

OFFICE OF FISCAL ANALYSIS

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

HB-5205

AN ACT CONCERNING VETERANS AND THE PASSPORT TO THE
PARKS MOTOR VEHICLE REGISTRATION FEE.

AMENDMENT

LCO No.: 9165

File Copy No.: 19

House Calendar No.: 35

OFA Fiscal Note

Cost

The amendment strikes the underlying bill and the associated fiscal impact, and results in the fiscal impact described below.

The amendment makes changes to certain veteran property tax exemptions that result in a grand list decrease to municipalities and a cost to the state for partial reimbursement to municipalities for the revenue loss, beginning in FY 25.

The amendment: (1) changes property tax exemptions for 100% disabled veterans, (2) requires the state to reimburse municipalities for 50% of the lost revenue due to the 100% disabled veterans property tax exemption, (3) expands the veterans property tax exemptions to include Space Force members, and (4) makes technical and conforming changes.

The amendment changes property tax exemptions for 100% disabled veterans from: (a) the current exemption of \$3,500 plus an additional income-based exemption, to (b) 10% of the assessed value of all property belonging to a 100% disabled veteran that is located within the town in which they reside. This applies to all property that is owned by the qualifying veteran and taxed. For a qualifying veteran with a home with an assessed value of \$250,000, \$25,000 would be exempt and \$225,000 would be taxable.

Primary Analyst: LG
Contributing Analyst(s):

6/2/23
(C)

This results in a grand list decrease for municipalities beginning in FY 25. A grand list decrease, results in a revenue loss, given a constant mill rate. The grand list decrease will be dependent on the total value of exempt property in each municipality. In FY 20, there were 4,954 100% disabled veterans receiving federal VA disability benefits and residing in Connecticut.

The amendment requires the state to reimburse municipalities for 50% of the revenue loss associated with the 100% disabled veterans' exemption outlined above. This partially mitigates any revenue loss to municipalities and results in a cost to the state beginning in FY 25 that is dependent on the value of exempt property in each municipality.

The amendment additionally expands veterans' property tax exemptions to include Space Force members. To the extent this increases the number of individuals qualifying for these exemptions there may be a potential grand list reduction beginning in FY 25. It is anticipated that any grand list reduction would be minimal as there are few Space Force veterans and no Space Force facilities in New England.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.