

OFFICE OF FISCAL ANALYSIS

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HB-6420

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

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Grand List Reduction	None	Potential

Explanation

The bill results in a grand list reduction to certain municipalities. It increases, by \$1,000, an optional property tax exemption for certain volunteer firefighters, emergency medical technicians, and other similar volunteers. Municipalities that offer this exemption will experience a grand list reduction, which results in a revenue loss, given a constant mill rate.

Any impact is expected to be minimal, as a \$1,000 exemption equates to a revenue loss of \$32 per eligible taxpayer at the average statewide mill rate. It is not known how many municipalities offer this tax exemption, or how many property taxpayers receive it. As of 2020, there were approximately 22,300 active volunteer firefighters in Connecticut.

The bill also delays a \$1,000 increase in an optional tax abatement for the same population of taxpayers from July 1, 2021 to October 1, 2021. This has no fiscal impact, as it does not change the fiscal year during which the abatement would take effect, if a municipality chose

to offer it.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in municipal mill rates and grand lists.