

OFFICE OF FISCAL ANALYSIS

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

sHB-5516

AN ACT CONCERNING A MUNICIPAL OPTION FOR A
HOMESTEAD PROPERTY TAX EXEMPTION.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
All Municipalities	Grand List Reduction	None	Potential

Explanation

The bill allows municipalities to exempt between 5 and 35 percent of the assessed value for certain owner-occupied real property. This results in a grand list reduction beginning in FY 26 to the extent municipalities choose to provide this exemption.¹

Any impact is dependent on what percentage of the assessed value municipalities choose to exempt and the number of qualifying properties within each municipality. There will be no impact to municipalities that choose not to provide this exemption.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the percentage of assessed value that is exempted, and the number of qualifying properties.

¹ A grand list reduction results in a revenue loss given a constant mill rate. However, it is likely that a municipality will adjust its mill rate to offset any predicted revenue loss.