



Senate

General Assembly

File No. 38

January Session, 2025

Substitute Senate Bill No. 1276

Senate, March 5, 2025

The Committee on Veterans' and Military Affairs reported through SEN. HONIG of the 8th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A PROPERTY TAX EXEMPTION FOR VETERANS WHO ARE PERMANENTLY AND TOTALLY DISABLED BASED ON A DISABILITY RATING OF ONE HUNDRED PER CENT AND A PROPERTY TAX EXEMPTION FOR GOLD STAR SPOUSES.

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

1 Section 1. (*Effective from passage*) In each town in which the grand list
2 for the assessment year commencing October 1, 2024, has been
3 published and lodged for public inspection on or before the effective
4 date of this section:

5 (1) Notwithstanding the provisions of section 12-55 of the general
6 statutes, such town's assessor or board of assessors may disregard,
7 adjust and republish said grand list not later than thirty days after the
8 effective date of this section;

9 (2) Notwithstanding the provisions of subsection (b) of section 12-110
10 of the general statutes, such town's board of assessment appeals shall
11 meet to hear appeals related to the assessment of property during the

12 period commencing sixty days after the effective date of this section and
13 concluding ninety days after the effective date of this section, on
14 business days as described in said subsection;

15 (3) Notwithstanding the provisions of subdivision (1) of subsection
16 (a) of section 12-111 of the general statutes and section 12-112 of the
17 general statutes, appeals from the doings of such town's assessors shall
18 be heard or entertained by such town's board of assessment appeals if
19 any such appeal is made on or before the fifteenth day after the effective
20 date of this section;

21 (4) Notwithstanding the provisions of subdivisions (1) and (2) of
22 subsection (a) of section 12-111 of the general statutes, such town's board
23 of assessment appeals shall notify each taxpayer who filed an appeal,
24 whether to advise of the date, time and place of the appeal hearing or to
25 advise that such board has elected not to conduct an appeal hearing, in
26 accordance with said subdivisions, not later than sixty days after the
27 effective date of this section;

28 (5) Notwithstanding the provisions of section 12-120 of the general
29 statutes, such town's assessor or board of assessors shall transmit to the
30 Secretary of the Office of Policy and Management not later than one
31 hundred twenty days after the effective date of this section an abstract
32 of the assessment list that has been examined and corrected by the board
33 of assessment appeals; and

34 (6) Notwithstanding the provisions of title 7 of the general statutes,
35 chapter 204 of the general statutes, section 12-142 of the general statutes
36 and any special act, municipal charter or home rule ordinance, if such
37 town has adopted a budget or levied taxes for the fiscal year ending June
38 30, 2026, such town may, by vote of its legislative body or, in a
39 municipality where the legislative body is a town meeting, by vote of
40 the board of selectmen, (A) amend its budget in the same manner as
41 such budget was originally adopted, and (B) not later than one hundred
42 fifty days after the effective date of this section, adjust the tax levy and
43 the amount of any remaining installments of such taxes. If such town
44 has levied a tax that was due and payable in a single installment for the

45 fiscal year ending June 30, 2026, such town may mail or hand deliver to
46 persons liable therefor a supplemental rate bill for any additional tax
47 levy resulting pursuant to subparagraph (B) of this subdivision.

48 Sec. 2. Subdivision (83) of section 12-81 of the general statutes is
49 repealed and the following is substituted in lieu thereof (*Effective from*
50 *passage and applicable to assessment years commencing on or after October 1,*
51 *2024*):

52 (83) (A) (i) [A] That portion of a dwelling, including a condominium,
53 as defined in section 47-68a, [and] a unit in a common interest
54 community, as defined in section 47-202, [that is (I) owned by] and a
55 mobile manufactured home, as defined in section 12-63a, and the lot
56 upon which such dwelling sits, not to exceed two acres thereof, that (I)
57 belongs to, or is held in trust for, any resident of this state who has
58 served in the Army, Navy, Marine Corps, Coast Guard, Air Force or
59 Space Force of the United States and has been determined by the United
60 States Department of Veterans Affairs to be permanently and totally
61 disabled based on a service-connected [permanent and total] disability
62 rating [as determined by the United States Department of Veterans
63 Affairs] of one hundred per cent, and (II) is occupied by such resident
64 as the resident's primary residence, or (ii) lacking such residence, one
65 motor vehicle [owned by] that belongs to, or is held in trust for, such
66 resident and is garaged in this state. As used in this subdivision,
67 "dwelling" does not include any portion of the unit or structure used by
68 such resident for commercial purposes or from which such resident
69 derives any rental income.

70 (B) If such resident lacks such [dwelling or motor vehicle] property
71 in such resident's name, [the dwelling or motor vehicle, as applicable,]
72 so much of the property belonging to, or held in trust for, such resident's
73 spouse, who is domiciled with such resident, shall be so exempt. When
74 any resident entitled to an exemption under the provisions of this
75 subdivision has died, the [dwelling] real property or motor vehicle, as
76 applicable, described in subparagraph (A) of this subdivision belonging
77 to, or held in trust for, such deceased resident's surviving spouse, while

78 such spouse remains a widow or widower, or belonging to or held in
79 trust for such deceased resident's minor children during their minority,
80 or both, while they are residents of this state, shall be so exempt as that
81 to which such resident was or would have been entitled at the time of
82 such resident's death.

83 (C) No individual entitled to the exemption under this subdivision
84 and under one or more of subdivisions (19), (22), (23), (25) and (26) of
85 this section shall receive more than one exemption.

