

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

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HB-6558

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

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## ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 24 \$</b>	<b>FY 25 \$</b>
Various Municipalities	Potential Revenue Loss	See Below	See Below

## ***Explanation***

The bill results in a potential revenue loss beginning in FY 24 to any municipality that chooses to abate up to \$500 in property taxes, for up to five years, for homeowners with a first-time home buyer mortgage purchased via the Connecticut Housing Finance Authority (CHFA).

The revenue loss for each municipality will vary based on the amount of the abatement and the number of eligible homeowners. It is estimated that there are approximately 24,600 homeowners across the state with the specified type of CHFA mortgage<sup>1</sup>. If all municipalities implemented a maximum \$500 abatement, the revenue loss cumulatively to all municipalities would be approximately \$12.3 million annually. If any municipality chooses not to offer the abatement, it will have no revenue loss associated with the bill, and the total revenue loss

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<sup>1</sup> CHFA has 24,601 outstanding first-time home buyer mortgages as of December 31, 2022. 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.

among municipalities will be lower.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of municipalities that implement the abatement, the amount of the abatement, and the number of CHFA first-time homebuyers in such municipalities.