

OFFICE OF FISCAL ANALYSIS

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HB-5396

AN ACT LIMITING THE ASSESSMENT 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 caps the total interest that tax collectors may charge on delinquent property tax at 12% if the collector and assessor jointly determine the delinquency was because of a mistake made by the collector or assessor. This results in a potential revenue loss to municipalities beginning in FY 25 to the extent the lower interest rate is charged. Under current law, the interest rate on delinquent taxes is 18%.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of property tax delinquencies that are at the fault of the tax collector or assessor.