86 (D) (i) No individual shall receive any exemption to which such
87 individual is entitled under this subdivision until such individual has
88 complied with section 12-95, as amended by this act, and has submitted
89 proof of such individual's [disability rating, as determined]
90 determination by the United States Department of Veterans Affairs, to
91 the assessor of the town in which the exemption is sought. If there is no
92 change to an individual's [disability rating] determination, such proof
93 shall not be required for any assessment year following that for which
94 the exemption under this subdivision is granted initially. If the United
95 States Department of Veterans Affairs modifies an individual's
96 [disability rating] determination to other than permanently and totally
97 disabled based on a service-connected [permanent and total] disability
98 rating of one hundred per cent, such modification shall be deemed a
99 waiver of the right to the exemption under this subdivision. Any such
100 individual whose [disability rating] determination was modified to
101 other than permanently and totally disabled based on a service-
102 connected [permanent and total] disability rating of one hundred per
103 cent may seek the exemption under subdivision (20) of this section.

104 (ii) Any individual who has been unable to submit evidence of
105 [disability rating] such determination by the United States Department
106 of Veterans Affairs in the manner required by this subdivision, or who
107 has failed to submit such evidence as provided in section 12-95, as
108 amended by this act, may, when such individual obtains such evidence,
109 make application to the tax collector not later than one year after such
110 individual obtains such proof or not later than one year after the

111 expiration of the time limited in section 12-95, as amended by this act,
112 as the case may be, for abatement in case the tax has not been paid, or
113 for refund in case the whole tax or part of the tax has been paid. Such
114 abatement or refund may be granted retroactively to include the
115 assessment day next succeeding the date as of which such individual
116 was entitled to such [disability rating as determined] determination by
117 the United States Department of Veterans Affairs, but in no case shall
118 any abatement or refund be made for a period greater than three years.

119 (iii) The tax collector shall, after examination of such application, refer
120 the same, with the tax collector's recommendations thereon, to the board
121 of selectmen of a town or to the corresponding authority of any other
122 municipality, and shall certify to the amount of abatement or refund to
123 which the applicant is entitled. Upon receipt of such application and
124 certification, the selectmen or other duly constituted authority shall, in
125 case the tax has not been paid, issue a certificate of abatement or, in case
126 the whole tax or part of the tax has been paid, draw an order upon the
127 treasurer in favor of such applicant for such amount, without interest.
128 Any action so taken by such selectmen or other authority shall be a
129 matter of record and the tax collector shall be notified in writing of such
130 action.

131 Sec. 3. (NEW) (*Effective October 1, 2025*) (a) Any municipality, upon
132 approval by its legislative body, may provide that the surviving spouse
133 of any resident of this state who (1) had served in the Army, Navy,
134 Marine Corps, Coast Guard, Air Force or Space Force of the United
135 States, (2) had been determined by the United States Department of
136 Veterans Affairs to have a service-connected disability rating, and (3)
137 died prior to October 1, 2024, shall, while such spouse remains a widow
138 or widower, be entitled to an exemption from property tax on (A) that
139 portion of a dwelling, including a condominium, as defined in section
140 47-68a of the general statutes, a unit in a common interest community,
141 as defined in section 47-202 of the general statutes, and a mobile
142 manufactured home, as defined in section 12-63a of the general statutes,
143 and the lot upon which such dwelling sits, not to exceed two acres
144 thereof, that (i) belongs to, or is held in trust for, such surviving spouse,

145 and (ii) is occupied by such surviving spouse as the surviving spouse's
146 primary residence, or (B) lacking such residence, one motor vehicle that
147 belongs to, or is held in trust for, such surviving spouse and is garaged
148 in this state. As used in this subsection, "dwelling" does not include any
149 portion of the unit or structure used by such surviving spouse for
150 commercial purposes or from which such surviving spouse derives any
151 rental income.

152 (b) (1) No surviving spouse shall receive the exemption to which such
153 surviving spouse is entitled under this section until such surviving
154 spouse has complied with section 12-95 of the general statutes, as
155 amended by this act, and has submitted proof to the assessor of the town
156 in which the exemption is sought that the surviving spouse's deceased
157 veteran was determined by the United States Department of Veterans
158 Affairs to have a service-connected disability rating.

159 (2) Any surviving spouse who has been unable to submit evidence of
160 such determination by the United States Department of Veterans Affairs
161 in the manner required by this subsection, or who has failed to submit
162 such evidence as provided in section 12-95 of the general statutes, as
163 amended by this act, may, when such surviving spouse obtains such
164 evidence, make application to the tax collector not later than one year
165 after such surviving spouse obtains such proof or not later than one year
166 after the expiration of the time limited in section 12-95 of the general
167 statutes, as amended by this act, as the case may be, for abatement in
168 case the tax has not been paid, or for refund in case the whole tax or part
169 of the tax has been paid. Such abatement or refund may be granted
170 retroactively to include the assessment day next succeeding the date as
171 of which such surviving spouse was entitled to such determination by
172 the United States Department of Veterans Affairs, but in no case shall
173 any abatement or refund be made for a period greater than three years.

174 (3) The tax collector shall, after examination of such application, refer
175 the same, with the tax collector's recommendations thereon, to the board
176 of selectmen of a town or to the corresponding authority of any other
177 municipality, and shall certify to the amount of abatement or refund to

178 which the applicant is entitled. Upon receipt of such application and
179 certification, the selectmen or other duly constituted authority shall, in
180 case the tax has not been paid, issue a certificate of abatement or, in case
181 the whole tax or part of the tax has been paid, draw an order upon the
182 treasurer in favor of such applicant for such amount, without interest.
183 Any action so taken by such selectmen or other authority shall be a
184 matter of record and the tax collector shall be notified in writing of such
185 action.

