

OFFICE OF FISCAL ANALYSIS

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HB-5679

AN ACT CONCERNING PROPERTY TAX ABATEMENT FOR
CERTAIN FIRST-TIME HOME BUYERS.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Potential Revenue Loss	See Below	See Below

Explanation

The bill allows municipalities to abate up to \$500 in property taxes for homeowners with first-time home buyer mortgages purchased via the Connecticut Housing Finance Authority (CHFA).

The bill results in a revenue loss to a municipality that choose to implement this abatement. Such revenue loss would vary based on the amount of the abatement and the number of eligible homeowners. It is estimated that at least 28,400 homeowners across the state would be eligible to participate.¹ If all municipalities implemented a \$500 abatement, the revenue loss cumulatively to all municipalities would be at least \$14.2 million annually for the next five years.

The Out Years

The annualized ongoing fiscal impact identified above would

¹ CHFA currently has about 28,440 outstanding first-time home buyer mortgages. It is assumed that each of those people would be eligible for the abatement established by the bill if their municipality chose to offer it.

continue into the future subject to changes in municipal grand lists and mill rates.