

FINANCE, REVENUE AND BONDING COMMITTEE

JOINT FAVORABLE REPORT

Bill No.: House Bill 5491

AN ACT ESTABLISHING A PROPERTY TAX EXEMPTION FOR VETERANS WHO HAVE A SERVICE-CONNECTED PERMANENT AND TOTAL DISABILITY

Title: RATING.

Vote Date: 4/2/2024

Vote Action: Joint Favorable Substitute

PH Date: 3/20/2024

File No.: 561

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Senator Catherine A. Osten, 19th District
Representative Anthony L. Nolan, 39th District
Representative Hubert D. Delany, 144th District

Co-Sponsors:

Representative Anthony L. Nolan, 39th District
Representative Jennifer Leeper, 132nd District
Representative Jane M. Garibay, 60th District
Representative Bill Buckbee, 67th District
Representative Christopher Poulos, 81st District
Representative Hubert D. Delany, 144th District
Representative Dominique Johnson, 143rd District
Representative Kevin Brown, 56th District
Representative Gary A. Turco, 27th District
Representative Sarah Keitt, 134th District
Representative Devin R. Carney, 23rd District
Representative Irene M. Haines, 34th District
Representative Moira Rader, 98th District
Representative Anne M. Hughes, 135th District
Representative Matt Blumenthal, 147th District
Representative Maryam Khan, 5th District
Representative Tom Delnicki, 14th District

Senator Martha Marx, 20th District
Representative Frank Smith, 118th District
Representative David Michel, 146th District
Representative William Heffernan, 115th District
Senator John A. Kissel, 7th District
Representative Mary M. Mushinsky, 85th District
Senator Patricia Billie Miller, 27th District
Representative Bobby G. Gibson, 15th District
Representative Travis Simms, 140th District
Representative Julio A. Concepcion, 4th District
Senator Henri Martin, 31st District
Senator Lisa Seminara, 8th District
Senator Norman Needleman, 33rd District
Representative Geraldo C. Reyes, 75th District
Representative Hector Arzeno, 151st District
Representative Tony J Scott, 112th District
Senator Julie Kushner, 24th District
Representative Antonio Felipe, 130th District

REASONS FOR BILL:

This bill would authorize a property tax exemption on or after October 1, 2024 for veterans that meet the "service-connected permanent and total disability criteria" as determined by the United States Department of Veterans Affairs. The bill aims to provide financial relief to veterans who have lost their income earning capacity due to their permanent and total disability.

SUBSTITUTE LANGUAGE:

In Section 1, new language adds a provision to include a spouse and minors as eligible for the property tax exemption, in the event of death of the eligible veteran. Section 4, new language inserts a permissive municipal option to include a motor vehicle tax exemption. An eligible veteran who does not own a home would be able to claim the property tax exemption for their vehicle instead, should their municipality allow.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[Anthony Nolan, State Representative, Connecticut General Assembly](#), states that these veterans have sacrificed a lot for us, and asserts that it's our turn to make sure they are taken care of and protected. The bill would exempt 1,209 veterans and would help veterans continue living in their homes instead of being forced out to live in a facility or with family members. Many towns have less than 10 permanent and totally disabled veterans, and staggeringly, 43 towns have only one qualifying disabled veteran. Creating an exemption for only one to ten individuals per town suggests a minimal impact that can be offset.

[Hubert Delany, State Representative, Connecticut General Assembly](#), emphasizes that these veterans have given up a lot for us, and noted that of Connecticut's 169 municipalities, only 22 elect to offer this additional benefit, which is a practice that should be universalized. Seven states – Arkansas, Florida, Maryland, Michigan, New Mexico, South Carolina, and Virginia – have already implemented legislation ensuring that a 100% permanently and totally disabled veteran's home is exempt from property taxes; showcasing how this proposal can effectively govern without compromising local budgets.

[Martha Marx, State Senator, Connecticut General Assembly](#), notes that this bill would honor the dedication and bravery that these disabled veterans have shown. She says the community remains underserved in the state, and this would help address that issue. She underscores that many of these veterans face challenges when transitioning to civilian life along with the mental, physical, and psychological issues that they developed after service, and that this tax exemption bill would relieve them of one less burden and show our gratitude.

[Jeff Gordon, State Senator, Connecticut General Assembly](#), believes that it is our duty to ensure that veterans who are 100 percent disabled are properly cared for upon their return home, and this proposed legislation is a crucial step in fulfilling that duty. In addition, he states

that data gathered from the Veterans and Military Affairs Committee shows that the number of affected veterans in any sole municipality is small, therefore, the financial impact for them would be small, with some municipalities having no affected veterans.

[Bill Gerber, First Selectman, Town of Fairfield, Connecticut](#), notes that 39 states currently exempt or provide significantly greater tax relief to their 100% disabled veterans. He states that totally and permanently disabled veterans total 1,209 in Connecticut and make up less than 0.02% of the state's population. He continues that this is a small and vulnerable segment of the population, and they need property tax relief.

