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## OLR Bill Analysis

### HB 5540

#### ***AN ACT ESTABLISHING A MUNICIPAL OPTION TO PROVIDE PROPERTY TAX RELIEF TO RESIDENTS WHO ARE UNABLE TO LIVE IN THEIR HOMES DUE TO A NATURAL DISASTER OR EVACUATION ORDER.***

#### **SUMMARY**

This bill authorizes municipalities, by vote of their legislative bodies, to establish a property tax relief program for owner-occupants of residential property who are displaced by (1) damage to the property caused by a natural disaster or (2) a state or federal evacuation order or emergency or disaster declaration.

Under current law, municipalities have limited options for providing tax relief to homeowners (see BACKGROUND).

EFFECTIVE DATE: July 1, 2019

#### **BACKGROUND**

##### ***Municipal Option Tax Relief***

Existing law gives municipalities the option of providing limited property tax relief to homeowners based on their (1) income, (2) age or disability, or (3) veteran or emergency personnel status. Additionally, municipalities can abate the taxes on certain classes of property, including structures of historical or architectural merit or with certain accessibility features.

##### ***Special-Case Reassessments***

Existing law requires municipalities to assess all property for taxes on October 1 annually, but also requires them to conduct interim reassessments of residential property in several circumstances: (1) for new construction, (2) when property damage requires complete demolition or reconstruction, and (3) for houses with foundations

made from defective concrete (CGS §§ 12-53a, 12-64a, and 29-265d).

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 19 Nay 0 (03/08/2019)