186 Sec. 4. Subdivision (20) of section 12-81 of the general statutes is
187 repealed and the following is substituted in lieu thereof (*Effective from*
188 *passage and applicable to assessment years commencing on or after October 1,*
189 *2024*):

190 (20) (A) Subject to the provisions hereinafter stated, property not
191 exceeding three thousand five hundred dollars in amount shall be
192 exempt from taxation, which property belongs to, or is held in trust for,
193 any resident of this state who has served, or is serving, in the Army,
194 Navy, Marine Corps, Coast Guard, Air Force or Space Force of the
195 United States and (i) has a disability rating as determined by the United
196 States Department of Veterans Affairs amounting to ten per cent or
197 more of total disability, other than a determination of being
198 permanently and totally disabled based on a service-connected
199 [permanent and total] disability rating of one hundred per cent,
200 provided such exemption shall be two thousand dollars in any case in
201 which such rating is between ten per cent and twenty-five per cent; two
202 thousand five hundred dollars in any case in which such rating is more
203 than twenty-five per cent but not more than fifty per cent; three
204 thousand dollars in any case in which such rating is more than fifty per
205 cent but not more than seventy-five per cent; and three thousand five
206 hundred dollars in any case in which such resident has attained sixty-
207 five years of age or such rating is more than seventy-five per cent; or (ii)
208 is receiving a pension, annuity or compensation from the United States
209 because of the loss in service of a leg or arm or that which is considered
210 by the rules of the United States Pension Office or the Bureau of War
211 Risk Insurance the equivalent of such loss.

212 (B) If such veteran lacks such amount of property in such veteran's
213 name, so much of the property belonging to, or held in trust for, such
214 veteran's spouse, who is domiciled with such veteran, as is necessary to
215 equal such amount shall also be so exempt. When any veteran entitled
216 to an exemption under the provisions of this subdivision has died,
217 property belonging to, or held in trust for, such deceased veteran's
218 surviving spouse, while such spouse remains a widow or widower, or
219 belonging to or held in trust for such deceased veteran's minor children
220 during their minority, or both, while they are residents of this state, shall
221 be exempt in the same aggregate amount as that to which the disabled
222 veteran was or would have been entitled at the time of such veteran's
223 death.

224 (C) No individual entitled to the exemption under this subdivision
225 and under one or more of subdivisions (19), (22), (23), (25) and (26) of
226 this section shall receive more than one exemption.

227 (D) (i) No individual shall receive any exemption to which such
228 individual is entitled under this subdivision until such individual has
229 complied with section 12-95, as amended by this act, and has submitted
230 proof of such individual's disability rating, as determined by the United
231 States Department of Veterans Affairs, to the assessor of the town in
232 which the exemption is sought. If there is no change to an individual's
233 disability rating, such proof shall not be required for any assessment
234 year following that for which the exemption under this subdivision is
235 granted initially. If the United States Department of Veterans Affairs
236 modifies a veteran's disability rating, such modification shall be deemed
237 a waiver of the right to the exemption under this subdivision until proof
238 of disability rating is submitted to the assessor and the right to such
239 exemption is established as required initially, except that if such
240 disability rating is modified to a determination that such veteran is
241 permanently and totally disabled based on a service-connected
242 [permanent and total] disability rating of one hundred per cent, such
243 veteran may seek the exemption under subdivision (83) of this section.

244 (ii) Any individual who has been unable to submit evidence of

245 disability rating in the manner required by this subdivision, or who has
246 failed to submit such evidence as provided in section 12-95, as amended
247 by this act, may, when such individual obtains such evidence, make
248 application to the tax collector not later than one year after such
249 individual obtains such proof or not later than one year after the
250 expiration of the time limited in section 12-95, as amended by this act,
251 as the case may be, for abatement in case the tax has not been paid, or
252 for refund in case the whole tax has been paid, of such part or the whole
253 of such tax as represents the service exemption. Such abatement or
254 refund may be granted retroactively to include the assessment day next
255 succeeding the date as of which such person was entitled to such
256 disability rating as determined by the United States Department of
257 Veterans Affairs, but in no case shall any abatement or refund be made
258 for a period greater than three years.

259 (iii) The tax collector shall, after examination of such application, refer
260 the same, with the tax collector's recommendations thereon, to the board
261 of selectmen of a town or to the corresponding authority of any other
262 municipality, and shall certify to the amount of abatement or refund to
263 which the applicant is entitled. Upon receipt of such application and
264 certification, the selectmen or other duly constituted authority shall, in
265 case the tax has not been paid, issue a certificate of abatement or, in case
266 the whole tax has been paid, draw an order upon the treasurer in favor
267 of such applicant for the amount, without interest, that represents the
268 service exemption. Any action so taken by such selectmen or other
269 authority shall be a matter of record and the tax collector shall be
270 notified in writing of such action;

271 Sec. 5. Section 12-93 of the general statutes is repealed and the
272 following is substituted in lieu thereof (*Effective from passage and*
273 *applicable to assessment years commencing on or after October 1, 2024*):

274 Any person who claims an exemption from taxation under the
275 provisions of section 12-81, as amended by this act, or 12-82 by reason
276 of service in the Army, Navy, Marine Corps, Coast Guard, Air Force or
277 Space Force of the United States shall give notice to the town clerk of the

