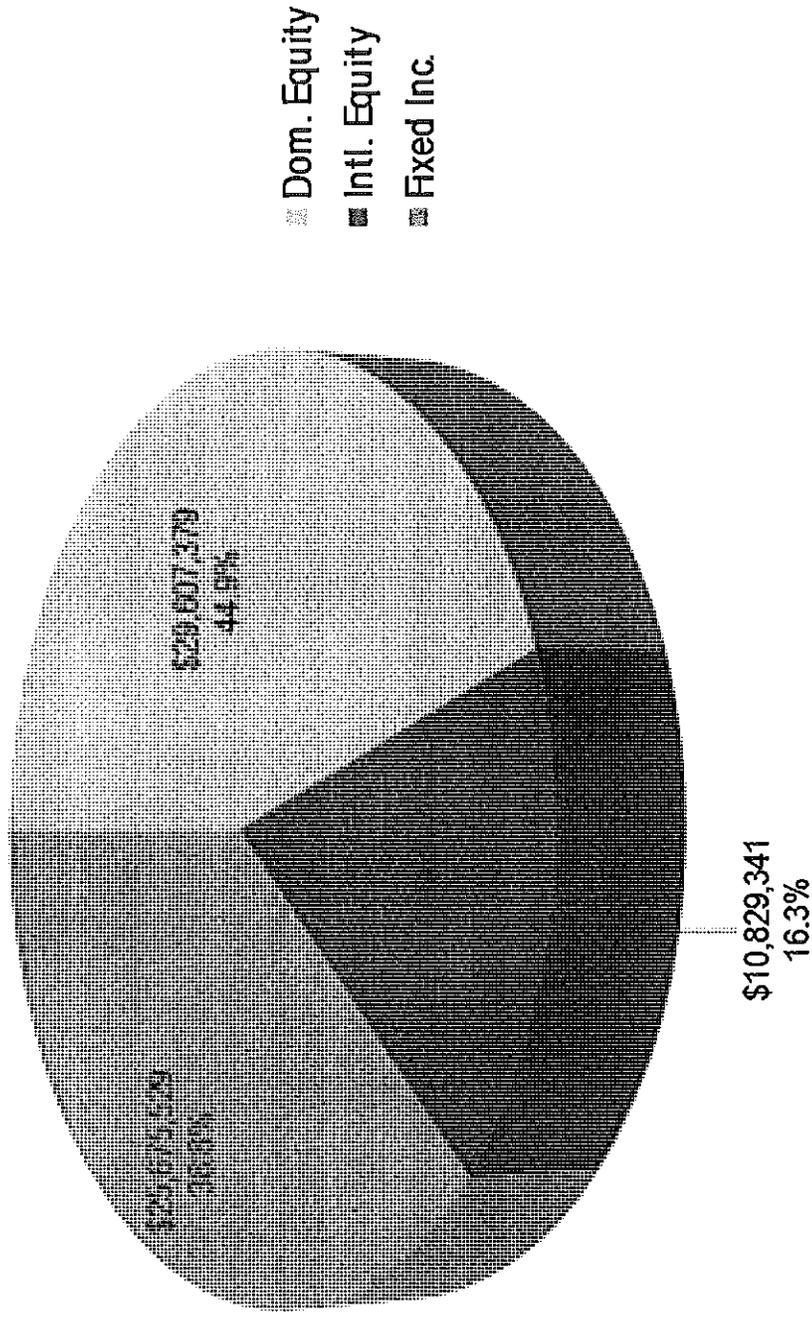
- Ashley joined UBS in 2005 after several years at Lehman Brothers, where he served as an analyst. He has received the CFA® and CFP® designations. Ashley also holds Series 7 and 66 securities licenses and is accredited to offer insurance. He earned a B.S. degree in finance and an M.B.A. from the University of Connecticut. Outside of work, Ashley is involved with several local charitable organizations and enjoys playing softball, tennis and skiing. He and his wife, Laura, live in Southington, CT., with their son, Austin and their daughter, Annabelle.

## **David Sears, CFP®, CIMA®, CRPS®, Institutional Consultant**

- As an Institutional Consultant and Account Vice President who joined UBS in 2007, David was part of a select group chosen nationally to complete a focused wealth management and institutional consulting program. Now as a portfolio manager and consultant, David supports the Princeton-Hartford Investment Consulting Group with portfolio construction, asset allocation, risk management, investment manager research, equity and fixed income trading, portfolio reporting, and financial planning.
- David received his B.S. in Finance and Economics with high honors from The Rutgers Business School, Rutgers University. David is also a member of the Phi Beta Kappa honor society

# Town of Newington – Pension Plans

| Total Portfolio Value |                | Beginning Market Value |  |
|-----------------------|----------------|------------------------|--|
| March 2015            |                | October 1998           |  |
| <b>\$66,129,512</b>   |                | <b>\$15,044,237</b>    |  |
| 36,597,727            | Police         | 8,404,186              |  |
| 23,635,376            | Municipal      | 5,314,530              |  |
| 5,896,408             | Administrative | 1,325,521              |  |



# Town of Newington Pension Plans – Overview

Newington Pension Plans - current market value **\$66,129,511.54**

Historical Asset Allocation 50% equity / 50% fixed income

Current Asset Allocation 61.2% equity / 38.8% fixed income

2015 QTD rate-of-return (as of 3/31/15) 2.47%

Actuarial assumption – 7/01/2007 7.75%

Actuarial assumption – 7/01/2014 7.50%

**FUNDING POLICY**  
**Town of Newington**  
**Administrative Pension Fund**  
**Municipal Pension Fund**  
**Police Pension Fund**

Adopted xxx x, 2015

**PURPOSE**

This Funding Policy is a statement of the Town's objectives in funding the benefits to be paid by the Administrative Pension Fund, Municipal Pension Fund and the Police Pension Fund. It sets forth the strategy that the Town Council will use to determine the contributions needed to achieve those objectives.

**OBJECTIVES**

The Town's principle objectives are to:

1. Ensure that the Pension Funds have sufficient assets on hand to pay all benefits due.
2. Minimize the annual volatility of budgeted contributions.
3. Provide for equity among different generations of taxpayers with respect to bearing the costs of the benefits.
4. Ensure that all statutory funding requirements are satisfied.

**FUNDING GUIDELINES**

In order to achieve the objectives of this Funding Policy, the Town Council will base its contributions to the plans on Actuarially Determined Employer Contributions ("ADEC") prepared annually in compliance with all applicable Actuarial Standards of Practice. The ADEC will be determined using the following funding method elements:

1. The Entry Age Normal actuarial cost method will be used to determine the Normal Cost (the cost of benefits allocated to each year of employment) and the Actuarial Accrued Liability (the cost of benefits allocated to all past years of employment). The Entry Age Normal actuarial cost method has been selected because it allocates costs over an active member's working lifetime on a level-percent of pay basis.
2. In order to minimize the impact of investment volatility on the ADEC, an Actuarial Asset valuation method will be used that recognizes market gains or losses over a 5-year period in equal installments. A market gain or loss arises when the actual rate of return on the plan's investments is higher or lower than the assumed interest rate.

3. The plans currently have an Unfunded Actuarial Accrued Liability (UAAL), meaning that the Actuarial Accrued Liability is not fully covered by the Actuarial Value of Assets. The goal of the amortization policy is to achieve 100% funding over a period of time that provides for intergenerational taxpayer equity while minimizing contribution volatility. Effective with FY 15-16, the UAAL will be amortized over a 21-year closed period for the Administrative Pension Fund and Municipal Pension Fund and 11-year closed period for the Police Pension Fund. The amortization payment will be calculated as a level percent.
4. In order that the Town know the amount of the ADEC for a fiscal year before the budget for that fiscal year has been finalized, the ADEC will be determined based on an actuarial valuation performed as of July 1<sup>st</sup> of the calendar year prior to the calendar year in which the fiscal year begins. To illustrate, the July 1, 2014 actuarial valuation will determine the ADEC for the 2015-16 fiscal year.

#### UPDATES TO POLICY

This Funding Policy will be reviewed at least annually as part of the normal budgetary process, and will be updated following changes in the actuarial methods or assumptions, plan changes, changes in the statutory minimum required contribution, or any other events that result in either the Actuarial Accrued Liability or the Actuarial Value of Assets changing by more than 20% from one actuarial valuation date to the next. A comprehensive review of this Funding Policy will be conducted every five years.

