



House of Representatives

File No. 702

General Assembly

January Session, 2021

(Reprint of File No. 57)

House Bill No. 6420
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 20, 2021

AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR CERTAIN MUNICIPAL VOLUNTEERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-81w of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2021, and*
3 *applicable to assessment years commencing on or after October 1, 2021*):

4 The legislative body of any municipality may establish, by ordinance,
5 a program to provide property tax relief for a nonsalaried local
6 emergency management director, any individual who volunteers his or
7 her services as a firefighter, fire police officer, as defined in subsection
8 (a) of section 7-308, emergency medical technician, paramedic, civil
9 preparedness staff, active member of a volunteer canine search and
10 rescue team, as defined in section 5-249, active member of a volunteer
11 underwater search and rescue team, or ambulance driver in the
12 municipality, or any individual who is a retired volunteer firefighter,
13 fire police officer or emergency medical technician and has completed

14 at least twenty-five years of service as a volunteer firefighter, fire police
 15 officer or emergency medical technician in the municipality. Such tax
 16 relief may provide either (1) [(A) for the period commencing July 1, 2019,
 17 and ending June 30, 2021, an abatement of up to one thousand five
 18 hundred dollars in property taxes due for any fiscal year, and (B) on and
 19 after July 1, 2021,] an abatement of up to two thousand dollars in
 20 property taxes due for any fiscal year, or (2) an exemption applicable to
 21 the assessed value of real or personal property up to an amount equal
 22 to the quotient of [one] two million dollars divided by the mill rate, in
 23 effect at the time of assessment, expressed as a whole number of dollars
 24 per one thousand dollars of assessed value. Any ordinance may
 25 authorize interlocal agreements for the purpose of providing property
 26 tax relief to such volunteers who live in one municipality but volunteer
 27 or volunteered their services in another municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021, and applicable to assessment years commencing on or after October 1, 2021</i>	12-81w

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Grand List Reduction	None	See Below

Explanation

The bill results in a grand list reduction to certain municipalities. It increases, by \$1,000, an optional property tax exemption for certain volunteer firefighters, emergency medical technicians, and other similar volunteers. Municipalities that offer this exemption will experience a grand list reduction, which results in a revenue loss, given a constant mill rate.

Any impact is expected to be minimal, as a \$1,000 exemption equates to a revenue loss of \$32 per eligible taxpayer at the average statewide mill rate. It is not known how many municipalities offer this tax exemption, or how many property taxpayers receive it. As of 2020, there were approximately 22,300 active volunteer firefighters in Connecticut.

The bill also delays a \$1,000 increase in an optional tax abatement for the same population of taxpayers from July 1, 2021 to October 1, 2021. This has no fiscal impact, as it does not change the fiscal year during which the abatement would take effect if a municipality chose to offer it.

House "A" moves up the effective date from October 1, 2021, and

removes a provision that delayed the date on which the abatement amount would increase from \$1,500 to \$2,000. This has no fiscal impact because these changes do not change the assessment year to which the bill first applies.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in municipal mill rates and grand lists.

OLR Bill Analysis**HB 6420 (as amended by House "A")******AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR CERTAIN MUNICIPAL VOLUNTEERS.*****SUMMARY**

This bill increases the maximum property tax exemption that municipalities may provide to certain active and retired volunteer emergency personnel, making it equal to the maximum amount of relief municipalities may provide these individuals through abatements (i.e., \$2,000).

By law, a municipality may by ordinance provide tax relief to qualifying volunteer emergency personnel (see BACKGROUND) in the form of either an abatement or an exemption. An abatement is a reduction in the amount of taxes owed; an exemption is a reduction in the property's assessed value for tax purposes. Prior to July 1, 2019, the maximum amount of relief provided under either form was the same. (PA 19-36 increased the maximum amount of relief a municipality may provide through abatements but not exemptions.)

The bill increases the maximum exemption amount from \$1 million to \$2 million, divided by the municipality's mill rate (expressed as a whole number per \$1,000 of assessed value) at the time of the assessment. By doing so, it increases from \$1,000 to \$2,000 the maximum amount of tax relief for exemption recipients.

*House Amendment "A" moves up the effective date from October 1, 2021, to July 1, 2021, and removes a provision that delayed the date on which the abatement amount would increase from \$1,500 to \$2,000.

EFFECTIVE DATE: July 1, 2021, and applicable to assessment years beginning on and after October 1, 2021.

BACKGROUND***Tax Relief for Volunteer Emergency Personnel***

By law, municipalities may provide tax relief by ordinance to the following types of active and retired volunteers:

1. local emergency management directors;
2. firefighters and fire police officers;
3. emergency medical technicians;
4. paramedics;
5. civil preparedness staff;
6. active members of a volunteer canine search and rescue team;
7. active members of a volunteer underwater search and rescue team;
8. ambulance drivers in the municipality; and
9. retired volunteer firefighters, police officers, or emergency medical technicians who have completed at least 25 years of service in those roles.

The tax relief ordinance may also authorize interlocal agreements for providing tax relief to certain active and retired volunteers who live in one municipality but volunteer or volunteered their services in another municipality.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 26 Nay 0 (03/02/2021)