278 town in which he resides that he is entitled to such exemption. Any
279 person who has performed such service may establish his right to such
280 exemption by exhibiting to the town clerk an honorable discharge, or a
281 certified copy thereof, from such service or, in the absence of such
282 discharge or copy, by appearing before the assessors for an examination
283 under oath, supported by two affidavits of disinterested persons,
284 showing that the claimant is a veteran, as defined in section 27-103, or is
285 serving or, if he is unable to appear by reason of such service, he may
286 establish such right, until such time as he appears personally and
287 exhibits his discharge or copy, by forwarding to the town clerk annually
288 a written statement, signed by the commanding officer of his unit, ship
289 or station or by some other appropriate officer, or where such claimant
290 is currently serving in an active theater of war or hostilities, by the
291 presentation of a notarized statement of a parent, guardian, spouse or
292 legal representative of such claimant, stating that he is personally
293 serving and is unable to appear in person by reason of such service,
294 which statement shall be received before the assessment day of the town
295 wherein the exemption is claimed. In the case of any person claiming
296 exemption under subdivision (83) of section 12-81, as amended by this
297 act, such person shall present to the assessors all documentation
298 necessary to demonstrate that the claimant has been determined by the
299 United States Department of Veterans Affairs to be permanently and
300 totally disabled based on a service-connected disability rating of one
301 hundred per cent, and shall attest that such person has not filed for, and
302 will not file for, the exemption under said subdivision in another town.
303 The assessors shall report to the town clerk all claims so established.
304 Any person claiming exemption by reason of the service of a relative as
305 a soldier, sailor, marine or member of the Coast Guard, Air Force or
306 Space Force may establish his right thereto by at least two affidavits of
307 disinterested persons showing the service of such relative, his honorable
308 discharge or death in service, and the relationship of the claimant to
309 him; and the assessors may further require such person to be examined
310 by them under oath concerning such facts. The town clerk of the town
311 where the honorable discharge or certified copy thereof and each
312 affidavit is originally presented for record shall record such discharge

313 or certified copy or affidavits thereof in full and shall list the names of
314 such claimants and such service shall be performed by the town clerk
315 without remuneration therefor. Thereafter if any person entitled to such
316 exemption changes his legal residence, the town clerk in the town of
317 former residence and in which such honorable discharge or certified
318 copy thereof or any such affidavit in respect to such person was
319 originally presented for record shall, upon request and payment of a fee
320 by such person to said town of former residence in an amount
321 determined by the town treasurer as necessary to cover the cost of such
322 procedure, prepare and mail to the town in which such person resides,
323 a copy of the record of such discharge or certified copy thereof or
324 affidavits, or he may establish his right to such exemption in the town
325 in which he resides by exhibiting to the town clerk thereof the original
326 discharge or a certified copy thereof or such affidavits. Said clerk shall
327 take therefrom sufficient data to satisfy the exemption requirements of
328 the general statutes and shall record the same and shall note the town
329 where the original complete recording of discharge papers was made.
330 No board of assessors or board of assessment appeals or other official
331 shall allow any such claim for exemption unless evidence as herein
332 specified has been filed in the office of the town clerk, provided, if any
333 claim for exemption has been allowed by any board of assessors or
334 board of assessment appeals prior to July 1, 1923, the provisions of this
335 section shall not apply to such claim. Each claim granted prior to July 1,
336 1923, shall be recorded with those presented subsequent thereto, and a
337 list of such names, alphabetically arranged, shall be furnished the
338 assessors by the town clerk.

339 Sec. 6. Section 12-94 of the general statutes is repealed and the
340 following is substituted in lieu thereof (*Effective from passage and*
341 *applicable to assessment years commencing on or after October 1, 2024*):

342 The exemptions granted in sections 12-81, as amended by this act, and
343 12-82 to soldiers, sailors, marines and members of the Coast Guard, Air
344 Force and Space Force, and their spouses, widows, widowers, fathers
345 and mothers, and to blind or totally disabled persons and their spouses
346 shall first be made in the town in which the person entitled thereto

347 resides, and any person asking such exemption in any other town shall
348 annually make oath before, or forward his or her affidavit to, the
349 assessors of such town, deposing that such exemptions, except the
350 exemption provided in subdivision (55) of section 12-81, if allowed, will
351 not, together with any other exemptions granted under sections 12-81,
352 as amended by this act, and 12-82, exceed the amount of exemption
353 thereby allowed to such person. Such affidavit shall be filed with the
354 assessors within the period the assessors have to complete their duties
355 in the town where the exemption is claimed. The assessors of each town
356 shall annually make a certified list of all persons who are found to be
357 entitled to exemption under the provisions of said sections, which list
358 shall be filed in the town clerk's office, and shall be prima facie evidence
359 that the persons whose names appear thereon and who are not required
360 by law to give annual proof are entitled to such exemption as long as
361 they continue to reside in such town; but such assessors may, at any
362 time, require any such person to appear before them for the purpose of
363 furnishing [additional] evidence that demonstrates such person's
364 entitlement to such exemption, provided [.] (1) any person who by
365 reason of such person's disability is unable to so appear may furnish
366 such assessors a statement from such person's attending physician,
367 physician assistant or an advanced practice registered nurse certifying
368 that such person is totally disabled and is unable to make a personal
369 appearance and such other evidence of total disability as such assessors
370 may deem appropriate, and (2) any person claiming exemption under
371 subdivision (83) of section 12-81, as amended by this act, may furnish
372 documentation from the United States Department of Veterans Affairs
373 certifying that such person is permanently and totally disabled based on
374 a service-connected disability rating of one hundred per cent and is
375 unable to make a personal appearance.