APPROVED XXX xx, 2015

## MINUTES - EMPLOYEE INSURANCE AND PENSION BENEFITS COMMITTEE

March 9, 2015

1) Call to Order: Chairperson Clarke Castelle called the meeting to order at 6:04 p.m. in the Helen Nelson Conference Room.

2) Roll Call: Members Present: Sharon Braverman, Clarke Castelle, Beth DelBuono (left at 8:50), Jon Kehl, Jay Slater, John Slusarski, Paul Vessella (left at 8:10) and Michael Wilbur

Members Absent: Dennis Doyle, Jay Krusell and Terrence Sullivan

Staff Present: Ann Harter, Charlene Drzata and Lou Jachimowicz

Others Present: Becky Sielman, Marc Shegoski, Ashley Martella and Dave McCluskey

3) Minutes: Jon Kehl made a motion to accept the minutes of November 17, 2014, seconded by Jay Slater. The motion passed unanimously.

4) Public Participation: None

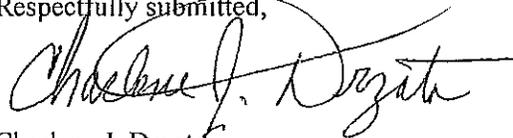
5) New Business:

a) Milliman: Becky Sielman reviewed the summary of the July 1, 2014 valuation results for the Administrative, Municipal and Police pension plans. Becky reported that the investments had a good year with a rate of return in the high 15% for all plans. There was no change in the interest rate assumption of 7.50%. A lengthy discussion followed on long range funding, liabilities and interest rate assumptions. Becky noted that the 7.50% assumption rate is a little too high and that the assumption rate will be gradually lowered by .125% per year to a rate Milliman feels is reasonable. Becky noted that the Town has consistently made 100% of the annual required contributions to the pension plans. The complete July 1, 2014 Valuation reports just received from Milliman will be made available to the committee on the Town's website. Becky reviewed the GASB 67 report for fiscal year ending June 30, 2014 for the Municipal Plan and noted that this report is identical for all three pension plans. Under GASB 67, additional reporting is required to be performed by actuaries for financial statement disclosures which includes more information on investment returns. Related to the GASB 67 pronouncement, Ms. Sielman reviewed the Funding Policy which is a statement of objectives in funding the Town's annual contribution. Ms. Sielman noted that the Funding Policy will be reviewed annually as part of the normal budgetary process. After further discussion, Jon Kehl made a motion to endorse the Funding Policy as presented by Becky Sielman. Seconded by Mike Wilbur. The motion passed unanimously. A brief discussion followed regarding the new mortality tables (RP-2014) that were recently released by the Society of Actuaries. Corporations are required to use them by 12/31/2017. Milliman's analysis of the projections scales included in the mortality tables were weighted too heavily. She explained that more research is required before public plans implemented the tables.

b) UBS: Marc Shegoski presented a summary of the market and economic outlook. Ashley Martella reviewed the Pension Fund Performance summary as of December 31, 2014. The 4<sup>th</sup> quarter returns for all pension plans were 2.55% which was ahead of the benchmark of 2.10%. Marc Shegoski reviewed the OPEB investment performance. The returns as of December 31, 2014 were 0.81% which was below the benchmark of 1.82%. After discussing the individual funds, UBS recommended that the 5% position in the Royce Premier Fund within OPEB be replaced with the Vanguard Mid Cap Index Fund. Jon Kehl made a motion to accept the recommendation to replace the Royce Premier Fund with the Vanguard Mid Cap Index Fund while UBS investigates other options. John Slusarski seconded the motion. The motion passed unanimously. Jon Kehl requested that the committee revisit in greater detail the merits of incorporating alternative investments as a piece of the portfolio at future meetings.

- c) Lockton: Dave McCluskey reported that the 2014-15 plan year is running with a positive margin of \$572,671 through January 2015. The Town has a positive margin of \$39,859 and the Board of Education has a positive margin of \$532,812. Dave reported that there is one large claim which exceeds 50% of the individual stop loss of \$175,000. Dave reviewed the 2015-16 Anthem BC renewal. The overall increase is 2.4%. There were no increases in the Administrative and Stop loss fees. He noted that trend is running at 8%. The total 2015-16 budget change for the Town is 8.3% and .07% for the Board of Education. Dave noted that the teacher's contract was settled and includes the option to enroll in a High Deductible Health Plan with a Health Savings Account effective 7/1/15.
- 6) Chairperson Castelle allowed for public participation before Remarks by Committee Members:
- Havital Miltz, 168 Nicholson Street, commented that she is all for High Deductible plans. Asked whether the groups would receive information about them. Dave McCluskey responded that educational sessions for employees will begin soon to explain the benefits of the plan.
- Remarks by Committee Members: John Slusarski said he has pension plan handouts which he will send to the committee members.
- 7) Next Meeting: To be determined
- 8) Adjournment: Jay Slater made a motion to adjourn, seconded by Jon Kehl. The motion passed unanimously. The meeting adjourned at 9:10 p.m.

Respectfully submitted,



Charlene J. Drzata  
Insurance & Benefits Administrator

## GFOA Best Practice: Guidelines for Funding Defined Benefit Pensions

**Background.** Governments that offer defined benefit pensions to their employees should fund the cost of those benefits in an equitable and sustainable manner. An actuarial valuation provides an employer with crucial information on the amount that needs to be contributed each period to fund the long-term cost of benefits promised to plan participants. Generally accepted accounting principles (GAAP) have required that this actuarially determined amount, known as the *actuarially required contribution* (ARC),<sup>1</sup> be calculated within standardized parameters and disclosed as part of an employer's annual financial report.

Recently, the Governmental Accounting Standards Board (GASB) changed its approach with regard to pension reporting and moved from one that served both the purposes of accounting/financial reporting and funding to one related solely to accounting/financial reporting. As a result, GAAP will no longer require that employers calculate and disclose an ARC in their financial reports starting with fiscal years ending on or after June 30, 2014. Likewise, the parameters (e.g., actuarial cost method, asset smoothing, and amortization) that have standardized how an ARC is calculated have been eliminated from GAAP. In the absence of ARC disclosures, it will be difficult for stakeholders, including policy-makers, employees and the public to determine whether obligations are being appropriately funded. Consequently, there is a pressing need for widely recognized, standardized guidelines as to what constitutes a sound funding plan for a state or local government employer that offers defined benefit pensions. The GFOA and ten other national associations<sup>2</sup> representing state and local governments and retirement systems developed a set of pension funding guidelines to meet this need.<sup>3</sup> The following recommendation is a practical application of those guidelines.

**Recommendation.** The Government Finance Officers Association (GFOA) recommends that every state and local government that offers defined benefit pensions formally adopt a funding policy that provides reasonable assurance that the cost of those benefits will be funded in an equitable and sustainable manner. Such a funding policy should incorporate each of the following principles and objectives:

1. Every government employer that offers defined benefit pensions should continue to obtain no less than biennially an actuarially determined contribution (ADC) to serve as the basis for its contributions;
2. The ADC should be calculated in a manner that fully funds the long-term costs of promised benefits, while balancing the goals of 1) keeping contributions relatively stable and 2) equitably allocating the costs over the employees' period of active service;
3. Every government employer that offers defined benefit pensions should make a commitment to fund the full amount of the ADC each period. For some government employers, a reasonable transition period will be necessary before this objective can be accomplished;
4. Every government employer that offers defined benefit pensions should demonstrate accountability and transparency by communicating all of the information necessary for assessing the government's progress toward meeting its pension funding objectives.

The GFOA intends to develop additional best practices that will provide specific guidance on the practical application of these principles and objectives to each of the three core elements of a comprehensive pension funding policy: actuarial cost method, asset smoothing, and amortization.

