

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No.: House Bill-5514

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

Title: PROGRAM.

Vote Date: 4/3/2024

Vote Action: Joint Favorable Substitute

PH Date: 4/1/2024

File No.:

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SPONSORS OF BILL:

Finance, Revenue and Bonding Committee

Co-Sponsors:

Representative Travis Simms, 140th District

REASONS FOR BILL:

This bill authorizes an additional tax property tax reduction under the Circuit Breaker Tax Relief Program and allows OPM, within available appropriations, to reimburse municipalities for the revenue loss from this additional tax reduction. The purpose of this legislation is to provide additional property tax relief to senior citizens who are permanently and totally disabled, live on a fixed income, and have limited resources to mitigate rising costs.

SUBSTITUTE LANGUAGE:

The substitute language pushes the effective date out one year and clarifies that the additional tax reduction is the same, regardless of a person's marital and tax filing status.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[Coke Wilson](#) supports a reduction in property tax.

NATURE AND SOURCES OF OPPOSITION:

[Betsy Gara, Executive Director, Connecticut Council of Small Towns \(COST\)](#) cautions that providing additional tax reduction for homeowners under the circuit breaker program will shift a greater burden to other residents and businesses. Other options for property tax reform should be explored without undermining the delivery of critical services. She notes that Connecticut continues to be more reliant on property tax revenues to fund local services than most other states in the nation.

[Jennifer Lineaweaver, Legislative Chair, Connecticut Association of Assessing Officers](#) explains that each new exemption reduces a municipality's Grand List and results in a tax increase for other taxpayers because the budgetary needs of the town remain and are shifted to other taxpayers. She recalls that in 2015 the state conducted a property tax study, which determined that Connecticut's property tax system was regressive. She asserts that part of the problem is that the amount of taxable property is continually being reduced every year by more exemptions and mandates. Additionally, the state has stopped reimbursing for many of these exemption programs as they promised to when enacted.

Reported by: Pamela Bianca

Date: April 12, 2024