

Housing Committee JOINT FAVORABLE REPORT

Bill No.: SB-202
AN ACT CONCERNING PROPERTY TAX ABATEMENT FOR CERTAIN FIRST-
Title: TIME HOME BUYERS.
Vote Date: 3/10/2022
Vote Action: Joint Favorable Substitute
PH Date: 3/1/2022
File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Rep. Joseph H. Zullo, 99th Dist.
Sen. Saud Anwar, 3rd Dist.
Rep. Tom Delnicki, 14th Dist.
Rep. Michael A. Winkler, 56th Dist.
Rep. Gary A. Turco, 27th Dist.
Sen. Paul Cicarella, 34th Dist.

SUBSTITUTE LANGUAGE: LCO: 2980 The effective date was updated to “October 1, 2022”.

REASONS FOR BILL:

Although CHFA loans offer lower rates and costs than many other loan products, lenders often don't promote them because they cannot make as much commission off them as they can other loan products. As a result, homeowners who are most often first-time homebuyers, end up paying more in interest. This credit is meant to incentivize people seeking mortgages to ask for CHFA loans. A similar bill was introduced in the 2021 session in [HB 5679](#).

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

[Samuel S. Gold](#), Executive Director of RiverCOG Supports this proposal, as it gives it lowers the threshold to homeownership. Samuel suggested that the bill be amended to allow

mortgages subsidized by the USDA, make the tax abatement immediate, and allow towns the option of providing a max abatement of \$2,500

[The Connecticut Conference of Municipalities](#) testified that while they normally oppose legislation like SB 202, they support the goal of creating more affordable housing and see this legislation as an innovative way to achieve this goal.

[Francis Pickering](#), Executive Director-WestCOG did not take a stance on opposing or supporting this legislation. WestCOG suggested that the bill be amended to allow mortgages subsidized by the USDA and to allow the first year of the tax abatement to be applied to property taxes due at closing.

[Betsy Gara](#), Executive Director of Connecticut Council of Small Towns expressed some concerns that these tax abatements would shift the tax burden onto other residents, but overall supported the bill because it "may be an effective tool in assisting municipalities in meeting their affordable housing goals."

COST did suggest the bill be amended to incorporate a mechanism to assist individuals in saving money for a down payment to purchase their first homes.

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: William Cromwell

Date: 3/17/2022