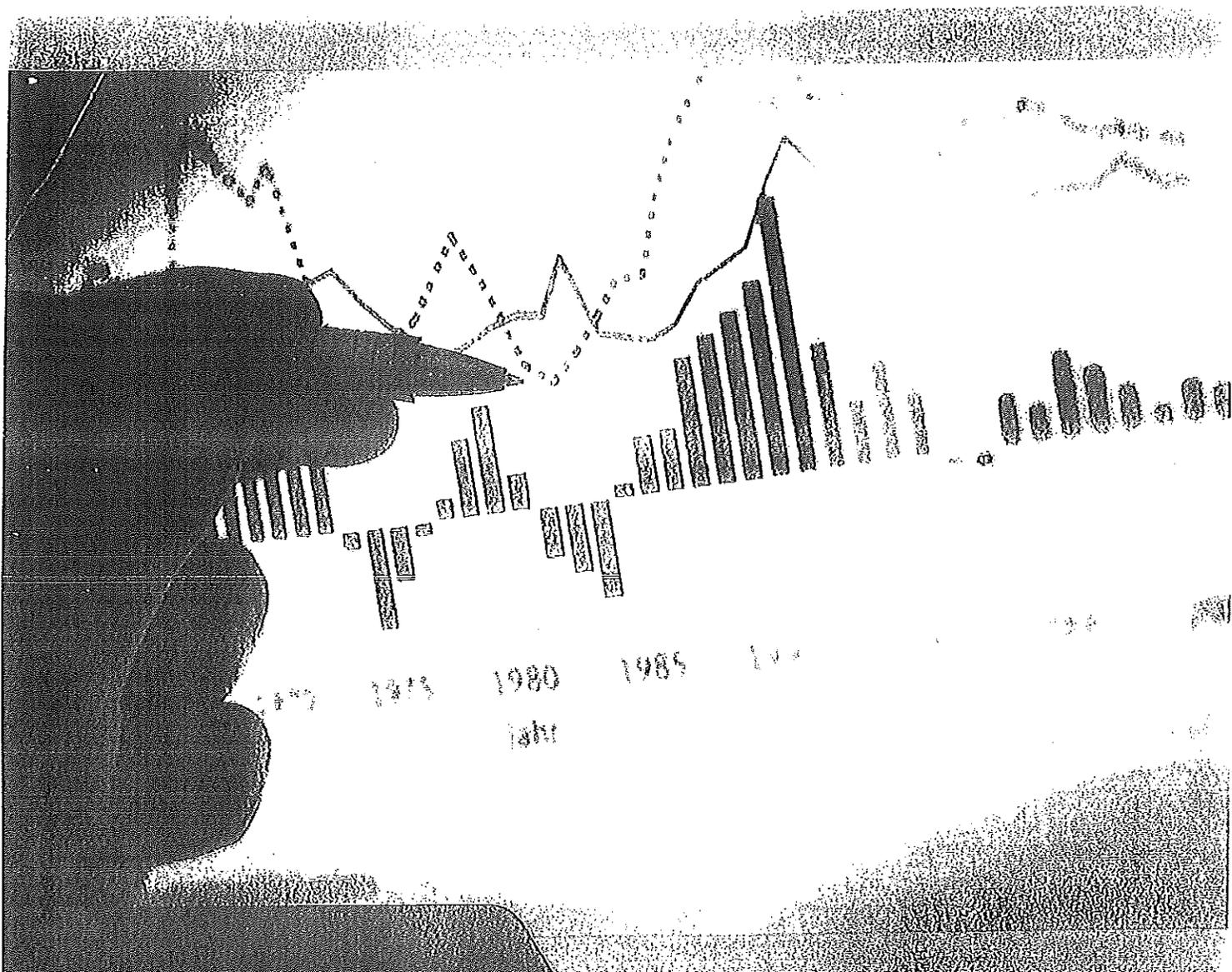
### Notes

1. The new GASB standards no longer use the term "annual required contribution," or (ARC). Instead, the new standards refer to the disclosure of an "actuarially determined contribution" (ADC).
2. The other ten national organizations include: National Governors Association, National Conference of State Legislatures, Council of State Governments, National Association of Counties, National League of Cities, U.S. Conference of Mayors, International City/County Management Association, the National Association of State Auditors, Comptrollers and Treasurers, the National Association of State Retirement Administrators, and the National Council on Teacher Retirement. The Center for State and Local Government Excellence is convening this task force.
3. The GFOA Executive Board passed a resolution expressing the GFOA's support for the pension funding guidelines developed by the GFOA and nine other national associations. The resolution can be found at: [http://www.gfoa.org/index.php?option=com\\_content&task=view&id=2539](http://www.gfoa.org/index.php?option=com_content&task=view&id=2539)

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RICHARD H. HARRIS is finance and compliance officer for the Denver Employees Retirement Plan. He has full responsibility for the relationship with the plan's actuary and is charged with the task of promoting a higher level of understanding of the plan's actuarial

liabilities to relevant stakeholder groups, including the DERP board, the city administration, and the city council. Before joining DERP in 2004, Harris spent 18 years at Coors Brewing Company. He is also vice-chair of the GFOA's Committee on Retirement and Benefits Administration. He can be reached at [rharris@derp.org](mailto:rharris@derp.org).



# PENSION FUNDING:

## A Guide for Elected Officials

Report from the Pension Funding Task Force 2013

**Issued by:**

- National Governors Association (NGA)
- National Conference of State Legislatures (NCSL)
- The Council of State Governments (CSG)
- National Association of Counties (NACo)
- National League of Cities (NLC)
- The U.S. Conference of Mayors (USCM)
- International City/County Management Association (ICMA)
- National Council on Teacher Retirement (NCTR)
- National Association of State Auditors, Comptrollers and Treasurers (NASACT)
- Government Finance Officers Association (GFOA)
- National Association of State Retirement Administrators (NASRA)

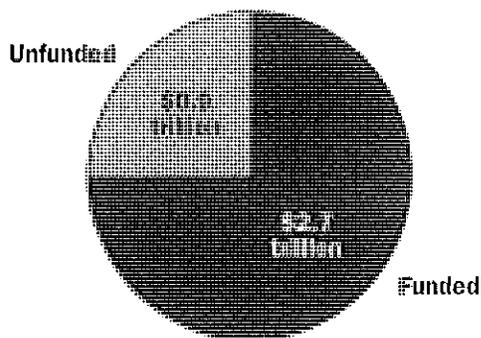


# PENSION FUNDING: A Guide for Elected Officials

## Introduction

Defined benefit pension plans have a long history in public sector compensation. These plans are typically funded through a combination of employer and employee contributions and earnings from investments. Public pension plans hold more than \$3 trillion in assets in trust on behalf of more than 15 million working and 8 million retired state and local government employees and their surviving family members. The pie chart below illustrates the 2011 funded status of 109 state-administered plans and 17 locally administered plans. These plans represent 85 percent of total state and local government pension assets and members.

**Figure 1.** Funding of Aggregate Pension Liability, 2011



Source: BC-CRR Estimates based on *Public Plans Database (PPD)*.

The value of securities held by public and private retirement plans declined significantly following the economic crisis of 2008–2009, causing an increase in unfunded pension liabilities. The range of those unfunded public pension liabilities varies widely among governments. These same governments also have enacted major changes in their retirement plans over the past decade. Today, some public pension plans are well funded, while others have seen their funded status decline.

Now another change is on the horizon: new pension accounting standards issued by the Governmental Accounting Standards Board (GASB) in 2012. GASB Statement No. 67, *Financial Reporting for Pension Plans*, takes effect for pension plan fiscal years beginning after June 15, 2013 (fiscal years ending on or after June 30, 2014). GASB Statement No. 68, *Accounting and Reporting for Pensions*, applies to employers (and contributing nonemployers) in fiscal years beginning after June 15, 2014 (fiscal years ending on or after June 30, 2015).

These new accounting standards will change the way public pensions and their sponsoring governments report their pension liabilities. In particular, the new standards no longer provide guidance on how to calculate the actuarially determined annual required contribution (ARC), which many governments have used not only for accounting, but also to budget their pension plan contribution each year. In fact, these new GASB accounting standards end the relationship between pension accounting and the funding of the ARC.

In addition to GASB's new accounting standards, policymakers should be aware that rating agencies such as Moody's may use yet another set of criteria to assess the impact of pension obligations on the creditworthiness of a municipal bond issuer. If the ratings agencies publicize their pension calculations, state and local officials would be faced with the challenge of interpreting three sets of pension numbers: an accounting number to comply with the GASB's financial reporting requirements, an actuarial calculation to determine funding requirements for budgeting purposes, and a financial analysis figure produced by bond rating agencies to evaluate and compare issuers of municipal debt.

