



House of Representatives

General Assembly

File No. 114

January Session, 2017

House Bill No. 5740

House of Representatives, March 22, 2017

The Committee on Housing reported through REP. BUTLER of the 72nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT ALLOWING CERTAIN MUNICIPALITIES TO CREATE PROPERTY TAX RELIEF PROGRAMS FOR GRADUATES OF CERTAIN EDUCATIONAL INSTITUTIONS LOCATED IN CONNECTICUT.

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

1 Section 1. (NEW) (*Effective July 1, 2017*) The legislative body of the
2 eight largest municipalities may establish, by ordinance, a program to
3 provide property tax relief as an incentive for graduates of a public
4 institution of higher education, private university or college, or health
5 care training school in this state, or graduates from a technical high
6 school, to buy a first home in such municipality. The municipality may
7 (1) limit the amount of tax relief provided by such program on an
8 individual basis or in the aggregate, and (2) incentivize such graduates
9 to buy a first home in certain geographical areas of such municipality.
10 The provisions of this section shall not be construed to deny a person
11 any other exemptions from property tax to which such person is
12 entitled to by law. For the purposes of this section, "largest
13 municipality" means a municipality with the highest total population

14 in the state according to the most recent federal decennial census.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2017</i>	New section

HSG *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 \$
Bridgeport, Danbury, Hartford, New Britain, New Haven, Norwalk, Stamford, Waterbury	Grand List Reduction	None	Potential

Explanation

It is anticipated that a municipality that chose to implement this optional property tax exemption would increase its mill rate to make up for any grand list reduction incurred as a result of the exemption. This would result in a shift in the tax burden away from people eligible for the program. The extent of the shifting tax burden would vary based on the extent of the exemption set by the municipality, the number of people who participate in the program, and the value of property they purchase.

About 55,000 people graduate each year from public and private universities in the state, and from the regional technical high schools. The number of people who participate in this program, and the corresponding impact on municipalities, would likely vary significantly based on the value of the exemption offered by municipalities.

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 5740****AN ACT ALLOWING CERTAIN MUNICIPALITIES TO CREATE PROPERTY TAX RELIEF PROGRAMS FOR GRADUATES OF CERTAIN EDUCATIONAL INSTITUTIONS LOCATED IN CONNECTICUT.****SUMMARY**

This bill authorizes the eight largest cities by population (Bridgeport, New Haven, Stamford, Hartford, Waterbury, Norwalk, Danbury, and New Britain) to establish by ordinance a property tax relief program for first-time homebuyers who are recent graduates of a college or university, health care training school, or technical high school. The ordinance must specify the program's parameters, which may include (1) a cap on tax relief provided on an individual or aggregate basis and (2) limiting tax relief to those homebuyers who purchase homes in certain areas of the municipality.

EFFECTIVE DATE: July 1, 2017

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 12 Nay 1 (03/07/2017)