376 Sec. 7. Section 12-95 of the general statutes is repealed and the
377 following is substituted in lieu thereof (*Effective from passage and*
378 *applicable to assessment years commencing on or after October 1, 2024*):

379 No individual shall receive any exemption to which such individual
380 is entitled by any one of subdivisions (19), (20), (22), (23), (25), (26), (28)

381 and (83) of section 12-81, as amended by this act, or section 12-82 until
382 such individual has proved such individual's right to such exemption in
383 accordance with the provisions of sections 12-93, as amended by this act,
384 and 12-94, as amended by this act, together with such further proof as is
385 necessary under the provisions of any of said sections, including any
386 modification by the United States Department of Veterans Affairs of (1)
387 a veteran's disability rating as described in subdivision (20) of section
388 12-81, as amended by this act, or (2) a resident's determination as
389 permanently and totally disabled based on a one hundred per cent
390 disability rating as described in subdivision (83) of section 12-81, as
391 amended by this act. Exemptions so proved by residents shall take effect
392 on the next succeeding assessment day, provided individuals entitled to
393 an exemption under the provisions of subdivision (20) or (83) of section
394 12-81, as amended by this act, may prove such right at any time before
395 the expiration of the time limited by law for the board of assessment
396 appeals of the town wherein the exemption is claimed to complete its
397 duties and such exemption shall take effect on the assessment day next
398 preceding the date of the proof thereof. For purposes of any tax payable
399 in accordance with the provisions of section 12-71b, any such exemption
400 referred to in this section shall take effect on the first day of January next
401 following the date on which the right to such exemption has been
402 proved.

403 Sec. 8. Section 12-93a of the general statutes is repealed and the
404 following is substituted in lieu thereof (*Effective from passage and*
405 *applicable to assessment years commencing on or after October 1, 2024*):

406 (a) Any person entitled to an exemption from property tax in
407 accordance with any provision of subdivisions (19) to (26), inclusive,
408 and (83) of section 12-81, as amended by this act, who is the owner of a
409 residential dwelling on leased land, including any such person who is a
410 sublessee under terms of the lease, shall be entitled to claim such
411 exemption in respect to the assessment of the dwelling for purposes of
412 the property tax, provided (1) the dwelling is such person's principal
413 place of residence, (2) such lease or sublease requires that such person
414 as the lessee or sublessee, whichever is applicable, pay all property taxes

415 related to the dwelling and (3) such lease or sublease is recorded in the
416 land records of the town.

417 (b) Any person entitled to an exemption from property tax in
418 accordance with the provisions of subdivisions (19) to (26), inclusive,
419 and (83) of section 12-81, as amended by this act, shall be entitled to
420 claim such exemption with respect to the assessment of a motor vehicle
421 that is leased by such person. Notwithstanding the provisions of this
422 chapter, any person claiming the exemption under this section for a
423 leased motor vehicle shall be entitled to a refund of tax paid with respect
424 to such vehicle whether such tax was paid by the lessee or by the lessor
425 pursuant to the terms of the lease. Such refund shall equal the amount
426 of such person's exemption multiplied by the applicable mill rate. Any
427 such person claiming the exemption for a leased vehicle under this
428 subdivision for any assessment year shall, not later than the thirty-first
429 day of December next following the assessment year during which the
430 tax for such leased vehicle has been paid, file with the assessor or board
431 of assessors, in the town in which such motor vehicle tax has been paid,
432 written application claiming such exemption on a form approved for
433 such purpose by such assessor or board. Upon approving such person's
434 exemption claim, the assessor shall certify the amount of refund to
435 which the applicant is entitled and shall notify the tax collector of such
436 amount. The tax collector shall refer such certification to the board of
437 selectmen in a town or to the corresponding authority in any other
438 municipality. Upon receipt of such certification, the selectmen or such
439 other authority shall draw an order on the Treasurer in favor of such
440 person for the amount of refund so certified. Failure to file such
441 application as prescribed in this subsection with respect to any
442 assessment year shall constitute a waiver of the right to such exemption
443 for such assessment year.

444 Sec. 9. Section 12-81cc of the general statutes is repealed and the
445 following is substituted in lieu thereof (*Effective from passage and*
446 *applicable to assessment years commencing on or after October 1, 2024*):

447 Any person who has established his or her entitlement to a property

448 tax exemption under subdivision (19), (20), (22), (23), (24), (25), (26), (28),
449 [or] (53) or (83) of section 12-81, as amended by this act, or section 12-
450 81g for a particular assessment year shall be issued a certificate as to
451 such entitlement by the tax assessor of the relevant municipality. Such
452 person shall be entitled to such exemption in any municipality in this
453 state for such assessment year provided a copy of such certificate is
454 provided to the tax assessor of any municipality in which such
455 exemption is claimed and further provided such person would
456 otherwise have been eligible for such exemption in such municipality if
457 he or she had filed for such exemption as provided under the general
458 statutes.