This guide provides key facts about public pension plans, why it is essential to have a pension funding policy, a brief overview of the new GASB standards, and which issues state and local officials need to address. The guide also offers guidance for policy makers to use when developing their pension plan's funding policy.

## Pension funding background

In the 1970s, it was not uncommon for state and local governments to fund their pensions on a pay-as-you-go basis. Following the passage of ERISA, which set private sector funding requirements, state and local officials took steps to fully advance-fund their pensions. They were further encouraged to meet their actuarial funding obligations by new accounting and reporting standards issued by the GASB in 1986.

The trend to improve pension funding continued over the next decade. When the GASB issued Statements 25 and 27 in 1994, employers were required to disclose information on plan assets and liabilities in their financial reports. More important, to comply with GASB, employers also had to disclose their actuarially determined ARC and the percentage of the ARC the employer actually paid. The GASB defined the ARC to include the normal cost of pensions for today's employees plus a contribution to pay for any unfunded liabilities, typically amortized over a maximum 30-year period. Paying the full ARC has been an important measure of whether or not a pension plan is on track to fund its pension promises.

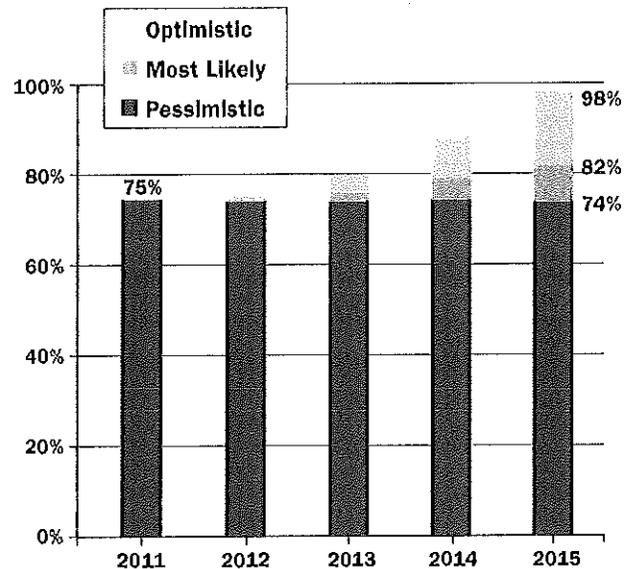
By the turn of the century, public pensions were as well funded as private pensions. In fact, most public plans were nearly 100 percent funded in 2000. Unfortunately, the last decade of economic upheaval and the wide swings in the stock market have reduced pension assets in both public and private plans.

In 2011, the estimated aggregate ratio of assets to liabilities slipped to 75 percent<sup>1</sup>. State and local officials have stepped up their efforts to restore pension funding. According to the National Conference of State Legislatures, 44 states have enacted major changes in state retirement plans from 2009–2012.<sup>2</sup> Changes have included increases in employee contributions to pension plans, longer vesting periods, reduced benefit levels, higher retirement ages, and lower cost-of-living adjustments. Some modifications may apply to new workers only, while others affect current employees and/or retirees.

## Pension funding policies

A variety of state and local laws and policies guide decisions concerning pension funding practices. Many state and local governments have passed legislation that stipulates how pensions should be funded. Others

**Figure 2. Projected State and Local Funding Ratios Under Three Scenarios, 2011–2015**



Source: BC-CRR estimates for 2011–2015 based on *Public Plans Database* (PPD).

have policies that address how pension assets are to be invested or if pension reserves must be maintained.

Generally speaking, employers with well-funded pension plans take a long-term approach to estimating investment returns, adjust their demographic and other assumptions as needed, and consistently pay their annual required contribution in full.

A clear pension funding policy is important because it:

- Lays out a plan to fund pensions;
- Provides guidance in making annual budget decisions;
- Demonstrates prudent financial management practices;
- Reassures bond rating agencies; and
- Shows employees and the public how pensions will be funded.

## GASB's new approach

Under prior GASB statements, there was a close link between accounting and funding measures. That link has now been broken. The new GASB standards

1 Munnell, Alicia H., Aubrey, Jean-Pierre, Hurwitz, Josh, Medina, Madeline, and Quinby, Laura, "The Funding of State and Local Pensions: 2011–2015," Center for State and Local Government Excellence, May 2012.

2 Snell, Ron. "State Retirement Legislation 2009–2012," National Conference of State Legislatures, July 31, 2012.

focus entirely on accounting measurements of pension liabilities and no longer on how employers fund the cost of benefits or calculate their ARC. This is a significant change for government employers because the ARC historically served as a guide for policy makers, employees, bond rating agencies and the public to determine whether pension obligations were being appropriately funded. The ARC also often was used to inform budget decisions.

Today, employers report a liability on the face of their financial statements only if they fail to fully fund their ARC (just as a homeowner would report a liability only for mortgage payments in arrears). Thus, many government employers today do *not* report a liability for pensions on the face of their financial statements. However, if the plan they sponsor does have an unfunded pension liability, it is reported in the notes to the financial statements, which are considered an integral part of financial reporting. In contrast, under the new GASB standards, employers will report their unfunded pension liability on the face of their financial statements, even if they fully fund each year's ARC (just as a homeowner would report a mortgage liability even if all monthly mortgage payments are paid on time, in full). Thus, in the future, all employers will report any unfunded pension liability on the face of their financial statements, and that amount may be substantial for many.

Furthermore, those seeking to know how much an employer should be contributing each year to the pension plan and how much the employer actually contributed (funding information) today can find that information in the employer's financial report. In contrast, under the new GASB pension accounting standards, employers will no longer *automatically* be required to obtain an actuarially determined ARC and then include information concerning that amount and actual employer contributions in their financial report.

## Filling the gap in funding guidance

Because the GASB's new standards focus entirely on how state and local governments should account for pension liabilities and no longer focus on how employers fund the costs of benefits or calculate their ARC, a new source of guidance is needed.

To help fill that gap, the national associations representing local and state governments established a Pension Funding Task Force (Task Force) to develop policy guidelines.

The "Big 7" (National Governors Association, National Conference of State Legislatures, Council of State Governments, National Association of Counties, National League of Cities, U.S. Conference of Mayors, and the International City/County Management Association) and the Government Finance Officers Association established a pension funding task force in 2012. The National Association of State Auditors, Comptrollers and Treasurers; the National Association of State Retirement Administrators; and the National Council on Teacher Retirement also serve on it. The Center for State and Local Government Excellence is the convening organization for the Task Force.

The Task Force has monitored the work of the actuarial community and the rating agencies, as well as considered recommendations from their own organizations to develop guidelines for funding standards and practices and to identify methods for voluntary compliance with these standards and practices.

The actuarial and finance communities have been working on the pension funding issues and will be invaluable resources as governments make needed changes. Indeed, the California Actuarial Advisory Panel and the Government Finance Officers Association have issued guidelines consistent with the Task Force's recommendations, but with a greater level of specificity. The Conference of Consulting Actuaries is also preparing similar guidance. State and local officials are encouraged to review the guidelines and best practices of these organizations.

It also is important to note that some governments with well-funded pension plans will determine that they need to make few, if any, changes to their funding policies, while others may face many challenges. Keep in mind that changes can be made over time. A transition plan can address changes that may need to be phased in over a period of years. For example, an employer or retirement board that currently amortizes its unfunded liabilities over 30 years could adopt a transition plan to continue that schedule (as a fixed, decreasing period) for current unfunded liabilities and to amortize any new unfunded liabilities over 25 years. In five years, that pension plan would have completed its transition to a 25-year amortization period.

In many cases, governments will need to strike a balance between competing objectives to determine the most appropriate timeframe in which to meet their goals.

## Task force recommendations

States and localities have established distinct statutory, administrative and procedural rules governing

how retirement benefits are financed. While nothing in the new GASB standards or the possible credit rating agency changes *requires* a change in funding policy, the Task Force recommends pension funding policies be based on the following five general policy objectives:

1. Have a pension funding policy that is based on an actuarially determined contribution.
2. Build funding discipline into the policy to ensure that promised benefits can be paid.
3. Maintain intergenerational equity so that the cost of employee benefits is paid by the generation of taxpayers who receives services.
4. Make employer costs a consistent percentage of payroll.
5. Require clear reporting to show how and when pension plans will be fully funded.

A sound pension funding policy should address at least the following three core elements of pension funding in a manner consistent with the policy objectives:

- Actuarial cost method;
- Asset smoothing method; and
- Amortization policy.

