
OLR Bill Analysis

HB 6420

AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR CERTAIN MUNICIPAL VOLUNTEERS.

SUMMARY

This bill increases the maximum property tax exemption that municipalities may provide to certain active and retired volunteer emergency personnel, making it equal to the maximum amount of relief municipalities may provide these individuals through abatements (i.e., \$2,000).

By law, a municipality may by ordinance provide tax relief to qualifying volunteer emergency personnel (see BACKGROUND) in the form of either an abatement or an exemption. An abatement is a reduction in the amount of taxes owed; an exemption is a reduction in the property's assessed value for tax purposes. Prior to July 1, 2019, the maximum amount of relief provided under either form was the same. PA 19-36 increased the maximum amount of relief a municipality may provide through abatements, but not exemptions.

The bill increases the maximum exemption amount from \$1 million to \$2 million, divided by the municipality's mill rate (expressed as a whole number per \$1,000 of assessed value) at the time of the assessment. By doing so, it increases from \$1,000 to \$2,000 the maximum amount of tax relief for exemption recipients.

The bill also delays the date on which the \$2,000 abatement takes effect. Under current law, municipalities may provide an abatement of up to \$2,000 for FY 22 and thereafter. Under the bill, the increase takes effect on October 1, 2021, rather than July 1, 2021, but the abatement still must be provided on a fiscal-year basis (presumably for FY 22 and thereafter).

EFFECTIVE DATE: October 1, 2021, and applicable to the

assessment years after that date

BACKGROUND

Tax Relief for Volunteer Emergency Personnel

By law, municipalities may provide tax relief to the following types of active and retired volunteers:

1. local emergency management directors;
2. firefighters and fire police officers;
3. emergency medical technicians;
4. paramedics;
5. civil preparedness staff;
6. active members of a volunteer canine search and rescue team;
7. active members of a volunteer underwater search and rescue team;
8. ambulance drivers in the municipality; and
9. retired volunteer firefighters, police officers, or emergency medical technicians who have completed at least 25 years of service in those roles.

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

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 26 Nay 0 (03/02/2021)