

An "Ordinance" by Any Other Name...

Tax districts are government entities which, like towns, have the power to enact ordinances with the force of law. Unlike condominiums and other non-government communities, districts generally cannot just announce "rules." Their regulations are truly laws, and should be called what they are: "ordinances." Calling them "bylaws" or "policies" is incorrect, and enacting them as such might even make them invalid.

“ Unlike condominiums and other non-government communities, districts generally cannot just announce "rules." Their regulations are truly laws, and should be called what they are: "ordinances.” ”

An ordinance is approved by a majority of the district's board of directors at a properly-called annual or special meeting which mentions the proposal in its agenda. It then must be published in a local newspaper before it can take effect. On the other hand, bylaws and rules are typically adopted by non-government entities. They rarely require newspaper publication but may have other requirements, such as approval by the residents themselves, depending on the other governing documents.

This distinction can get confusing when one community is governed by two entities at the same

time. For example, some fire departments and condominiums are simultaneously managed by both a district and a non-stock corporation. These communities should strictly distinguish between the ordinances enacted by their districts and the bylaws and rules enacted by their corporations. Otherwise, enforcement can be complicated or even legally impossible. Ordinances which are properly identified and enacted can be extremely effective mechanisms for managing the districts affairs and serving its core purposes.

Districts Can Abate Taxes for Land Preservation

State law authorizes districts to reduce the tax liability of land within their boundaries in exchange for its designation as open space. This creates an incentive for taxpayers to agree with districts to leave their land undeveloped for beautification or conservation purposes or to preserve water supplies, historic sites or neighboring parks and sanctuaries. These programs must be adopted by ordinance and the tax reduction cannot exceed the land's appraised market value. Districts can also coordinate these programs with their forum towns for maximum benefit to the landowners. Taking advantage of these programs can enhance property values and quality of life for the rest of the community.

New Legislation Affects Districts

Effective October 1, 2009, a new law in Connecticut will give tax districts the power to "maintain water quality in lakes that are located solely in one town in this state." The law also creates an exception to the usual rule that tax districts must apportion taxes based on the assessed values of the properties in their boundaries: "The cost for the maintenance of water quality in a lake shall be assessed on the land in a

district and payment shall be apportioned equally among the owners of parcels of property.”

Another new law, which went into effect on July 1, 2009, increases the fees charged by town clerks for filing documents in the land records to \$53.00 for the first page, but it specifically exempts tax districts from this increase. When recording tax lien certificates or other documents, your district ordinarily should be charged no more than \$13.00 for the first page and \$5.00 for each additional page.

These new laws are Public Acts 09-173 § 2 and 09-229 § 27, and you can read their full text on the Connecticut General Assembly’s website at www.cga.ct.gov.

For more information about ordinance procedures, preservation abatements, recent legislation, or any other issue of interest to tax districts, please contact **Adam J. Cohen in our Bridgeport office at 203-330-2230 or by email at ajcohen@pullcom.com**.

Adam J. Cohen chairs the firm’s Community Law Section and is a member of its Litigation Department. He represents communities and businesses. He regularly lectures to, writes about and represents special districts and other municipalities in matters ranging from revenue collection to commercial disputes.

www.pullcom.com

850 Main Street
Bridgeport, CT 06604
Phone: (203) 330-2000
Fax: (203) 576-8888

90 State House Square
Hartford, CT 06103
Phone: (860) 424-4300
Fax: (860) 424-4370

107 Elm Street, 4th Floor
Stamford, CT 06902
Phone: (203) 324-5000
Fax: (203) 363-8659

50 Main Street
White Plains, NY 10606
Phone: (914) 682-6895
Fax: (914) 682-6894

This *Special District Update* is prepared by Pullman & Comley, LLC for educational and informational purposes only. It is intended to highlight recent developments in tax district law. Readers are advised to seek appropriate professional consultation before acting on any matters in this update. This report may be considered advertising. ©2009 Pullman & Comley, LLC. All Rights Reserved. To be removed from our mailing list please email unsubscribe@pullcom.com, with “Unsubscribe” in the subject line, or write to us at 850 Main Street, P.O. Box 7006, Bridgeport, CT 06601-7006. Prior results do not guarantee a similar outcome.

PULLMAN & COMLEY, LLC
850 MAIN STREET
P.O. BOX 7006
BRIDGEPORT, CT 06601-7006