

OFFICE OF FISCAL ANALYSIS

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

HB-7067

AN ACT CONCERNING AN EMERGENCY CERTIFICATE OF NEED APPLICATION PROCESS FOR TRANSFERS OF OWNERSHIP OF HOSPITALS THAT HAVE FILED FOR BANKRUPTCY PROTECTION, THE ASSESSMENT OF MOTOR VEHICLES FOR PROPERTY TAXATION, A PROPERTY TAX EXEMPTION FOR VETERANS WHO ARE PERMANENTLY AND TOTALLY DISABLED AND FUNDING OF THE SPECIAL EDUCATION EXCESS COST GRANT.

AMENDMENT

LCO No.: 5420

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	Net Grand List Increase	See Below	See Below
Various Municipalities	Grand List Reduction	See Below	See Below
Various Municipalities	Potentially Significant Grand List Reduction	See Below	See Below

Explanation

The amendment strikes sections 4-6 of the underlying bill and their associated fiscal impacts.

Section 501 of the amendment results in a net grand list increase for municipalities in FY 26 and FY 27 to the extent that veterans with a permanently and totally disabled determination and a disability rating of less than 100% no longer qualify for the total property tax exemption

Primary Analyst: JP
Contributing Analyst(s): LG
Reviewer: RW

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described in Subdivision (83) of Section 12-81 of the CT General Statutes.

Additionally, the section results in a grand list reduction for municipalities by expanding the property tax exemption described in Subdivision (83) of Section 12-81 of the CT General Statutes to include mobile manufactured homes and up to two acres of property owned by qualifying veterans or their spouses. The extent of the grand list reduction depends on the number of qualifying veterans that own mobile manufactured homes, the amount of property that qualifying veterans own, the number of qualifying veterans, and the municipality in which their property is located.

Section 503 requires municipalities that adjust and republish their 2024 Grand List due to changes related to Sections 501 and 502 to (1) hear appeals related to the assessment of property for an additional time period and (2) send any changes to the Office of Policy and Management. This may result in a potential cost to municipalities in FY 25 associated with an increased number of appeal hearings.

The section also permits municipalities to make changes to their FY 26 budget and taxes that have been levied for FY 26. Any impact will be dependent on changes made to the FY 26 budget and taxes that have already been levied.

Section 504 results in a potentially significant grand list reduction by giving municipalities the option to extend the property tax exemption described in Section 501 to spouses of members of the Armed Forces with a disability rating who died before October 1, 2024. The impact of this reduction will depend on the number of municipalities that approve the option and the number of qualifying spouses who own property in Connecticut, which is currently unknown.

The exemption in this section differs from Section 501 in the sense that there is no reference to a 100% disability rating or a permanent and total designation. This municipal option would apply to the spouse of a deceased veteran that had been assigned a disability rating of any kind.

Section 510 results in a grand list reduction for municipalities by extending the property tax exemption described in Section 501 to the spouses of members of the Armed Forces who die due to their service while on active duty, effective October 1, 2025. The extent of the grand list reduction will correspond with the number of qualifying spouses who own property in Connecticut.

Section 502 and **Sections 505-509** make corresponding technical changes that do not result in a fiscal impact.

The Out Years

State Impact: None

Municipal Impact:

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of qualifying veterans, and the number of qualifying spouses.

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