

OFFICE OF FISCAL ANALYSIS

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sHB-5514

AN ACT CONCERNING AN ADDITIONAL TAX REDUCTION FOR ELIGIBLE HOMEOWNERS UNDER THE CIRCUIT BREAKER PROPERTY TAX RELIEF PROGRAM.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Policy & Mgmt., Off.	GF - Potential Cost	None	Potential

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Revenue Loss	None	6.5 million

Explanation

The bill provides an additional tax reduction for homeowners eligible for the Circuit Breaker property tax relief program and results in a \$6.5 million cumulative revenue loss for municipalities beginning in FY 26. Approximately 30,000 homeowners participated in the program in FY 23 across five income brackets. There is a potential cost to the Office of Policy and Management (OPM) beginning in FY 26 to the extent they reimburse municipalities for the revenue loss. This program has historically not been reimbursed by the OPM.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the extent that OPM reimburses municipalities.

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