



Senate

General Assembly

File No. 557

January Session, 2013

Substitute Senate Bill No. 383

Senate, April 18, 2013

The Committee on Planning and Development reported through SEN. CASSANO, S. of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING A MUNICIPAL OPTION TO PROVIDE AN ADDITIONAL PROPERTY TAX EXEMPTION FOR ONE HUNDRED PER CENT DISABLED VETERANS.

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

1 Section 1. Section 12-81g of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2013, and*
3 *applicable to assessment years commencing on and after said date*):

4 (a) Effective for the assessment year commencing October 1, 1985,
5 and each assessment year thereafter, any person entitled to an
6 exemption from property tax in accordance with subdivision (19), (20),
7 (21), (22), (23), (24), (25) or (26) of section 12-81, reflecting any increase
8 made pursuant to the provisions of section 12-62g, shall be entitled to
9 an additional exemption from such tax in an amount equal to twice the
10 amount of the exemption provided for such person pursuant to any
11 such subdivision, provided such person's qualifying income does not
12 exceed the applicable maximum amount as provided under section

13 12-81, except that if such person has a disability rating of one hundred
14 per cent as determined by the [Veterans' Administration of the] United
15 States Department of Veterans Affairs, the total of such adjusted gross
16 income, individually, if unmarried, or jointly, if married, in the
17 calendar year ending immediately preceding the assessment date with
18 respect to which such additional exemption is allowed, is not more
19 than twenty-one thousand dollars if such person is married or not
20 more than eighteen thousand dollars if such person is not married.
21 [Any claimant who, for the purpose of obtaining an exemption under
22 this section, wilfully fails to disclose all matters related thereto or with
23 intent to defraud makes any false statement shall forfeit the right to
24 claim such additional veteran's exemption.]

25 (b) (1) Effective for the assessment year commencing October 1,
26 2013, and each assessment year thereafter, any municipality may, upon
27 approval by its legislative body or, in any town in which the legislative
28 body is a town meeting, by the board of selectmen, provide that, in lieu
29 of the additional exemption prescribed under subsection (a) of this
30 section, any person entitled to an exemption from property tax in
31 accordance with subdivision (20) of section 12-81, reflecting any
32 increase made pursuant to the provisions of section 12-62g, who has a
33 disability rating of one hundred per cent, as determined by the United
34 States Department of Veterans Affairs, shall be entitled to an
35 additional exemption from such tax in an amount equal to three times
36 the amount of the exemption provided for such person pursuant to
37 subdivision (20) of section 12-81, provided such person's total adjusted
38 gross income as determined for purposes of the federal income tax,
39 plus any other income not included in such adjusted income,
40 excluding veterans' disability payments, individually if unmarried, or
41 jointly with spouse if married, during the calendar year ending
42 immediately preceding the filing of a claim for any such exemption, is
43 not more than twenty-one thousand dollars if such person is married
44 or not more than eighteen thousand dollars if such person is not
45 married.

46 (2) The provisions of this subsection shall not limit the applicability

47 of the provisions of subsection (a) of this section for persons not
48 eligible for the property tax exemption provided by this subsection.

49 (c) Any claimant who, for purposes of obtaining an exemption
50 under this section, wilfully fails to disclose all matters related thereto
51 or with intent to defraud makes any false statement shall forfeit the
52 right to claim such additional veteran's exemption.

53 [(b)] (d) Effective for the assessment year commencing October 1,
54 1986, and each assessment year thereafter, any person entitled to an
55 exemption from property tax in accordance with subdivision (19), (20),
56 (21), (22), (23), (24), (25) or (26) of section 12-81, reflecting any increase
57 made pursuant to the provisions of section 12-62g, and who is not
58 receiving or is not eligible to receive the additional exemption under
59 subsection (a) or (b) of this section, shall be entitled to an additional
60 exemption from such tax in an amount equal to one-half of the amount
61 of the exemption provided for such person pursuant to any such
62 subdivision.

63 [(c)] (e) The state shall reimburse each town, city, borough,
64 consolidated town and city and consolidated town and borough by the
65 last day of each calendar year in which exemptions were granted to the
66 extent of the revenue loss represented by the additional exemptions
67 provided for in [subsection (a)] subsections (a) and (b) of this section.
68 The Secretary of the Office of Policy and Management shall review
69 each claim for such revenue loss as provided in section 12-120b. Any
70 claimant aggrieved by the results of the secretary's review shall have
71 the rights of appeal as set forth in section 12-120b. In the fiscal year
72 commencing July 1, 2003, and in each fiscal year thereafter, the amount
73 payable to each municipality in accordance with this section shall be
74 reduced proportionately in the event that the total amount payable to
75 all municipalities exceeds the amount appropriated.