These core elements should be consistent with the parameters established by GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with which most governmental entities currently comply. Such parameters specify an actuarially determined ARC that should comply with applicable Actuarial Standards of Practice (ASOP No. 4), be based on an estimated long-term investment yield for the plan, and should amortize unfunded liabilities over no more than 30 years. The actuarially determined ARC, the parameters for determining the ARC, and the percentage of the ARC the employer actually paid should be disclosed and reassessed periodically to be sure that they remain effective. To that end, the Task Force recommends that state and local governments not only stay within the ARC calculation parameters established in GASB 27, but also consider the following policy objectives when reviewing each core element of their funding policy:

**Actuarial Cost Method:** the method used to allocate the pension costs (and contributions) over an employee's working career.

**Policy Objectives:**

1. Each participant's benefit should be fully funded under a reasonable allocation method by the expected retirement date.

2. The benefit costs should be determined as a level percentage of member compensation and include expected income adjustments.

**The Entry Age Normal (level percentage of payroll) actuarial cost method is especially well-suited to meeting these policy objectives.**

**Asset Smoothing Method:** the method used to recognize gains or losses in pension assets over some period of time to reduce the effects of market volatility and provide stability to contributions.

**Policy Objectives:**

1. The funding policy should specify all components of asset smoothing, such as the amount of return subject to smoothing and the time period(s) used for smoothing a specific gain or loss.
2. The asset smoothing method should be the same for both gains and losses and should not be reset or biased toward high or low investment returns.

**The use of a five-year period for "smoothing" investment experience is especially well-suited to meeting these policy objectives.**

**Amortization Policy:** the policy that determines the length of time and structure of payments required to systematically fund accrued employee benefits not covered by the actuarial value of assets.

**Policy Objectives:**

1. The adjustments to contributions should be made over periods that appropriately balance intergenerational equity against the goal of keeping contributions level as a percentage of payroll over time.
2. The amortization policy should reflect explicit consideration of (a) gains and losses actually experienced by a plan, (b) any changes in assumptions and methods, and (c) benefit or plan changes.
3. The amortization of surplus requires special consideration consistent with the goal of stable costs and intergenerational equity.

**Amortizing the various components of the unfunded actuarial accrued liability over periods that focus on matching participant demographics but also, except for plan amendments, consider managing contribution volatility, is especially well-suited to meeting these policy objectives.**

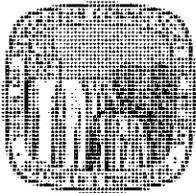
## Conclusion

The most important step for local and state governments to take is to base their pension funding policy on an actuarially determined contribution (ADC). The ADC should be obtained on an annual or biannual basis. The pension policy should promote fiscal discipline and intergenerational equity, and clearly report when and how pension plans will be fully funded.

Other issues to address in the policy are periodic audits and outside reviews. The ultimate goal is to ensure that pension promises can be paid, employer costs can be managed, and the plan to fund pensions is clear to everyone.

## Resources

1. GFOA best practice, *Guidelines for Funding Defined Benefit Pension Plans*, at: [www.gfoa.org](http://www.gfoa.org)
2. GASB Statements No. 67 and 68 at: [www.GASB.org](http://www.GASB.org)
3. GASB Statement 27: [http://www.gasb.org/cs/ContentServer?site=GASB&c=Document\\_C&pagename=GASB%2FDocument\\_C%2FASBDocumentPage&cid=1176160029312](http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FASBDocumentPage&cid=1176160029312)
4. Moody's Request for Comments: Adjustments to US State and Local Government Reported Pension Data at: [http://www.wikipension.com/wiki/Moodys\\_Request\\_For\\_Comments](http://www.wikipension.com/wiki/Moodys_Request_For_Comments)
5. National Conference of State Legislatures, changes to state pension plans at: <http://www.ncsl.org/documents/employ/2012-LEGISLATION-FINAL-Aug-31-2012.pdf>
6. The National Association of State Retirement Administrators for examples of state funding policies at: [www.NASRA.org](http://www.NASRA.org)
7. Center for State and Local Government Excellence for examples of changes to state and local government pension plans at: <http://slge.org>
8. California Actuarial Advisory Panel at: <http://www.sco.ca.gov/caap.html>
9. Conference of Consulting Actuaries at: <http://www.cactuaries.org/index.cfm>



John Salomone  
Town Manager

# TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

## Finance Department

Ann J. Harter  
Director of Finance

### Memorandum

**To:** John Salomone, Town Manager  
**From:** Ann Harter, Director of Finance *AH*  
**Date:** May 21, 2015  
**Re:** Recommended Fiscal Year 2014-2015 Appropriation Transfers

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As you are aware, the Town Charter allows appropriation transfers from one department to another only in the last six months of the fiscal year. As the 2014-15 fiscal year end approaches, listed below are items that require appropriation transfer approval by the Town Council which is necessary to finance overdrafts. The attached report shows the Status of Expenditures as well as estimated balances. This item should be introduced for discussion at the May 26<sup>th</sup> Town Council meeting with the adopting transfer resolution to be scheduled for the June 9<sup>th</sup> meeting. In all cases, estimated savings in other departments and from the Town's Special Contingency will cover these amounts.

120 Town Manager: This department will be requesting funds to cover the cost of the Town Manager's salary adjustment and for a position no longer shared with the Board of Education that was not included in this department's budget at the time it was adopted.

Amount requested \$11,500

160 Town Attorney: Due to unanticipated legal cases, additional funds are needed for outside attorney costs.

Amount requested \$30,000

320 Highway: The shortage in this department is due to several extreme winter storms which affected the snow removal overtime and salt materials account which exceeded the budgeted amount by \$161,329. This overage is offset by savings of \$71,329 in the leaf collection and motor fuel line items.

Amount requested \$90,000

350 Solid Waste: This department is experiencing favorable trends due to less tonnage than anticipated for refuse disposal.

Amount available \$42,500

460 Conservation Commission: The shortage in this department is due to the increased cost of for meetings and legal notices.

Amount requested \$1,000

962 Special Contingency: The net effect of all the items mentioned above leaves a balance of \$90,000.

Amount available      \$90,000

In summary, the transfer requirements total \$132,500 and are financed from available appropriations in the same amount as outlined below:

| <b>Transfer to:</b>     | <b>Amount</b>  | <b>Transfer from:</b> | <b>Amount</b>  |
|-------------------------|----------------|-----------------------|----------------|
| Salaries                | 11,500         | Contingency           | 90,000         |
| Snow & Ice Control      | 90,000         | Solid Waste           | 42,500         |
| Legal Costs             | 30,000         |                       |                |
| Conservation Commission | 1,000          |                       |                |
| <b>Total</b>            | <b>132,500</b> | <b>Total</b>          | <b>132,500</b> |

I will be in attendance at the Town Council meeting on May 26<sup>th</sup> to answer any questions the council may have.

TOWN OF NEWINGTON  
 Status of Expenditures, by Activity (Department)  
 As of May 19, 2015

| FUNCTION & ACTIVITY                | Revised<br>Budget<br>FY 2014-15 | Spent /<br>Encumbered<br>As of 5/19/15 | Estimated To<br>Be Spent/Enc.<br>As of 6/30/15 | Estimated<br>Unencumbered<br>Balance<br>(Deficit)<br>As of 6/30/15 |
|------------------------------------|---------------------------------|--|--|--|
| General Government                 | 4,667,970                       | 3,836,108                              | 4,709,470                                      | (41,500)   |
| Public Safety                      | 8,073,749                       | 6,871,453                              | 8,073,749                                      | -  |
| Public Works                       | 4,984,855                       | 4,510,758                              | 5,032,355                                      | (47,500)   |
| Community Planning & Development   | 530,868                         | 448,909                                | 531,868  | (1,000)  |
| Public Health                      | 151,155                         | 150,256                                | 151,155  | -  |
| Community Services                 | 1,021,689                       | 838,876                                | 1,021,689                                      | -  |
| Public Library                     | 1,742,023                       | 1,428,973                              | 1,742,023                                      | -  |
| Parks & Recreation                 | 1,668,336                       | 1,333,859                              | 1,668,336                                      | -  |
| Insurance-Miscellaneous            | 9,485,217                       | 8,792,423                              | 9,395,217                                      | 90,000 *   |
| Debt Service                       | 1,676,931                       | 1,676,931                              | 1,676,931                                      | -  |
| Metropolitan District              | 3,216,800                       | 3,216,616                              | 3,216,800                                      | -  |
| Capital Improvements               | 4,336,328                       | 4,336,328                              | 4,336,328                                      | -  |
| Equipment Reserve                  | 395,000                         | 395,000                                | 395,000  | -  |
| Emp Leave Liab Res Fund            | 92,900                          | 92,900                                 | 92,900   | -  |
| Total General Government           | 42,043,821                      | 37,929,391                             | 42,043,821                                     | -  |
| Board of Education (as of 3/31/15) | 68,039,471                      | 64,323,135                             | 68,039,471                                     | -  |
| Total Town Budget                  | <u>110,083,292</u>              | <u>102,252,526</u>                     | <u>110,083,292</u>                             | -  |

\*The Special Contingency appropriation balance will be reduced to \$102,500 after pending transfers to other departments are made.

