

OFFICE OF FISCAL ANALYSIS

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sHB-6553

AN ACT PROTECTING PROPERTY OWNERS AGE SIXTY AND OLDER FROM FORECLOSURE.

OFA Fiscal Note

State Impact: None

Municipal Impact:

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

Explanation

There is a revenue loss to municipalities resulting from the bill, which prohibits towns from placing a lien on property owners aged 60 or older for delinquent taxes that are less than 8 percent of the property's assessed value.

The bill permits homeowners to accrue delinquent taxes until their debt meets the threshold outlined in the bill. For illustrative purposes, such properties with an assessed value of \$200,000 would be able to accrue \$16,000 in back taxes prior to the town placing a lien.

The bill is anticipated to weaken tax collection rates and result in a revenue loss in the fiscal years that delinquent taxes on such properties would have otherwise likely been collected by the placement of liens. Over the long term, the extent of revenue loss to towns is unclear, as the bill does not permanently reduce property taxes owed.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation.