

Veterans' and Military Affairs Committee

JOINT FAVORABLE REPORT

Bill No.: SB-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

Title: EXEMPTION FOR GOLD STAR SPOUSES.

Vote Date: 2/18/2025

Vote Action: Joint Favorable Substitute

PH Date: 2/13/2025

File No.:

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SPONSORS OF BILL:

Veterans' and Military Affairs Committee

REASONS FOR BILL:

This bill seeks to address a number of issues with a property tax exemption for permanently and totally disabled veterans passed in 2024. Even though the exemption was initially meant to apply only to 100% permanently and totally disabled veterans, the language was insufficiently clear; this bill amends that by expressly stating that the exemption only applies to 100% disabled veterans. This bill also clarifies other issues that were ambiguous in the initial law, including covering houses held in trust and mobile homes, requiring verification to prove a claimant's disability status, and preventing an individual from claiming the exemption on multiple properties. In order to afford more economic relief to veterans, this bill also exempts up to two acres of the land on which a dwelling sits and makes Gold Star spouses eligible; it also ensures that individuals whose spouses passed away after October 1, 2023, are eligible. Finally, in order to rectify any discrepancies between the implementation of the law and the legislative intent, the bill allows assessors to disregard and republish the grand list for the October 1, 2024 assessment year.

The substitute language addresses issues concerning surviving spouses and recommendations from the Office of Policy and Management. While pushing back the window in which an eligible veteran must pass away for their spouse to be eligible to October 1, 2023 covers a number of surviving spouses, it still fails to capture many individuals; as such the substitute language removes this automatic lookback and allows municipalities to afford the exemption to any surviving spouse on a case-by-case basis. Additionally, even though the bill allows assessors to republish their grand lists from assessment year October

1, 2024, it does not extend the time required for them to submit the abstract of their grand list to the Office of Policy and Management or to remake their budget; the substitute language addresses this and extends the time required for an assessor to send the grand list abstract to OPM, as well as allowing towns to republish their budgets.

RESPONSE FROM ADMINISTRATION/AGENCY:

Office of Policy and Management, Undersecretary, Martin Heft: The Office of Policy and Management supported the clarifications provided in the bill. Additionally, it noted that while the bill allows assessors to republish their grand lists once enacted, it does not allow them to submit the grand list abstract to OPM after the enactment; this is required to be submitted by May 1 after a given grand list is published, so language allowing the assessors to submit their abstracts late should be put in the bill. In the same vein, because some municipalities are in the process of developing and voting on their budgets based on the grand list of October 1, 2024, the bill should allow municipalities to redraft and resubmit their budgets.

NATURE AND SOURCES OF SUPPORT:

Senator Tony Hwang, State Senator, Connecticut General Assembly: Sen. Hwang expressed his support for the fixes provided in this bill to the existing property tax exemption. He noted that a few errors occurred over the course of drafting and implementing the exemption, yet this bill fixes the most prominent of those, specifically noting the clarification of 100% permanent and total disabled veterans and the inclusion of mobile homes in the definition of a dwelling unit. He also recognized the importance of expanding the exemption to gold star spouses and pointed out that Republicans have been working towards a bipartisan resolution on this matter.

Senator Henri Martin, State Senator, Connecticut General Assembly: Sen. Martin expressed his support for the bill, highlighting the importance of making Connecticut more affordable for veterans given the sacrifices that they have made. He noted that veterans from his district – and from all over the state – have been pushing for clarification in the language of the exemption.

Meredith Devanney, Veterans Representative, Town of Chester: Ms. Devanney expressed her support for the bill, explaining that her father – a Vietnam War veteran declared permanently and totally disabled from exposure to agent orange – passed away in 2023 of cancer. While the provisions expanding the eligibility of surviving spouses and making Gold Star spouses eligible for the exemption won't help those veterans that have already passed away, they will afford some level of support to their spouses and families.

Pamela Sawyer, Selectman, Town of Bolton: Ms. Sawyer pointed out that while the bill begins to address the issue of surviving spouses whose late spouses passed away prior to October 1, 2024, it does not go far enough. She explained the situation of a veteran in Bolton who passed away in July of 2022 and that his family is ineligible for the relief provided by this bill.

Samuel Gold, Executive Director, Lower Connecticut River Valley Council of Governments: Mr. Gold stated that the Lower Connecticut River Valley Council of

Governments strongly supports the measures in this bill to limit the exemption to 100% permanently and totally disabled veterans. He acknowledged that a wider exemption would be very beneficial to the state's veterans, but it is not fiscally feasible.

Sherri Marquis, Deputy Director, Somers Department of Veterans Affairs: Ms. Marquis expressed her support for the bill, explaining the trouble she had reintegrating into society after her service concluded and finding work as a veteran with a service-connected disability. She pointed out that many veterans who receive a 100% permanent and total disability rating are unable to find worthwhile employment despite their contributions to their nation, and almost none can live solely off disability payments.

John Rainaldi, Assessor, Town of Ellington: Mr. Rainaldi explained that while he wholeheartedly supports the bill and its addition of the 100% modifier, if the committee were to restrict the exemption only to those properties valued less than \$750,000, the tax relief provided by the bill would only go to the veterans in the most need of financial assistance.

