

OFFICE OF FISCAL ANALYSIS

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HB-5171

AN ACT CONCERNING THE WAIVER OF INTEREST ON CERTAIN
DELINQUENT PROPERTY TAX PAYMENTS.

OFA Fiscal Note

State Impact: None

Municipal Impact:

| Municipalities | Effect | FY 25 \$ | FY 26 \$ |
|-----------------------|-----------------|-----------------|-----------------|
| All Municipalities | Revenue Loss | Potential | Potential |

Explanation

The bill requires tax collectors to waive interest on delinquent property taxes when (1) the tax collector and assessor jointly determine the delinquency was due to a mistake by either official and was not the taxpayers' fault, and (2) the waiver is approved by the municipality's legislative body. This will result in a potential revenue loss to municipalities beginning in FY 25 as municipalities must waive interest on certain delinquent property taxes.

The extent of the revenue loss will be dependent on the number of delinquencies and the amount of property tax that is delinquent. Municipalities with no delinquencies will not be impacted.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of property tax delinquencies.