76 [(d)] The Secretary of the Office of Policy and Management shall
77 adopt regulations, in accordance with the provisions of chapter 54,
78 establishing: (1) A procedure under which a municipality shall
79 determine eligibility for the additional exemption under subsection (a)

80 of this section, provided such procedure shall include a provision that
81 when an applicant has filed for such exemption and received approval
82 for the first time, such applicant shall be required to file for such
83 exemption biennially thereafter, subject to the provisions of subsection
84 (e) of this section; (2) the manner in which a municipality shall apply
85 for reimbursement from the state for the revenue loss represented by
86 the additional exemptions provided for in subsections (a) and (b) of
87 this section, which shall provide a penalty for late filing of such
88 application for reimbursement of two hundred fifty dollars but shall
89 also provide that the secretary may waive such forfeiture in
90 accordance with procedures and standards contained in such
91 regulations; and (3) the manner in which the Office of Policy and
92 Management may audit and make adjustments to applications for
93 reimbursement from municipalities for a period of not more than one
94 year next succeeding the deadline for such application.]

95 [(e)] (f) Any person who has submitted application and been
96 approved in any year for the additional exemption under subsection
97 (a) or (b) of this section shall, in the year immediately following
98 approval, be presumed to be qualified for such exemption. If, in the
99 year immediately following approval, such person has qualifying
100 income in excess of the maximum allowed under [said] subsection (a)
101 or (b) of this section, such person shall notify the tax assessor in the
102 town allowing the additional exemption on or before the next filing
103 date for such exemption and shall be denied such exemption for the
104 assessment year immediately following and for any subsequent year
105 until such person has reapplied and again qualified for such
106 exemption. Any person who fails to notify the tax assessor of such
107 disqualification shall make payment to the town in the amount of
108 property tax loss related to the exemption improperly taken. Not more
109 than thirty days after discovering such person's ineligibility for the
110 exemption, the assessor shall send written notification of such person's
111 identity to the Secretary of the Office of Policy and Management. If any
112 payment was remitted under subsection [(c)] (e) of this section with
113 respect to a period for which such person was not eligible for the
114 exemption, the amount of the next payment made to the town shall be

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 14 \$	FY 15 \$
Policy & Mgmt., Off.	GF - Potential Cost	See Below	See Below

Municipal Impact:

Municipalities	Effect	FY 14 \$	FY 15 \$
All Municipalities	Potential Cost	See Below	See Below

Explanation

The bill allows municipalities to increase the veterans' additional property tax exemption to three times the veterans' base exemption for 100% disabled veterans with limited income.

The Office of Policy and Management (OPM) reimburses municipalities for the veterans' additional exemption. To the extent municipalities choose to increase the exemption for certain veterans, the cost to fully fund the program would increase. However, reimbursements are contingent upon the level of appropriation. If appropriations are insufficient, reimbursements are reduced on a pro rata basis, resulting in increased municipal costs. It is not known how many veterans would qualify for the bill's increased tax exemption.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 383*****AN ACT ESTABLISHING A MUNICIPAL OPTION TO PROVIDE AN ADDITIONAL PROPERTY TAX EXEMPTION FOR ONE HUNDRED PER CENT DISABLED VETERANS.*****SUMMARY:**

This bill allows municipalities to increase the additional property tax exemption for “100% disabled” veterans with limited income from two times the veteran’s base exemption to three times that exemption.

Currently, up to \$3,000 worth of a 100% disabled veteran’s property is exempt from property tax (“base exemption”). Such veterans whose household income, excluding veteran’s disability payments, is no more than \$18,000, if single, or \$21,000, if married, are eligible for an additional exemption of two times the base exemption (i.e., \$6,000 of property is tax exempt). (If such veterans have more income than the statutory limits, they are eligible for an additional exemption of only one and a half times the base exemption.)

Under the bill, municipalities may provide an additional exemption of three times the base exemption (i.e., \$9,000 of property is tax exempt), instead of twice the base exemption, to eligible veterans.

By law and under the bill, the state reimburses municipalities for the loss of revenue from these base and additional exemptions either fully, or prorated to the amount appropriated for reimbursements associated with these exemptions. The state does not reimburse municipal revenues lost due to the one and a half times additional exemption available to veterans with income over the statutory limits.

The bill requires the Office of Policy and Management (OPM) to adopt regulations that establish the procedures by which (1) municipalities determine a veteran’s eligibility for the new, triple-the-

base, exemption; (2) municipalities apply for reimbursement from the state for revenues lost due to the exemption; and (3) OPM audits and adjusts municipalities' reimbursement applications. Current law requires OPM to adopt similar regulations governing existing exemptions.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2013 and applicable to assessment years on or after October 1, 2013.

BACKGROUND

Eligible Veterans

Any Connecticut resident who served or serves in the U.S. Army, Navy, Marine Corps, Coast Guard, or Air Force and has a disability rating of 100% by the U.S. Department of Veterans Affairs is eligible for certain property tax exemptions.

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable Substitute Change of Reference
Yea 14 Nay 0 (03/12/2013)

Planning and Development Committee

Joint Favorable Substitute
Yea 19 Nay 0 (04/01/2013)