

# Aging Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-164

AN ACT LOWERING THE AGE OF ELIGIBILITY FOR PROPERTY TAX RELIEF  
**Title:** FOR SENIOR CITIZENS.

**Vote Date:** 3/4/2020

**Vote Action:** Joint Favorable Substitute Change of Reference to Planning and Development

**PH Date:** 2/27/2020

**File No.:**

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## **SPONSORS OF BILL:**

Aging Committee

## **REASONS FOR BILL:**

The bill would increase the number of elderly residents eligible for property tax relief and would allow municipalities to exempt one vehicle from taxation belonging to a person age 71 or older who had resided in the municipality not less than forty years.

The JFS language adds a new subsection (e) clarifying that towns that now limit such relief to persons over age 70 can continue to do so without a new vote since the new criteria allows them to award such relief to those 65 and older. Those who want to reduce the age to 65 would have to take a new vote. It also adds a new Sec. 2 stating that municipalities can set eligibility standards for motor vehicle tax deductions for those 71 and over who have lived in the municipality for 40 years.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

**Martin Heft, Acting Undersecretary, Office of Policy and Management, Intergovernmental Policy and Planning Division:** They did not oppose or support the bill but pointed out concerns with several sections of the bill as it was written. Each of the statutes are municipal options which would provide exemptions and changes to these will contribute to the reduction of the municipalities Grand List and shift that tax burden to other taxpayers.

Section 12-170v – the bill does not address whether this provision would override the local ordinance or cause a municipality to amend their adopted ordinances to meet the new

requirement. This would allow a municipality the option to weigh the potential impact before adoption of any changes.

Section 12-81c – they suggest that a new exemption statute be created and added to the list of exemptions as codified in CGS 12-81 since the proposed additional exemptions being added into a standing exemption statute the deals with ambulances and handicapped-modified vehicles would be in error.

They also state that the language state one vehicle rather than "any" vehicle.

They point out that the bill does not define "owned" and suggest that language that is used in CGS 12-81 be utilized. This indicates that vehicles "belonging, leased to, or held in trust for" which exempts a vehicle for a veteran.

The proposed bill does not suggest a ceiling for the value of the vehicle and said that those with a value in excess of \$100,000 might serve as an example.

It would be difficult for an assessor to verify that a resident lived in the municipality for 40 years. Specifically, what if the taxpayer has not physically owned a home in the municipality and perhaps rented an apartment or lived with a loved one instead.

#### **NATURE AND SOURCES OF SUPPORT:**

**Senator George Logan, Connecticut General Assembly:** He offered testimony in support of this bill. Seniors, many of whom are on fixed incomes are finding it especially difficult to maintain their current quality of life in our state. He believes that this legislation will provide some needed tax relief.

**AARP Connecticut:** they are in support of this bill because one of the barriers to aging in place is housing affordability. This bill helps older homeowners live longer in their homes without becoming so financially strained that they must cut back on food, healthcare and other necessities.

#### **NATURE AND SOURCES OF OPPOSITION:**

**Betsy Gara, Executive Director, Connecticut Council of Small Towns:** Their testimony was in opposition to this proposal. Under the Elderly/Disabled Circuit Breaker Program municipalities may be reimbursed for lost revenue by OPM, but to address state budget deficits, state funding for the Circuit Breaker program has been reduced. The municipalities however, must continue to provide the tax reductions to eligible homeowners regardless if the state reimburses them. Also, the exemption for motor vehicles would shift a greater tax burden to other homeowners and businesses.

**Connecticut Conference of Municipalities:** They are opposing this bill. This bill would impose a "de facto" mandate on towns and cities by providing property tax relief for a select few people at the expense of remaining taxpayers. They are concerned about the arbitrary nature of this proposal. Local tax dollars are already stretched too thin and cities and towns cannot shoulder the burden of more property tax exemptions.

**Reported by:** Richard Ferrari, Assistant Clerk  
Gaia McDermott, Clerk

**Date:** 3/11/2020