



Senate

General Assembly

February Session, 2016

File No. 221

Senate Bill No. 321

Senate, March 24, 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 bill ought to pass.

AN ACT CONCERNING PROPERTY TAXES AND DISABLED VETERANS OVER THE AGE OF SIXTY-FIVE.

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

1 Section 1. Subsection (b) of section 12-129b of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2016, and applicable to assessment years commencing on and after*
4 *October 1, 2016*):

5 (b) The tax on the real property for which the benefits under this
6 section are claimed shall be calculated by multiplying the assessed
7 value, less one thousand dollars, or, if the taxpayer is a veteran with a
8 disability rating by the Veterans' Administration of the United States
9 amounting to ten per cent or more of total disability, less three
10 thousand dollars of said property for the year 1966 or for any
11 subsequent year in which the taxpayer first files and has approved a
12 claim under this section and section 12-129c, by the applicable mill rate
13 of that year for the general property tax, exclusive of any special tax
14 levy, except that, if such property is located in more than one town, the

15 tax payable to the town of the taxpayer's voting residence shall be so
16 calculated and the tax payable to the other town or towns in which
17 such property is located shall be calculated by multiplying the
18 assessed value of said property for the year 1968 or for any subsequent
19 year in which a taxpayer first files and has approved a claim under this
20 section and section 12-129c by the applicable mill rate of such general
21 property tax of that year. If title to real property is recorded in the
22 name of the person or the spouse making a claim and qualifying under
23 said sections and any other person or persons, the claimant hereunder
24 shall be entitled to pay the claimant's fractional share of the tax on such
25 property calculated in accordance with the provisions of this section,
26 and such other person or persons shall pay the person's or persons'
27 fractional share of the tax without regard for the provisions of said
28 sections. Any municipality may, upon approval of its legislative body,
29 provide that any taxpayer who, as a veteran, is entitled to the
30 exemption from property tax applicable to the assessed value of
31 property of three thousand dollars, as provided in this subsection,
32 shall be entitled to an additional exemption from such tax in an
33 amount in excess of three thousand dollars of such assessed value as
34 determined by such municipality. For the purposes of this section, a
35 "mobile manufactured home", as defined in section 12-63a, shall be
36 deemed to be real property.

37 Sec. 2. Subsection (a) of section 12-129p of the general statutes is
38 repealed and the following is substituted in lieu thereof (*Effective*
39 *October 1, 2016, and applicable to assessment years commencing on and after*
40 *October 1, 2016*):

41 (a) Notwithstanding the provisions of sections 12-129b to 12-129d,
42 inclusive, as amended by this act, if the amount of tax benefit
43 calculated in accordance with said sections and provided thereunder
44 for any homeowner qualified for the program of tax relief under said
45 sections, except for any veteran who has a disability rating by the
46 Veterans' Administration of the United States amounting to ten per
47 cent or more of total disability, is equivalent to two thousand dollars or
48 more in the assessment year commencing October 1, 1985, such benefit

49 shall not, in any subsequent assessment year exceed the amount of
50 such benefit to which such homeowner was entitled for said
51 assessment year commencing October 1, 1985, and additionally, if the
52 amount of such tax benefit for any homeowner so qualified, except for
53 any veteran who has a disability rating by the Veterans'
54 Administration of the United States amounting to ten per cent or more
55 of total disability, is less than two thousand dollars in the assessment
56 year commencing October 1, 1985, the amount of such homeowner's
57 benefit shall not, in any subsequent assessment year, exceed two
58 thousand dollars.

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>	12-129b(b)
Sec. 2	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</i>	12-129p(a)

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:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Policy & Mgmt., Off.	GF - Cost	None	Less than \$100,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities	Revenue Loss	None	Less than \$100,000 cumulatively

Explanation

This bill increases the real property tax exemption amount, from \$1,000 to \$3,000, for veteran taxpayers who: 1) are over age 65, 2) have a U.S. Veterans Affairs disability rating of at least 10%, and 3) are already in the Elderly Freeze Tax Relief (Freeze) program. The bill also allows municipalities to expand the Freeze program, for eligible veterans, beyond \$3,000.

The bill results in a revenue loss, estimated to be less than \$100,000 cumulatively, to 33 municipalities. Currently, 51 homeowners in 33 municipalities are in the Freeze program, and the cumulative revenue loss to municipalities as a result of the program is about \$95,000.¹ It is not known how many of these 51 homeowners are veterans with disability ratings over 10%.

The Office of Policy and Management (OPM) is required to

¹ In FY 16, the Office of Policy and Management is estimated to make approximately \$95,000 in payments to municipalities to fully reimburse them for the tax loss resulting from the Elderly Freeze Tax Relief Program.

reimburse municipalities for the tax loss resulting from the Freeze program. As a result, there is a corresponding cost, estimated to be less than \$100,000 to OPM. However, as OPM can proportionately reduce these reimbursements, a cost would only be incurred if the appropriation for the Freeze program was increased.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in municipal mill rates and grand lists.

OLR Bill Analysis**SB 321*****AN ACT CONCERNING PROPERTY TAXES AND DISABLED VETERANS OVER THE AGE OF SIXTY-FIVE.*****SUMMARY:**

This bill increases the real property tax exemption amount, from \$1,000 to \$3,000, for veteran taxpayers who (1) are over age 65, (2) have a U.S. Veterans Affairs disability rating of at least 10%, and (3) are already in the elderly tax freeze program.

It also allows a municipality, upon approval of its legislative body, to provide such a veteran with an exemption of more than \$3,000.

By law, the elderly tax freeze program freezes property taxes for homeowners aged 65 or older (or their surviving spouse aged 50 or older) with annual taxable incomes of \$6,000 or less when he or she first qualified for the program. The program stopped accepting new applicants in 1980 but those who qualified before then continue to receive benefits as long as they still qualify. They must refile for benefits with local assessors every two years.

EFFECTIVE DATE: October 1, 2016, and applicable to assessment years commencing on and after that date.

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable

Yea 15 Nay 0 (03/08/2016)