459 Sec. 10. Subdivision (22) of section 12-81 of the general statutes is
460 repealed and the following is substituted in lieu thereof (*Effective October*
461 *1, 2025, and applicable to assessment years commencing on or after October 1,*
462 *2025*):

463 (22) Subject to the provisions of sections 12-89, 12-90 and 12-95, as
464 amended by this act, (A) property to the amount of one thousand dollars
465 belonging to, or held in trust for, any surviving spouse while such
466 person remains a widow or widower, or a minor child or both, residing
467 in this state, of one who has served in the Army, Navy, Marine Corps,
468 Coast Guard, Air Force or Space Force of the United States, or any
469 citizen of the United States who served in the military or naval service
470 of a government allied or associated with the United States, as provided
471 by subdivision (19) of this section, and who has died either during his
472 or her term of service, except as provided in subparagraph (B) of this
473 subdivision, or after becoming a veteran, as defined in section 27-103,
474 [provided such amount shall be three thousand dollars] and (B) if death
475 was due to service and occurred while on active duty (i) that portion of
476 a dwelling, including a condominium, as defined in section 47-68a, a
477 unit in a common interest community, as defined in section 47-202, and
478 a mobile manufactured home, as defined in section 12-63a, and the lot
479 upon which such dwelling sits, not to exceed two acres thereof, that (I)
480 belongs to, or is held in trust for, any such surviving spouse, and (II) is
481 occupied by such surviving spouse as the surviving spouse's primary

482 residence, or (ii) lacking such residence, one motor vehicle that belongs
 483 to, or is held in trust for, such surviving spouse and is garaged in this
 484 state. As used in this subparagraph, "dwelling" does not include any
 485 portion of the unit or structure used by such surviving spouse for
 486 commercial purposes or from which such surviving spouse derives any
 487 rental income;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage and applicable to assessment years commencing on or after October 1, 2024</i>	12-81(83)
Sec. 3	<i>October 1, 2025</i>	New section
Sec. 4	<i>from passage and applicable to assessment years commencing on or after October 1, 2024</i>	12-81(20)
Sec. 5	<i>from passage and applicable to assessment years commencing on or after October 1, 2024</i>	12-93
Sec. 6	<i>from passage and applicable to assessment years commencing on or after October 1, 2024</i>	12-94
Sec. 7	<i>from passage and applicable to assessment years commencing on or after October 1, 2024</i>	12-95
Sec. 8	<i>from passage and applicable to assessment years commencing on or after October 1, 2024</i>	12-93a
Sec. 9	<i>from passage and applicable to assessment years commencing on or after October 1, 2024</i>	12-81cc

Sec. 10	<i>October 1, 2025, and applicable to assessment years commencing on or after October 1, 2025</i>	12-81(22)
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Statement of Legislative Commissioners:

In Section 1(4), "in accordance with said subdivisions" was added for clarity; and in Section 1(6), the first sentence was rewritten for consistency with standard drafting conventions.

VA *Joint Favorable Subst.*

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 26 \$	FY 27 \$
Various Municipalities	Potential Cost	See Below	See Below
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 bill makes various changes regarding property tax exemptions for certain veterans and their spouses, described herein.

Section 1 requires municipalities that adjust and republish their 2024 Grand List due to changes related to Sections 2 and 4 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 2 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 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 above to include mobile manufactured homes and up to two acres of property owned by qualifying veterans or their spouses. A grand list reduction results in a revenue loss, given a constant mill rate. 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 3 results in a potentially significant grand list reduction by giving municipalities the option to extend the property tax exemption described in Section 2 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 2 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.

Sections 4-9 make corresponding technical changes that do not result in a fiscal impact.

Section 10 results in a grand list reduction for municipalities by extending the property tax exemption described in Section 2 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.

The Out Years

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.

OLR Bill Analysis**sSB 1276*****AN ACT CONCERNING A PROPERTY TAX EXEMPTION FOR VETERANS WHO ARE PERMANENTLY AND TOTALLY DISABLED BASED ON A DISABILITY RATING OF ONE HUNDRED PER CENT AND A PROPERTY TAX EXEMPTION FOR GOLD STAR SPOUSES.*****SUMMARY**

Beginning with the 2024 assessment year, current law fully exempts from property tax a primary dwelling or motor vehicle for each former service member (i.e., veteran) who has a service-connected permanent and total disability (a “P&T disability”) rating from the U.S. Department of Veterans Affairs (U.S. DVA). This bill specifies that to qualify for the exemption the P&T disability must be based on a disability rating of 100% (see BACKGROUND). It also modifies the exemption’s scope by, among other things, expanding it to cover up to two acres of the lot the dwelling sits on and narrowing it to exclude any portion of an otherwise-exempt dwelling used for commercial purposes or rented out.

The bill also (1) requires municipalities to similarly exempt a dwelling and lot or motor vehicle for the surviving spouses of service members whose deaths were service connected and occurred while on active duty (§ 10) and (2) allows municipalities to establish a similar property tax exemption for the surviving spouses of veterans with a U.S. DVA disability rating (even if it is not a permanent or 100% rating) who died before October 1, 2024 (§ 3).

Separately, the bill generally allows municipalities to amend their 2024 grand lists within 30 days after the bill’s passage, and allows those that have adopted budgets or levied taxes for FY 26 to amend them. For towns that choose to make these adjustments, the bill allows taxpayers to appeal their assessments and sets procedural requirements for them

to do so (§ 1).

The bill also makes technical and conforming changes and extends several existing provisions on veterans' property tax exemptions to the P&T disability exemption, including provisions requiring veterans to file certain proof of their eligibility (§§ 5-7), applying the exemption to leased property (§ 8), and authorizing the exemption's portability to other towns (§ 9).

EFFECTIVE DATE: Upon passage and applicable to assessment years commencing on or after October 1, 2024, except that the (1) adjustments to the municipal budget cycle are effective upon passage; (2) municipal-option exemption becomes effective October 1, 2025; and (3) exemption for surviving spouses of eligible disabled veterans goes into effect on October 1, 2025, and is applicable to assessment years commencing on or after that date.

