

OFFICE OF FISCAL ANALYSIS

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HB-6420

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

As Amended by House "A" (LCO 8690)

House Calendar No.: 80

OFA Fiscal Note

State Impact: None

Municipal Impact:

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

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.

House "A" moves up the effective date from October 1, 2021, and removes a provision that delayed the date on which the abatement amount would increase from \$1,500 to \$2,000. This has no fiscal impact because these changes do not change the assessment year to which the bill first applies.

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.