
This act summary is provided for the convenience of the public and members of the General Assembly. It is intended to provide a general summary of the act and may not be exhaustive. It has been prepared by the staff of the Office of Legislative Counsel without input from members of the General Assembly. It is not intended to aid in the interpretation of legislation or to serve as a source of legislative intent.

Act No. 163 (S.261). Taxation; property tax; municipal retention of property tax collections; valuation for purposes of the education property tax

An act relating to municipal retention of property tax collections and valuation for purposes of the education property tax

This act does the following:

- Clarifies that all municipalities are allowed to retain 0.225 of one percent of the property tax collected when making timely education property tax payments either directly to school districts or to the State Treasurer for deposit into the Education Fund.
- Increases the annual statewide cap on Education Fund reimbursements to towns whose grand list values are reduced after a final appeal, court order, or settlement from \$100,000.00 to \$1,000,000.00. Retains the statewide proration of total reimbursements allowed to eligible towns.
- Creates a new program at the Department of Taxes, Division of Property Valuation and Review to assist municipalities with the valuation of complex commercial or other unique properties within a municipality's jurisdiction and to assist with appeals arising from those valuations.
- Requires the Commissioner of Taxes, on or before January 15, 2023, to submit an estimate of the costs of creating a State appraisal and litigation assistance program for municipalities to the House Committees on Appropriations and on Ways and Means and the Senate Committees on Appropriations and on Finance.
- Grants the Director of Property Valuation and Review the discretion to decline to assign a property valuation hearing officer to an appeal and instead forward the appeal to Superior Court if, in the Director's opinion, the appeal involves a complex or unique property or valuation that would be best adjudicated by Superior Court. Forwarded appeals are considered timely filed in Superior Court if the appeals were timely appealed to Director.
- Adds an exception to the general rule that the Director of Property Valuation and Review must refer complex or unique property or valuation appeals to a property valuation hearing officer. The new exception is that the Director may forward appeals to Superior Court.

- Requires the Commissioner of Taxes, on or before January 15, 2023, to submit a report on time-share project valuations to the House Committee on Ways and Means and the Senate Committee on Finance.

Effective Date: June 1, 2022, except for:

- Sec. 2 (refund for reduction in grand list value), which takes effect on January 1, 2023 and applies to municipal requests for reduction submitted on or after January 1, 2023 for a final appeal or court action resolved within the previous calendar year, beginning with the 2022 calendar year; and
- Sec. 3 (State appraisal and litigation assistance program), which takes effect on July 1, 2023, contingent on the General Assembly, on or before July 1, 2023, appropriating funding to cover the Department of Taxes' operating costs required to create, implement, and maintain a new State appraisal and litigation assistance program.