§§ 2 & 5-9 — PROPERTY TAX EXEMPTION BASED ON 100% P&T DISABILITY

Current law fully exempts from property tax a dwelling for each state resident with a P&T disability who (1) served in the U.S. Army, Navy, Marine Corps, Coast Guard, Air Force, or Space Force; (2) resides in the dwelling as his or her primary residence; and (3) files for the exemption with the town assessor. If the veteran does not have a qualifying dwelling, one motor vehicle he or she owns and keeps in the state is fully exempt instead. If the veteran owns neither, the exemption generally applies to the veteran's spouse's property if they live together.

The bill maintains these requirements but specifies that, to be eligible, a veteran's P&T disability must be based on a service-connected disability rating of 100%. Further, existing law also gives a partial property tax exemption to veterans with disability ratings of at least 10%. Under state law and the bill, if a veteran's disability rating changes so he or she no longer qualifies for the exemption being received, the veteran may apply for the exemption he or she now qualifies for.

By law, unchanged by the bill, if the qualifying veteran dies, the

exemption may transfer to his or her surviving spouse or minor children subject to certain conditions.

Eligible Property (§ 2)

Under the bill, when the exemption is applied to a dwelling it covers only the portion of the dwelling that the claimant (i.e., veteran, spouse, or minor child) owns and occupies as his or her primary residence. (For example, if the veteran owned both units of a duplex, only the unit the veteran lives in would be exempt.) Further, it excludes from the exemption any portion of a unit or structure used for commercial purposes or that provides rental income.

The bill also expands the exemption to cover (1) up to two acres of the lot the dwelling sits on; (2) qualifying property held in trust for the veteran; and (3) property belonging to the minor children of a deceased qualifying veteran, as well as property held in trust for them as existing law allows. Existing law specifies that condominiums and common interest community units may qualify as exemptible dwellings. The bill additionally specifies that mobile manufactured homes may also qualify.

Leased Property (§ 8)

Under existing law, a veteran's property tax exemption may be applied to certain property he or she leases. This includes a (1) resident's primary dwelling that is located on leased land if the lease is recorded in the land records and requires the resident to pay all property taxes related to the dwelling and (2) motor vehicle the resident leases. The bill extends these provisions to the 100% P&T exemption.

Portability of the Exemption (§ 9)

By law, most veteran property tax exemptions that municipalities must provide are portable between municipalities. This means veterans who have established their entitlement to an exemption in one town remain eligible for it if they move to another town during the tax year (even if they miss the application deadline in the second town). The bill adds the 100% P&T property tax exemption to the list of portable

veteran tax exemptions.

Documentation, Eligibility, and Verification (§§ 5-7)

Under existing law, any taxpayers claiming a veteran-related property tax exemption must provide proof of their eligibility to the municipality in which they claim it. The bill specifies that for the 100% P&T exemption, this includes all documentation necessary to prove the U.S. DVA has determined the veteran is permanently and totally disabled based on a service-connected disability rating of 100%. Taxpayers claiming this exemption must also attest that they have not and will not file for this exemption in another town.

By law, the municipal assessor must annually make a list of taxpayers he or she has certified as entitled to a veteran-related exemption. Unless the law requires an annual application, taxpayers on the list are generally eligible to continue receiving the exemption so long as they continue residing in the town. However, the assessors may, at any time, require any taxpayer to appear in person to provide proof that he or she is still eligible for the exemption. As the law does for other exemptions, the bill allows taxpayers claiming the 100% P&T disability exemption to instead provide documentation certifying they are unable to make a personal appearance. For this exemption, taxpayers may certify their inability to appear in person with U.S. DVA documentation of their 100% P&T disability (rather than a doctor or nurse's note confirming a total disability and any other documents the assessor requires).

More generally, the law prohibits taxpayers from receiving an exemption until they provide the proof the law requires. The bill further requires that if a taxpayer's eligibility for this exemption is modified (e.g., his or her disability rating is changed to less than 100%), then he or she must provide proof of this.

§ 3 — MUNICIPAL OPTION EXEMPTION FOR SURVIVING SPOUSES

The bill authorizes a municipality, upon its legislative body's approval, to offer a property tax exemption to unmarried surviving spouses of any state residents who (1) served in the U.S. Army, Navy,

Marine Corps, Coast Guard, Air Force, or Space Force; (2) received a U.S. DVA service-connected disability rating; and (3) died before October 1, 2024. (Unlike for the exemption for veterans with a P&T disability, this exemption does not require a 100% or permanent rating to qualify for it.)

If adopted, the exemption fully exempts the portion of the primary dwelling belonging to or held in trust for the spouse, as well as up to two acres of the lot the dwelling sits on. Under the bill, a dwelling includes a condominium, a unit in a common interest community, or a mobile manufactured home, but it does not include any portion of a unit or structure used for commercial purposes or that provides rental income.

If the spouse does not have a qualifying dwelling, the exemption instead applies to one motor vehicle kept in the state that belongs to, or is held in trust for, the spouse.

As required under existing law and for the other exemptions in this bill (see §§ 5-7 above), surviving spouses must submit proof to the assessor of their eligibility for the exemption, including evidence of the veteran's qualifying disability rating. As existing law allows for other veterans' property tax exemptions, the bill allows surviving spouses to file proof of their eligibility late under certain conditions and receive a property tax abatement or refund, subject to limitations.

§ 10 — GOLD STAR SPOUSE EXEMPTION

By law municipalities must provide a property tax exemption to the unmarried surviving spouses of certain veterans or service members whose deaths were service connected and occurred while on active duty.

Under current law, the exemption consists of a base amount of \$3,000 plus either an additional 50% or 200% of the base exemption amount, depending on whether the spouse's income is above or below a set threshold (CGS § 12-81g). The law requires municipalities to increase these amounts if a revaluation results in a grand list increase of a certain

amount (CGS § 12-62g).

