



House of Representatives

General Assembly

File No. 83

January Session, 2019

House Bill No. 5540

House of Representatives, March 21, 2019

The Committee on Planning and Development reported through REP. MCCARTHY VAHEY, C. of the 133rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

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.

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

1 Section 1. (NEW) (*Effective July 1, 2019*) Notwithstanding the
2 provisions of section 12-64a of the general statutes, any municipality
3 may, by vote of its legislative body, establish a program to provide
4 property tax relief for residents of such municipality who are unable to
5 live in residential real property owned and occupied by such residents
6 due to (1) damage to such property caused by a natural disaster, or (2)
7 displacement from such property caused by an evacuation order or the
8 declaration of a state of emergency or disaster under the provisions of
9 state or federal law.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2019</i>	New section
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PD *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 20 \$	FY 21 \$
Various Municipalities	Potential Revenue Loss	See Below	See Below

Explanation

The bill, which permits municipalities to provide tax relief to displaced homeowners, results in a potential revenue loss. The revenue loss to any municipality that opts to provide such relief would vary based on the specific parameters of the program that it establishes, and the number of homeowners eligible for such relief.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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)