



# Senate

General Assembly

**File No. 92**

February Session, 2016

Substitute Senate Bill No. 198

*Senate, March 21, 2016*

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 substitute bill ought to pass.

***AN ACT CONCERNING ACTIVE DUTY MEMBERS OF THE ARMED FORCES AND DELINQUENT PROPERTY TAXES.***

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 Section 12-146e of the general statutes is repealed and the  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, 2016, and*  
3 *applicable to assessment years commencing on and after October 1, 2016*):

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 the member of the  
 17 armed forces fails to pay the amount of any such delinquent property  
 18 tax after residing in the state for at least one year after returning from  
 19 serving outside the state.

20 Sec. 2. Sections 12-146c and 12-146d of the general statutes are  
 21 repealed. (*Effective October 1, 2016*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</i>	12-146e
Sec. 2	<i>October 1, 2016</i>	Repealer section

**Statement of Legislative Commissioners:**

In Section 1, "the member" was substituted for "a member" for accuracy and "tax" was substituted for "taxes" for consistency.

**VA**      *Joint Favorable Subst. -LCO*

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 17 \$	FY 18 \$
Various Municipalities	Revenue Loss	None	Potential Minimal

**Explanation**

The bill requires municipalities to waive any interest on delinquent property taxes owed by certain active military members serving out-of-state, and military members who have returned from active duty and been home for less than one year.

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 18.

The revenue loss will vary based on 1) the number of active duty armed forces members stationed outside Connecticut, or who have been home from active duty for less than one year; 2) the length of their duty; and 3) the amount of delinquent property taxes owed.

In 2013, there were approximately 6,600 active duty armed forces members<sup>1</sup> from Connecticut. It is not known how many of those people would be impacted by this bill.

**The Out Years**

<sup>1</sup> 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 198*****AN ACT CONCERNING ACTIVE DUTY MEMBERS OF THE ARMED FORCES AND DELINQUENT PROPERTY TAXES.*****SUMMARY:**

This bill requires municipalities to waive the interest on delinquent property taxes owed by certain active military members serving out-of-state, 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, with their legislative body's approval, to waive such interest for one year for any out-of-state military members.

The bill does not limit the waiver to one year as under current law. 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 either (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 repeals an obsolete provision allowing a property tax interest waiver for certain service members' spouses.

EFFECTIVE DATE: October 1, 2016, and applicable to assessment years beginning on and after October 1, 2016.

**COMMITTEE ACTION**

Veterans' Affairs Committee

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Joint Favorable

Yea 13 Nay 0 (03/03/2016)