TOWN OF NEWINGTON  
 Status of Expenditures, by Activity (Department)  
 As of May 19, 2015

| FUNCTION & ACTIVITY                             | Revised<br>Budget<br>FY 2014-15 | Spent /<br>Encumbered<br>As of 5/19/15 | Estimated To<br>Be Spent/Enc.<br>As of 6/30/15 | Estimated<br>Unencumbered<br>Balance<br>(Deficit)<br>As of 6/30/15 |
|---|---------------------------------|--|--|--|
| <b>100 General Government</b>                   |                                 |  |  |  |
| 110 Town Council                                | 49,837                          | 46,965                                 | 49,837   | -  |
| 120 Town Manager                                | 408,366                         | 350,432                                | 419,866  | (11,500)   |
| 130 Courts                                      | 39,474                          | 39,470                                 | 39,474   | -  |
| 140 Elections                                   | 141,343                         | 127,395                                | 141,343  | -  |
| 150 Finance                                     | 1,236,463                       | 1,082,912                              | 1,236,463                                      | -  |
| 160 Town Attorney                               | 150,200                         | 139,350                                | 180,200  | (30,000)   |
| 170 Town Clerk                                  | 184,029                         | 154,034                                | 184,029  | -  |
| 180 Personnel                                   | 49,206                          | 40,192                                 | 49,206   | -  |
| 190 General Services                            | 2,409,052                       | 1,855,359                              | 2,409,052                                      | -  |
| Total   | <u>4,667,970</u>                | <u>3,836,108</u>                       | <u>4,709,470</u>                               | <u>(41,500)</u>  |
| <b>200 Public Safety</b>                        |                                 |  |  |  |
| 210 Police Department                           | 6,775,621                       | 5,722,380                              | 6,775,621                                      | -  |
| 230 Fire Department                             | 872,308                         | 775,147                                | 872,308  | -  |
| 250 Street Lighting                             | 315,000                         | 267,099                                | 315,000  | -  |
| 260 Emergency Management                        | 4,050                           | 2,232                                  | 4,050  | -  |
| 270 Emergency Medical Service                   | 30,000                          | 28,145                                 | 30,000   | -  |
| 280 Hydrants                                    | 76,770                          | 76,450                                 | 76,770   | -  |
| Total   | <u>8,073,749</u>                | <u>6,871,453</u>                       | <u>8,073,749</u>                               | <u>-</u>   |
| <b>300 Public Works</b>                         |                                 |  |  |  |
| 310 Engineering                                 | 288,281                         | 245,740                                | 288,281  | -  |
| 320 Highway Department                          | 2,679,669                       | 2,401,209                              | 2,769,669                                      | (90,000)   |
| 350 Solid Waste Services                        | 2,016,905                       | 1,863,810                              | 1,974,405                                      | 42,500   |
| Total   | <u>4,984,855</u>                | <u>4,510,758</u>                       | <u>5,032,355</u>                               | <u>(47,500)</u>  |
| <b>400 Community Planning &amp; Development</b> |                                 |  |  |  |
| 420 Town Planner                                | 215,981                         | 186,351                                | 215,981  | -  |
| 430 Town Plan & Zoning                          | 17,367                          | 11,351                                 | 17,367   | -  |
| 440 Zoning Board Of Appeals                     | 2,662                           | 1,984                                  | 2,662  | -  |
| 450 Building Department                         | 210,194                         | 178,474                                | 210,194  | -  |
| 460 Conservation Commission                     | 4,988                           | 4,394                                  | 5,988  | (1,000)  |
| 470 Economic Development                        | 79,676                          | 66,356                                 | 79,676   | -  |
| Total   | <u>530,868</u>                  | <u>448,909</u>                         | <u>531,868</u>                                 | <u>(1,000)</u>   |
| <b>500 Public Health</b>                        |                                 |  |  |  |
| 510 Health Services                             | 151,155                         | 150,256                                | 151,155  | -  |
| Total   | <u>151,155</u>                  | <u>150,256</u>                         | <u>151,155</u>                                 | <u>-</u>   |
| <b>600 Community Services</b>                   |                                 |  |  |  |
| 610 Human Services                              | 464,580                         | 371,670                                | 464,580  | -  |
| 640 Senior & Disabled Center                    | 547,770                         | 461,474                                | 547,770  | -  |
| 670 Boards And Commissions                      | 9,339                           | 5,732                                  | 9,339  | -  |
| Total   | <u>1,021,689</u>                | <u>838,876</u>                         | <u>1,021,689</u>                               | <u>-</u>   |

TOWN OF NEWINGTON  
 Status of Expenditures, by Activity (Department)  
 As of May 19, 2015

| FUNCTION & ACTIVITY                     | Revised<br>Budget<br>FY 2014-15 | Spent /<br>Encumbered<br>As of 5/19/15 | Estimated To<br>Be Spent/Enc.<br>As of 6/30/15 | Estimated<br>Unencumbered<br>Balance<br>(Deficit)<br>As of 6/30/15 |
|---|---------------------------------|--|--|--|
| <b>700 Public Library</b>               |                                 |  |  |  |
| 710 Library Operations                  | 1,741,993                       | 1,428,973                              | 1,741,993                                      | -  |
| 730 Hubbard Book Fund                   | 30                              |  | 30   |  |
| Total                                   | <u>1,742,023</u>                | <u>1,428,973</u>                       | <u>1,742,023</u>                               | <u>-</u>   |
| <b>800 Parks &amp; Recreation</b>       |                                 |  |  |  |
| 810 Administration                      | 336,780                         | 287,153                                | 336,780  | -  |
| 830 Grounds Maintenance                 | 1,331,556                       | 1,046,706                              | 1,331,556                                      | -  |
| Total                                   | <u>1,668,336</u>                | <u>1,333,859</u>                       | <u>1,668,336</u>                               | <u>-</u>   |
| <b>900 Insurance-Miscellaneous</b>      |                                 |  |  |  |
| 910 Municipal Insurance                 | 1,046,910                       | 1,016,636                              | 1,046,910                                      | -  |
| 930 Greater Htfd Transit Dist           | 2,930                           | 2,930                                  | 2,930  | -  |
| 940 Employee Benefits                   | 8,155,377                       | 7,684,766                              | 8,155,377                                      | -  |
| 950 Donations & Contributions           | 30,000                          | 30,000                                 | 30,000   | -  |
| 960 Contingency                         | 250,000                         | 58,091                                 | 160,000  | 90,000   |
| Total                                   | <u>9,485,217</u>                | <u>8,792,423</u>                       | <u>9,395,217</u>                               | <u>90,000</u>  |
| <b>1000 Debt Service</b>                |                                 |  |  |  |
| 1010 Interest Expense                   | 231,931                         | 231,931                                | 231,931  | -  |
| 1020 Principal Payments                 | 1,445,000                       | 1,445,000                              | 1,445,000                                      | -  |
| Total                                   | <u>1,676,931</u>                | <u>1,676,931</u>                       | <u>1,676,931</u>                               | <u>-</u>   |
| <b>1050 Metropolitan District</b>       |                                 |  |  |  |
| 1051 Assessment                         | 3,216,800                       | 3,216,616                              | 3,216,800                                      |  |
| Total                                   | <u>3,216,800</u>                | <u>3,216,616</u>                       | <u>3,216,800</u>                               | <u>-</u>   |
| <b>1100 Capital Improvements</b>        |                                 |  |  |  |
| 1110 Capital Improvements               | 4,336,328                       | 4,336,328                              | 4,336,328                                      | -  |
| Total                                   | <u>4,336,328</u>                | <u>4,336,328</u>                       | <u>4,336,328</u>                               | <u>-</u>   |
| <b>2000 Equipment Reserve</b>           |                                 |  |  |  |
| 2500 Equipment Reserve                  | 395,000                         | 395,000                                | 395,000  | -  |
| Total                                   | <u>395,000</u>                  | <u>395,000</u>                         | <u>395,000</u>                                 | <u>-</u>   |
| <b>3000 Emp Leave Liab Res Fund</b>     |                                 |  |  |  |
| 3100 ELLF - Board Of Education          | 23,200                          | 23,200                                 | 23,200   | -  |
| 3200 ELLF - Town Operations             | 69,700                          | 69,700                                 | 69,700   | -  |
| Total                                   | <u>92,900</u>                   | <u>92,900</u>                          | <u>92,900</u>                                  | <u>-</u>   |
| <b>Total Town Government Operations</b> | <u>42,043,821</u>               | <u>37,929,391</u>                      | <u>42,043,821</u>                              | <u>-</u>   |



