



House of Representatives

General Assembly

File No. 167

January Session, 2017

House Bill No. 5176

House of Representatives, March 23, 2017

The Committee on Public Safety and Security reported through REP. VERRENGIA of the 20th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT INCREASING THE PROPERTY TAX EXEMPTION FOR LOCAL VOLUNTEER EMERGENCY SERVICE PERSONNEL.

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

1 Section 1. Section 12-81w of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2017*):

3 (a) The legislative body of any municipality may establish, by
4 ordinance, a program to provide property tax relief for a nonsalaried
5 local emergency management director, any individual who volunteers
6 his or her services as a firefighter, fire police officer, as defined in
7 subsection (a) of section 7-308, emergency medical technician,
8 paramedic, civil preparedness staff, active member of a volunteer
9 canine search and rescue team, as defined in section 5-249, active
10 member of a volunteer underwater search and rescue team, or
11 ambulance driver in the municipality, or any individual who is a
12 retired volunteer firefighter, fire police officer or emergency medical
13 technician and has completed at least twenty-five years of service as a

14 volunteer firefighter, fire police officer or emergency medical
15 technician in the municipality.

16 (b) Such tax relief may provide either (1) an abatement of up to one
17 thousand dollars in property taxes due for any fiscal year, or (2) an
18 exemption applicable to the assessed value of real or personal property
19 up to an amount equal to the quotient of one million dollars for
20 assessment years commencing prior to October 1, 2017, two million
21 dollars for the assessment year commencing October 1, 2017, and three
22 million dollars for the assessment year commencing October 1, 2018,
23 and each assessment year thereafter, divided by the mill rate, in effect
24 at the time of assessment, expressed as a whole number of dollars per
25 one thousand dollars of assessed value.

26 (c) Any ordinance may authorize interlocal agreements for the
27 purpose of providing property tax relief to such volunteers who live in
28 one municipality but volunteer or volunteered their services in another
29 municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2017	12-81w

PS *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 18 \$	FY 19 \$
Various Municipalities	Grand List Reduction	None	Potential

Explanation

The bill results in a grand list reduction in municipalities that choose to offer this optional property tax exemption. It is anticipated that any grand list reduction experienced by a municipality as a result of the bill would be offset by an increase in its mill rate. This would shift the tax burden in the municipality away from people who are eligible for this exemption.

The extent of the grand list reduction will vary based on the number of people eligible for the exemption, and the value of property they own. Due to the timing of the bill, there is no impact until FY 19.

The Out Years

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

OLR Bill Analysis**HB 5176*****AN ACT INCREASING THE PROPERTY TAX EXEMPTION FOR LOCAL VOLUNTEER EMERGENCY SERVICE PERSONNEL.*****SUMMARY**

This bill allows municipalities to increase the property tax exemption they may give to volunteer emergency personnel under an existing law, which allows a municipality, by ordinance, to provide property tax relief to such volunteers in the form of a tax abatement of up to \$1,000 in any fiscal year or a tax exemption on real or personal property.

Under current law, the amount of the tax exemption is up to \$1 million divided by the mill rate expressed as a whole number per \$1,000 of assessed value at the time of the assessment. The bill increases the exemption to up to \$2 million in FY 17 and up to \$3 million in FY 18 and subsequent years, divided by the mill rate at the time of the assessment.

A tax exemption is a reduction in the property's assessed value for tax purposes; a tax abatement is a reduction in the amount of taxes owed.

EFFECTIVE DATE: July 1, 2017

BACKGROUND***Local-Option Property Tax Relief Program***

The following volunteers are eligible for the tax relief under the program:

1. firefighters and fire police officers,
2. emergency medical technicians,

3. paramedics,
4. civil preparedness staff,
5. active members of a volunteer canine search and rescue team;
6. active members of a volunteer underwater search and rescue team;
7. ambulance drivers in the municipality; or
8. retired volunteer firefighters, fire police officers, or emergency medical technicians who have completed at least 25 years of service as a volunteer firefighter, fire police officer, or EMT.

The tax relief ordinance may also authorize interlocal agreements for providing tax relief to volunteers who live in one municipality but volunteer or volunteered their services in another municipality.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable

Yea 24 Nay 0 (03/07/2017)