



Senate

General Assembly

File No. 130

January Session, 2015

Senate Bill No. 523

Senate, March 19, 2015

The Committee on Veterans' Affairs reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT WAIVING INTEREST ON DELINQUENT PROPERTY TAXES FOR CERTAIN MEMBERS OF THE ARMED FORCES.

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

1 Section 1. Section 12-146e of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015, and*
3 *applicable to assessment years commencing on and after October 1, 2015*):

4 Notwithstanding the provisions of section 12-146, a municipality
5 [may, upon approval by its legislative body or, in any town in which
6 the legislative body is a town meeting, by the board of selectmen of
7 such municipality, elect to] shall not charge or collect interest [for a
8 period of one year] on any property tax or any installment or part
9 thereof that is payable by any resident of the state who (1) is a member
10 of the armed forces of the United States or of any state or of any
11 reserve component thereof, (2) has been called to active service in the
12 armed forces of the United States, and (3) (A) is serving outside the
13 state on the final day that payment of such property tax or installment
14 or part thereof is due, or (B) has been residing in the state for less than

15 one year since returning from serving outside the state. Any interest
16 waived pursuant to this section shall be reinstated if a member of the
17 armed forces fails to pay the amount of any such delinquent property
18 taxes after residing in the state for at least one year after returning
19 from serving outside the state.

20 Sec. 2. Sections 12-146c and 12-146d of the general statutes are
21 repealed. (*Effective October 1, 2015*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015, and applicable to assessment years commencing on and after October 1, 2015</i>	12-146e
Sec. 2	<i>October 1, 2015</i>	Repealer section

VA *Joint Favorable*

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: None

Municipal Impact:

Municipalities	Effect	FY 16 \$	FY 17 \$
All Municipalities	Revenue Loss	None	Potential Minimal

Explanation

The bill 1) requires municipalities to waive the interest on property taxes for active duty armed forces members stationed anywhere outside the state (rather than those stationed in Iraq and Afghanistan); and 2) expands the amount of time the waiver is in effect.

There is a potential revenue loss, estimated to be minimal, to municipalities associated with expanding the waiver on delinquent property taxes for armed forces members. Due to the timing of the bill, any revenue loss would first occur in FY 17.

The revenue loss will vary based on 1) the number of active duty armed forces members stationed outside Connecticut, but not in Iraq or Afghanistan; 2) the length of their duty; and 3) the amount of delinquent property taxes owed.

In 2012, there were approximately 6,300 active duty armed forces members¹ from Connecticut. It is not known how many of those people would be impacted by this bill.

The Out Years

¹ United States Department of Defense

The annualized ongoing fiscal impact identified above would continue into the future subject to fluctuations in the amount of overdue property taxes owed by active duty armed forces members.

OLR Bill Analysis**SB 523*****AN ACT WAIVING INTEREST ON DELINQUENT PROPERTY TAXES FOR CERTAIN MEMBERS OF THE ARMED FORCES.*****SUMMARY:**

This bill requires municipalities to waive the interest on delinquent property taxes payable by certain out-of-state active military members, rather than only by those serving in Iraq or Afghanistan. By law, a town must charge 18% annual interest (1.5% per month) on delinquent property taxes. Current law also allows municipalities to waive such interest for out-of-state military members only with legislative body approval.

Unlike current law, the bill does not limit the waiver to one year. But the bill requires any waived interest to be reinstated if the military member fails to pay the delinquent property tax after he or she returns from service and lives in the state for at least one year.

Under the bill, the interest waiver applies to any state resident who (1) is a member of the U.S. Armed Forces or their reserve components, (2) has been called to active service, and (3)(a) is serving outside of Connecticut on the final day the property tax is due or (b) has been residing in Connecticut for less than one year since returning from outside the state.

The bill also deletes an obsolete provision allowing a property tax interest waiver for certain service members' spouses.

EFFECTIVE DATE: October 1, 2015, and applicable to assessment years beginning on and after October 1, 2015.

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable

Yea 14 Nay 0 (03/05/2015)