Alternatively, municipalities may also provide a property tax exemption to any parent or surviving spouse of a service member killed in action while performing active military duty with the U.S. Armed Forces (i.e., “Gold Star” parent or surviving spouse). A municipality may exempt up to \$20,000 or 10% of the assessed value of real or personal property.

To be eligible for the exemption, the income of the Gold Star parent or surviving spouse cannot exceed (1) the state’s income limit for a single person for other veterans’ property tax exemptions (currently \$45,200) or (2) an amount the municipality sets, up to \$25,000 more than the state limit (CGS § 12-81ii).

The bill instead requires municipalities to fully exempt for each eligible surviving spouse a dwelling plus up to two acres or, alternatively, one motor vehicle, as it requires for veterans with a 100% P&T disability. (However, the bill does not change the existing law’s requirements that the surviving spouse receive an additional 50% or 200% of the base exemption, which the municipality must increase after certain revaluations. It is unclear how this additional amount or increase would be calculated since, under the bill, the base exemption is a dwelling or motor vehicle rather than a set dollar amount.)

The bill similarly limits the exemption to exclude any portion of a dwelling used as commercial property or that generates rental income.

As under existing law, this exemption is subject to assessor verification, limitations on the number of exemptions that a person may claim, and proof of eligibility requirements.

§ 1 — GRAND LIST ADJUSTMENTS, TAX APPEALS, AND BUDGET AND TAX LEVY CHANGES

The bill authorizes municipalities that adopted a 2024 grand list before the bill’s passage to make certain adjustments to their 2024 grand lists and FY 26 budgets and tax levies. For towns that choose to make

these adjustments, the bill also allows taxpayers to appeal their assessments and sets procedural requirements for these appeals hearings.

Adjustments to 2024 Grand List

Current law generally requires municipal assessors to publish the grand lists for their towns by January 31 annually, unless they are granted an extension under the law. The bill authorizes any municipal assessor that published the grand list for the October 1, 2024, assessment year (i.e., the 2024 grand list) before the bill's passage to disregard, adjust, and republish the grand list no later than 30 days after the bill's passage.

Extended Assessment Appeals Period

In towns that published their 2024 grand lists before the bill's passage, the bill allows taxpayers who are aggrieved by an assessor's actions to appeal those actions to the town's board of assessment appeals during the 15 days after the bill's passage. It does so regardless of the laws that otherwise generally set a February 20 deadline for filing these appeals.

The bill requires the boards to meet to hear appeals over a 31-day period, from 60 to 90 days after the bill's passage. As under existing law, they must hear the appeals on business days, which may be Saturdays.

The bill's timelines allow towns to provide notice before a hearing, but its procedures do not require it. Under the bill, the boards of assessment appeals must, within 60 days after the bill's passage, notify each taxpayer who filed an appeal of either the (1) appeal hearing's date, time, and place or (2) board's determination that it has elected not to hold an appeal hearing.

It does this regardless of the law that otherwise (1) requires boards to hold a hearing on any appeal except those for commercial, industrial, utility, or apartment properties assessed at over \$1 million; (2) requires boards to notify these appellants by March 1 about their decision not to hold a hearing; and (3) allows these appellants to appeal the board's

decision not to hold a hearing directly to Superior Court.

Submission of Corrected 2024 Grand List

Under the bill, municipal assessors in these towns must, no later than 120 days after the bill's passage, transmit a report (abstract) of the grand list that the board of assessment appeals examined and corrected to the Office of Policy and Management secretary. It does so regardless of the law that otherwise requires it to file this report by May 1.

FY 26 Budget and Tax Adjustments

The bill authorizes municipalities that have already adopted a budget or levied taxes for FY 26 to adjust them. Municipalities may (1) amend their budgets in the same way they originally adopted them and (2) adjust their tax levy and any remaining tax installments. If they levied a tax for FY 26 due in a single installment, they may mail or hand deliver taxpayers a supplemental tax bill for any additional taxes resulting from the adjusted tax levy.

The bill allows municipalities to make these adjustments regardless of any conflicting requirements in special acts, municipal charters, home rule ordinances, or laws on municipalities or levying and collecting property taxes.

BACKGROUND

Permanent and Total Disability Ratings

The U.S. DVA assigns disability ratings, expressed as a percentage, based on the severity of an individual's service-connected condition or conditions. These percentages are generally established through a "schedule" by evaluating disabilities that are documented during the veteran's service and awarding a certain percentage for each disability. These percentages are cumulative with a maximum rating of 100%, or a total disability.

Total disability ratings may be temporary or permanent. A permanent rating means the department has determined the impairment is reasonably certain to continue throughout the service

member's life.

The U.S. DVA may determine a veteran is eligible to receive benefits for a P&T disability even if the veteran's disability is rated at less than 100%. For example, a veteran who receives a total disability based on individual unemployability (i.e., TDIU) rating receives benefits at the same level as an individual who has a 100% disability rating, even though he or she may not meet the criteria for a 100% schedular rating.

Related Bill

HB 7067 (§§ 4-6), as passed by the House and Senate, makes similar changes regarding (1) eligibility for veterans determined by the U.S. DVA to be permanently and totally disabled based on a service-connected disability rating of 100%, (2) the exemption's applicability to minor children's property, and (3) adjustments to the municipal budget cycle.

COMMITTEE ACTION

Veterans' and Military Affairs Committee

Joint Favorable Substitute

Yea 20 Nay 0 (02/18/2025)