

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-5172

AN ACT CONCERNING THE ASSESSMENT OF MOTOR VEHICLES
FOR PROPERTY TAXATION.

AMENDMENT

LCO No.: 5648

File Copy No.: 648

House Calendar No.: 167

Senate Calendar No.: 416

OFA Fiscal Note

See Fiscal Note Details

The amendment allows municipalities to adopt an ordinance to exempt all motor vehicles from property tax and simultaneously increase the assessment ratio for all other real and personal property to offset any revenue impact as a result of the exemption.

This may result in a grand list reduction to the extent a municipality chooses to adopt this exemption.¹ Any grand list impact may be reduced by increases the assessment ratio. The amendment allows municipalities to phase in these changes over five years which will reduce any potential impacts in the first year.

The amendment also requires any municipality that adopts this ordinance to notify the Office of Policy and Management (OPM) and requires OPM to submit an annual report containing this information beginning on January 1, 2026. This does not result in a cost to the state or municipalities as both have the resources necessary to meet this requirement.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is

¹ Motor vehicles made up approximately 8% of the total net grand list in 2022 (FY 24).

Primary Analyst: LG

Contributing Analyst(s):

Reviewer: RW

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(FN)

consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.