

OFFICE OF FISCAL ANALYSIS

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HB-5167

AN ACT CONCERNING PROPERTY TAX ABATEMENT FOR
CERTAIN FIRST-TIME HOMEBUYERS.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Potential Revenue Loss	See Below	See Below

Explanation

The bill results in a potential revenue loss beginning in FY 25 to any municipality that chooses to abate up to \$500 in property taxes, for up to five years, for homeowners with a first-time home buyer mortgage purchased via the Connecticut Housing Finance Authority (CHFA).

The revenue loss for each municipality will vary based on the amount of the abatement and the number of eligible homeowners. It is estimated that there are approximately 26,400 homeowners across the state with the specific type of CHFA mortgage¹. If all municipalities implemented a maximum \$500 abatement, the revenue loss cumulatively to all municipalities would be approximately \$13.2 million annually. If any municipality chooses not to offer the abatement, it will have no revenue loss associated with the bill, and the total revenue loss among

¹ CHFA has 26,399 outstanding first-time home buyer mortgages as of December 31, 2023. It is assumed that each of those people would be eligible for the abatement established by the bill if their municipality chose to offer it.

municipalities will be lower.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of municipalities that implement the abatement, the amount of the abatement, and the number of CHFA first-time homebuyers in such municipalities.