[Sherri A. Marquis, Deputy Director, Somers Department of Veterans Affairs](#), underscores that the veterans' property tax exemptions have not seen change since 1875. Connecticut is one of the wealthiest states, however, it lacks in providing veteran benefits. She expresses that it is important not to forget about veterans as they still contribute to society even after their call of duty has ended.

[Dennis Carnelli, Chair, Veterans and Military Affairs Section, Connecticut Bar Association](#), notes that Connecticut has one of the highest property tax burdens in the country. This bill would permanently alleviate that burden for permanently and totally disabled veterans in our state. Given the contributions and sacrifices made by these veterans for the collective benefit of our society, I submit that this bill reflects nothing more and nothing less than what we already owe this small cohort of Connecticut veterans.

[Richard Evans, Veterans Services Coordinator, International Association of Machinists and Aerospace Workers](#), states this bill would allow a tax break for disabled veterans and reduce barriers for a smooth transition back to civilian careers post service as well as help keep adept, proficient veterans in Connecticut. He notes that honoring and serving veterans aligns with the union's platform to promote efforts to assist United States Armed Forces Veterans.

[Philip Gerard, Past Post Commander, VFW Post 9617](#), has seen veterans struggle with the high cost of living in Connecticut. He shared that, although he hasn't experienced any injury while serving, this bill is the correct solution for those who are 100% disabled veterans. Such a property tax exemption would allow those veterans to live out the rest of their lives in the comfort of their homes.

[K. Robert Lewis, Legislative Chairman, The American Legion](#), believes that Connecticut's property tax exemptions for disabled veterans have room to grow, especially when compared to other states.

[Gregory Long, Veteran, Major, United States Army](#), asserts that this bill gives the opportunity to assist veterans, like himself, to have a higher quality of life, which is deserved for their sacrifice. He continues, stating that the bill would further promote the retirement of veterans in the state versus looking to states that have better laws for them.

[Maureen McGovern](#) states that disabled veterans have many expenses and health issues, and so there is a need to ensure they don't have to worry about paying property taxes.

[Mark Nati, Veteran](#), writes that although he is not disabled, there are many veterans who are that this bill would help. He continues that property tax in Connecticut is the biggest barrier to

home ownership, and a disabled veteran cannot afford the average property tax in the state, in most cases.

[Taylor Salman, Veteran](#), outlines that removing the tax burden on permanent and total disabled veterans is a step in the right direction, and the impact would incentivize veterans who are on a fixed income to stay in Connecticut.

[Alison Weir, Executive Director, Connecticut Veterans Legal Center](#), highlights that Connecticut has had a law exempting some portion of the value of a veteran's property from taxation for decades, but the amount exempted is so small as to be meaningless in 2024. Current law allows an exemption of \$3,500 in property value for veterans with disability ratings above 75% or are over 65 years old, but the average cost of a house in Connecticut is \$428,000, meaning that the current exemption is worth less than 1% of the home's value. Veterans who are paraplegic may exempt \$10,000 in property value from their property tax, but that too does not come close to making any meaningful dent in the property tax owed. Indeed, these small amounts suggest that Connecticut does not value military service and the sacrifices made by veterans. This bill would correct that perception and demonstrate that Connecticut, like the majority of states and the District of Columbia, values the service of our veterans.

The following people also submitted testimony supporting the bill:

[Brian Burridge, East Lyme Veterans Representative, Department of Veterans Affairs](#)

[Brian Daconto, Veteran](#)

[Winton Hill, Self](#)

NATURE AND SOURCES OF OPPOSITION:

[Randy Collins, Associate Director of Policy, Connecticut Conference of Municipalities](#), states that towns and cities remain almost exclusively reliant on the imposition of a regressive property tax system to fund all levels of local service, and this bill would further increase property tax rates that already subsidize the current mandated 99 property exemptions. Additional exemptions to the property tax further shift the burden of paying for local education and services to other taxpayers. Every year, committees throughout the legislature propose and pass property tax exemptions and local options for property tax exemptions. When viewed individually, they seem small and inconsequential, but review Connecticut General Statutes, Chapter 12 Section 81, and you will see these individually adopted exemptions, when viewed collectively, are neither small nor inconsequential. Mr. Collins states that this is devastating to the poorer communities who have over 50% of their taxable property exempted.

[Betsy Gara, Executive Director, Connecticut Council of Small Towns](#), cautions that a new property tax exemption would present a more significant tax load on the other state residents and businesses. She states that Connecticut has the third highest effective property tax rates in the country and the extra tax burden would implement further pressure on home and property owners.

INFORMATIONAL COMMENTS

[Douglas Haynes, Veterans Affairs Accredited Claims Agent](#), provides and explains various changes that he believes would further enhance the bill.

[Wendy Nasta, Founder and Executive Director, Artists for World Peace](#), indicates support of the bill. However, the body of the testimony is not in relation to the bill subject matter.

[Maria Sangiolo, Booking Coordinator, The Vanilla Bean Café](#), indicates support of the bill. However, the body of the testimony is not in relation to the bill subject matter.

Reported by: Francisco Munoz and Ash Northey Date: April 8, 2024