

OFFICE OF FISCAL ANALYSIS

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

SB-1142

AN ACT CONCERNING CERTAIN DELINQUENT PROPERTY TAX PAYMENTS.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
All Municipalities	STATE MANDATE ¹ - Revenue Loss	Potential	Potential

Explanation

The bill (1) decreases the interest rate on delinquent property taxes from 18% to 12% per year and (2) requires tax collectors to waive interest on delinquent property taxes when the tax collector and assessor jointly determine the delinquency was due to a mistake by either official and was not the taxpayers fault. This will result in a potential revenue loss to municipalities beginning in FY 24 as municipalities will collect less in interest on delinquent property taxes and must waive interest on certain delinquent property taxes.

The extent of the revenue loss will be dependent on the number of delinquencies, how late the payments are and the amount of property tax that is delinquent. Municipalities with no delinquencies will not be

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

impacted.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of property tax delinquencies.