John Salomone  
Town Manager

# TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

## Office of Revenue Collector

Corinne Aldinger, CCMC  
Revenue Collector

### Memorandum

**To:** John Salomone, Town Manager  
**From:** Corinne Aldinger, CCMC, Revenue Collector  
**Date:** May 21, 2015 *CA*  
**Re:** Suspense List

In accordance with Connecticut State Statute 12-165, the Suspense List must be submitted annually by the Revenue Collector to the Town Council. This year's suspense list totals \$73,975.00 as follows:

| List Year  | Real Estate | Personal Property | MV & Supp | Total     |
|------------|-------------|-------------------|-----------|-----------|
| 2012       |             | 9,008.76          | 64,966.24 | 73,975.00 |
|            |             |                   |           |           |
|            |             |                   |           |           |
|            |             |                   |           |           |
| Total      |             | 9,008.76          | 64,966.24 | 73,975.00 |
| # Accounts | 0           | 14                | 415       | 429       |

While the above are technically deemed uncollectible, transferring these items does not at all prohibit the Town from collection when and if the taxpayer is located. As a matter of example, the Town collected \$23,230.83 in suspense items in 2013-14 and still continues collecting on these aged accounts. The interest component is not included in the total but continues to accrue should collection occur. Efforts to collect beyond the dunning delinquency notices included warrants issued to the constables, or sheriff as well as motor vehicle registrations reported to the Motor Vehicle Department and UCC Liens filed with the Secretary of State's Office on Personal Property. That measure too is often circumvented if the delinquent taxpayer elects to register under a different name. Other measures such as newspaper publication are quite costly with little or no financial return.

From an accounting perspective, this transfer presents a more accurate picture of the Town's accounts receivable by reducing it in the above amount. You will note that the majority of the accounts are in motor vehicles. A category which by its type is difficult to administer due to its transient nature. Newington has a large number of automobiles, approximately 29,411 or 1 car per capita. The Personal Property includes companies which have gone out of business, filed for bankruptcy, or have left the state.

Additionally, in accordance with Connecticut State Statute 12-164, the real estate accounts that are outstanding after 15 years are deemed uncollectible. The amount for the 1999 Grand List is \$5,968.21 and should be removed from the Town's receivable assets as of June 30, 2015.

#### Previous transfers to the Suspense Tax Book

2014 70,192.24  
2013 109,566.14  
2012 98,061.40

The Town continues to enjoy a high rate of tax collection of approximately 98.8% on the current list.

cc: Ann Harter, Finance Director

Phone: (860) 665-8540 Fax: (860) 665-8531  
tax@newingtonct.gov  
www.newingtonct.gov



## NEWINGTON PUBLIC SCHOOLS

Stephen J. Foresi, Chief of Staff

131 CEDAR STREET • NEWINGTON, CONNECTICUT 06111 • 860-665-8639

DATE: May 21, 2015  
TO: John Salomone, Town Manager  
FROM: Stephen Foresi  
SUBJECT: **Job Description Adoption Proposal**

Dear John:

Over the years, we have had an increasing number of students with exceptionalities enter into our district. About a decade ago, we would outplace students for specific programming if we were unable to accommodate such programming in-district. When students are outplaced, or legally afforded a contracted service, the student and their family becomes disconnected with the school community. Additionally, the outplacement or contracted service for a student is generally double the cost of an in-district provided service.

About eight years ago, the legal qualifications for students with Autism changed, providing a broader definition. With this, we noticed an increased need to contact services with CREC for a Board Certified Behavior Analyst, or BCBA, to enter our schools. A BCBA works with school staff, students and families to support the needs of students with behavioral difficulties as identified in their Individualized Education Plan (IEP) through a Planning and Placement Team (PPT) meeting. Student recipients of such service are typically are diagnosed with Autism (ASD).

Currently, we annually contract four BCBA's with CREC. To date, our annual expenditures for BCBA contracted services is \$420,000.00. By employing our own BCBA, we could anticipate an approximate savings of \$300,000.00. Additionally, this position would build the capacity of our educators, students and families to better educate and support students with behavioral difficulties.

Therefore, attached please find a job description for a BCBA. I am requesting your assistance to bring before the Town Council the adoption of a BCBA position for the Newington Board of Education. In recent years, BCBA positions have been established in nearby towns such as: Berlin, Southington, West Hartford, Plainville, New Britain, Manchester, Farmington, and Trumbull.

Please do not hesitate to contact me with any questions.

Sincerely,

Stephen Foresi

## TOWN OF NEWINGTON

**TITLE:** Board Certified Behavior Analyst

**GRADE:** A-8

**DEPARTMENT:** Newington Public Schools

**COUNCIL ADOPTED:**

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### POSITION DESCRIPTION

The Behavior Analyst will work with school staff in supporting the needs of students with behavioral difficulties in the Least Restrictive Environment for each student. The Behavior Analyst will work with individual students and district-wide programming for special education students. The Behavior Analyst will train staff in strategies to support students and build capacity within the district for accommodating students with behavioral difficulties. The Behavior Analyst will report directly to the Director of Student Services.

### ESSENTIAL DUTIES AND RESPONSIBILITIES

*The following statements of duties and responsibilities are intended to describe the general nature and level of work being performed by individuals assigned to this position. These statements are not intended to be an exhaustive list of all duties and responsibilities required of all personnel within this position.*

- Participates in Planning and Placement Team (PPT) meetings for students identified with ASD and other disabilities on an as needed basis in order to assist building teams and parents in the decision-making process regarding the educational planning and programming for these students.
- Confers with general education classroom teachers, special education teachers, and related services providers regarding implementation of best practices for students with ASD.
- Provides leadership to school teams regarding discrete trial training and ABA programming.
- Works with building based Early Intervention Program (EIP) teams and PPT teams to ensure that students with disabilities participate in general education to the maximum extent appropriate and are assisted with supplementary aids and services prior to placement in more restrictive settings.
- Confers with parents and other professional staff members regarding the educational, social, and personal needs of students with ASD and other disabilities. Assists teachers and parents in the development of appropriate and measurable goals for students at school and at home.
- Maintains written records of communication with parents and other professional staff members in an organized manner.
- Provides individualized parent training necessary for parents to understand their child's disability and to enable them to support their child effectively and make progress in their educational program.
- Works collaboratively with school teams to devise and trial innovative teaching methods, utilize effective strategies, techniques and learning materials, and incorporate assistive technology, as appropriate, in order to effectively extend learning opportunities for students with ASD and other disabilities in the least restrictive environment.
- Upon request for assistance and approval from the Director of Student Services or designee, the Behavior Analyst provides consultation in the form of Functional Behavior Assessment and develops an appropriate Behavior Intervention Plan for students with ASD and other disabilities that present behavioral challenges.

