

# OFFICE OF FISCAL ANALYSIS

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SB-452

AN ACT CONCERNING THE PROPERTY TAX APPEALS PROCESS  
AND THE PENALTY RELATED TO THE SUBMISSION OF INCOME  
AND EXPENSES INFORMATION FOR RENTAL PROPERTIES.

## ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:***

Municipalities	Effect	FY 25 \$	FY 26 \$
All Municipalities	STATE MANDATE <sup>1</sup> - Cost	Potential	Potential
Various Municipalities	Revenue Gain/Loss	See Below	See Below

## ***Explanation***

The bill makes various changes regarding property tax assessment appeals that results in a cost and a potential revenue gain or loss beginning in FY 25 to municipalities described below.

**Section 1** requires boards of assessment appeals to hear appeals for certain property assessed at over \$1 million. This results in a potential cost to municipalities associated with an increased number of appeal hearings. Under current law, boards of assessment appeals have the option to decline hearing these appeals.

This section also requires assessors to provide certain information at

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<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

no charge to the person who filed the appeal. This may result in a cost to municipalities to the extent that this information is not readily available for the assessor to share.

**Section 2** requires (1) applicants and assessors to retain a mediator for property tax assessment appeals brought to Superior Court and (2) for applicants and assessors to share the cost of the mediator. This results in a cost to municipalities to the extent that a mediator is required.

The section also limits property tax assessment appeals for which applicants must file a property tax appraisal. This may result in an increased number of property tax assessment appeals and a corresponding cost to municipalities associated with this increase.

**Section 3** changes the penalty for property owners who fail to file income and operating expense statements associated with rental properties on time from a 10% increase in the property's assessed value to a flat \$500 fee. This results in a revenue gain or loss to municipalities that is dependent on the current penalty in place.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of assessment appeals, and penalties.