- Assists parents and school teams in the transition process for students as they move to less restrictive environments and as students transition from elementary to middle and middle to high school.
- Maintains appropriate Individualized Education Program (IEP) and evaluation reports and prepares pertinent reports requested by the Preschool Special Education Administrator or Senior Coordinator of Pupil Services.
- Responsible for collaborating with special education administration in the design of a training plan to address staff needs in the area of working with students with ASD and other challenging behavioral disabilities.
- Provides orientation and training to therapists and educators assigned to work with students requiring ABA and/or discrete trial training. Oversees therapist implementation of ABA techniques and provides job embedded ongoing professional development to address continuing training needs.
- Designs, develops and implements management and/or behavioral interventions that are clinically sound.
- Participates in school and district-based teams to provide information about plans for individual students and district needs.
- Maintains appropriate records, assists and provides guidance for teachers and other staff in the implementation of management or behavioral interventions.
- Assists in the daily functions of the school, including dealing with crises among students.
- Helps maintain a safe environment for all students.
- Facilitates team-building skills.

## **REQUIRED KNOWLEDGE, SKILLS, AND ABILITIES**

- Thorough knowledge of concepts and principles of ABA and Discrete Trial Training.
- Knowledge and experience in analyzing targeted behavior for enhanced student performance and response.
- Knowledge of rules and regulations pertaining to special education.
- Knowledge of improvement planning, DDDM, SRBI, and Special Education.
- Knowledge of national, state and local educational goals and objectives.
- Knowledge of word processing, database, and spreadsheet software applications.
- Strong oral and written communication skills.
- Excellent interpersonal skills.
- Ability to develop and motivate staff.
- Ability to deal effectively with staff and the public.
- Ability to acquire a working knowledge of the functions and responsibilities of the school district.
- Ability to interpret a variety of instructions furnished in written, oral or diagrammatic form.
- Ability to compose clear and correct letters and reports.
- Ability to process paperwork accurately and efficiently.
- Ability to establish and maintain files and record systems.
- Ability to efficiently schedule and coordinate meetings and events.
- Ability to relate positively to those contacted.
- Ability to use computer equipment and related software programs.
- Ability to compile data as requested.
- Ability to maintain strict confidentiality of information as necessary.
- Ability to work effectively with other employees.

- Ability to communicate clearly, both verbally and in written form.
- Ability to learn new products and technologies as they become available.

## **REQUIRED PHYSICAL AND MENTAL EFFORT AND ENVIRONMENTAL CONDITIONS**

(The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.)

- Ability to work under stress from demanding deadlines and changing priorities and conditions.
- Ability to concentrate on fine detail with constant interruption.
- Ability to attend to task/ function for more than 60 minutes at a time.
- Ability to remember multiple task/ assignments given to self and others over long periods of time.
- Ability to move throughout the school, Town Hall and other Town buildings and sites.
- Works in office setting subject to continuous interruptions.
- Exposure to video display terminals on a daily basis.
- Ability to hear normal sounds with some background noise and to communicate effectively.
- Ability to file letters, correspondence, reports, etc. in file cabinet drawers ranging from 1' to 5' from the floor.

## **REQUIRED MINIMUM QUALIFICATIONS**

The skills and knowledge required would generally be acquired with:

- Must hold a Master's degree with an emphasis in psychology, behavioral studies, special education, sociology or related field.
- Must be a Board Certified Behavior Analyst (B.C.B.A.) or (B.C.A.B.A.).
- Must have a minimum of 2 years of experience working with children with special needs.
- Experience with ABA, Verbal, Behavior, VB MAPP assessment, Functional Behavior Assessment (FBA), and Picture Exchange Communication System (PECS) strongly preferred.

## **LICENSE OR CERTIFICATE**

Board Certified Behavior Analyst (B.C.B.A.) or (B.C.A.B.A.)

*Note: The above is illustrative of tasks and responsibilities. It is not meant to be all-inclusive of every task or responsibility.*

I understand that nothing in this position description restricts the Town's right to assign or reassign duties and responsibilities to this job at any time. I also understand that this position description reflects the Town Administration's assignment of essential functions; it does not prescribe nor restrict the tasks that may be assigned. I further understand that this position description may be subject to change at any time due to reasonable accommodation or other reasons.

I have reviewed this document and discussed its contents with my supervisor and I fully understand the nature and purpose of this position description and its related duties.

---

Employee

---

Date

---

Superintendent

---

Date

May 2015

AGENDA ITEM: VIA1.

DATE: 5-26-15

RESOLUTION NO. \_\_\_\_\_

RESOLVED:

That the Newington Town Council hereby accepts the resignation of Barbara DeMaio from the Board of Ethics, in accordance with a communication dated May 15, 2015.

MOTION BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

VOTE: \_\_\_\_\_

AGENDA ITEM: VIA.2.

DATE: 5-26-15

RESOLUTION NO. \_\_\_\_\_

RESOLVED:

That the Newington Town Council hereby makes the following appointment:

**Board of Ethics**

7 members, 2 alternates, 4 year term  
Party Max. (Reg. members): 2 Rep., 2 Dem., 3 Unaf.

| Name | Address | Party | Term            | Replaces                       |
|------|---------|-------|-----------------|--------------------------------|
|      |         |       | IMMED.-11/30/16 | B. DeMaio – Resigned<br>5-2015 |

MOTION BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

VOTE: \_\_\_\_\_

May 15, 2015

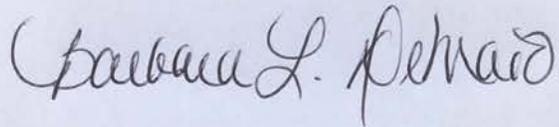
To: John M. Kelly, Chairman, Newington Democratic Town Committee  
Pauline Kruk, Chairwoman, Nominating Committee  
Tanya Lane, Town Clerk, Town of Newington

Re: Resignation from Board of Ethics

Due to future relocation plans, please accept my resignation on the Board of Ethics, effective immediately.

Thank you for the opportunity to serve on this Board.

Sincerely,

A handwritten signature in cursive script that reads "Barbara L. DeMaio". The signature is written in dark ink and is positioned above the typed name and address.

Barbara L. DeMaio  
37 Sunnybrook Drive  
Newington, CT

AGENDA ITEM: VI.B.

DATE: 5-26-15

RESOLUTION NO. \_\_\_\_\_

RESOLVED: that the Newington Town Council hereby makes the following appointment(s):

**5. Board of Ethics**

7 members, 2 alternates, 4 year term  
Party Max. (Reg. members): 2 Rep., 2 Dem., 3 Unaf.

| Name                         | Address              | Party | Term                 | Replaces               |
|------------------------------|----------------------|-------|----------------------|------------------------|
| Benjamin Ancona              | 49 East Cedar Street | R     | Immed. -<br>11/30/17 | Dr. Skidgell (defacto) |
| Alternate:<br>John Bottalico | 37 Valley View Drive | R     | Immed. –<br>11/30/16 | Vacant                 |

**18. Library Renovations/Addition Project Building Committee**

7 members (2 NTC, 2 Library Board, 3 Public)  
Party Max: 5

| Name                         | Address             | Party | Term                   | Replaces     |
|------------------------------|---------------------|-------|------------------------|--------------|
| NTC Rep:<br>David Nagel      | 1175 Willard Avenue | R     | NTC Term               | New position |
| Public Rep:<br>Steven Silvia | 45 Basswood Street  | R     | Immed. –<br>Indefinite | New position |

MOTION BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

VOTE: \_\_\_\_\_

AGENDA ITEM: VIII

DATE: 5-26-15

RESOLUTION NO. \_\_\_\_\_

RESOLVED:

That property tax refunds in the amount of \$2,102.24 are hereby approved in the individual amounts and for those named on the "Requests for Refund of an Overpayment of Taxes," certified by the Revenue Collector, a list of which is attached to this resolution.

MOTION BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

VOTE: \_\_\_\_\_

**TAX REFUNDS – May 26, 2015**

|  |                   |
|--|-------------------|
| CAB East LLC<br>Ford Credit Personal Property Tax<br>P.O. Box 67000<br>Department 231601<br>Detroit, MI 48267-2316 | \$342.59          |
| CAB East LLC<br>Ford Credit Personal Property Tax<br>P.O. Box 67000<br>Department 231601<br>Detroit, MI 48267-2316 | \$59.94           |
| CAB East LLC<br>Ford Credit Personal Property Tax<br>P.O. Box 67000<br>Department 231601<br>Detroit, MI 48267-2316 | \$506.09          |
| Ally Financial<br>Louisville PPC<br>P.O. Box 9001951<br>Louisville, KY 40290-1951                                  | \$1,193.62        |
|  |                   |
| <b>Total</b>   | <b>\$2,102.24</b> |