Stuart Topliff, Assessor, Town of Rocky Hill: Ms. Topliff appreciated the language clarifications provided in the bill and explained that they would help alleviate the revenue loss in municipalities while ensuring that the most deserving veterans would still receive the exemption. She expressed her belief that severely disabled veterans – specifically those missing one or multiple limbs – should be exempt from property taxation.

John Chan: Mr. Chan expressed his support for all of the amendments to the existing property tax exemption yet suggested that the additional exemption given to Gold Star spouses be passed of its own merit and not attached to an important correction to the existing law.

Sean Mooney: Mr. Mooney expressed his support for the bill, specifically for the clause that allowed veterans with a house held in trust to claim the exemption. He explained that because his house was held in trust, his town's assessor did not allow him to claim the exemption.

Jon Coss: As a member of the West Hartford Commission of Veterans' Affairs, Mr. Coss expressed his support for the bill, namely for the expansion of the exemption to Gold Star spouses. He emphasized the importance of providing financial relief to Gold Star spouses in particular, as their late spouses made the ultimate sacrifice for their country.

Mary Liggins: Ms. Liggins expressed her support for the bill but requested that the committee extend the window of time in which a veteran must pass away for their surviving spouse to be covered. Currently the time frame that begins on October 1, 2023 excludes her and many other surviving spouses, and she asserted that the spouses who looked after and cared for suffering veterans should still be honored and recognized.

Raymond Baldwin Jr., Veterans Service Officer, Town of Trumbull: Mr. Baldwin referenced the testimony provided by Ms. Mary Liggins and stressed the importance of ensuring that she and other surviving spouses of deceased 100% disabled veterans are eligible for the exemption.

Vincent Mase: Mr. Mase wrote that while he supports the inclusion of the land on which a dwelling sits in the exemption, the language specifying “dwelling and land not to exceed two acres” should be clarified. As it is written, the language could be interpreted by assessors to mean that lots larger than two acres in size would not be exempt, even though the intent seems to be to exempt up to two acres of the lot.

Jessica Sanchez: Ms. Sanchez expressed her frustration with her town for claiming that veterans receive enough benefits to not warrant a full property tax exemption.

Additional Testimony: Twenty-seven individuals expressed their support for the bill, emphasizing the importance of providing affordability measures for veterans and their families and of including the land on which a dwelling sits in the exemption.

NATURE AND SOURCES OF OPPOSITION:

Dana Barrow Jr., First Selectman, Town of Trumbull: Mr. Barrow remarked that while the measure allowing towns to disregard their published grand lists is clearly in good faith, many of those grand lists have already been used in municipal budget determinations. Because the budget process is already underway, he urged the committee to not support the bill.

Randy Collins, Associate Director, Connecticut Conference of Municipalities: Mr. Collins expressed his opposition to the bill, explaining that due to the larger-than-expected fiscal impact of the property tax exemption, municipalities have lost over \$5 million more in revenue than expected. While limiting the exemption to only 100% permanently and totally disabled veterans will whittle down this number, the original intent of the bill was to provide the exemption only to veterans who cannot work due to their disability. Additionally, he pointed out that the inclusion of two acres of land and gold star spouses in the exemption will increase the tax burden on municipalities.

Steven Everett, First Selectman, Town of Columbia: Mr. Everett expressed his strong opposition to the bill, laying out his belief that the exemption as it stands is fundamentally flawed. He argues that because veterans already receive disability benefits, because many 100% disabled veterans are still able to work, and because the 100% rating can in many cases drop below that, the bill should at least undergo changes to address these problems before being implemented.

Mark Walter, Town Administrator, Town of Columbia: Mr. Walter explained that the provision in the bill that allows towns to disregard and republish their already published grand lists will do nothing for the towns that have already had to make budget cuts. As such, the committee should not support the bill.

GENERAL COMMENTS:

Fred Allyn III, Mayor, Town of Ledyard: Mr. Allyn requested that the committee does not oppose this bill, but simply clarifies the legislative intent and ensures that it is captured in writing to avoid further confusion. Additionally, because of the significant tax burden on municipalities and the number of high-earning veterans claiming the exemption, he asked that the committee implement an income cap on eligibility for the exemption.

Sandra Allyn-Gauthier, First Selectwoman, Town of Preston: Ms. Allyn-Gauthier expressed that she supports measures that will help veterans, but the increase in eligible veterans claiming the exemption is untenable. In Preston the estimated revenue loss prior to the passage of the bill was \$10,000; after it passed though, that figure jumped to \$89,000. Ms. Allyn-Gauthier requested that the committee include language that limits those eligible, and she suggested either an income cap or limiting eligibility to veterans unable to work.

Betsy Gara, Executive Director, Connecticut Council of Small Towns: Ms. Gara noted that while the property tax exemption was intended to cover roughly 1,200 veterans, the law as adopted applied to thousands more than the initial estimate. She suggested that, given Connecticut's relatively high reliance on property tax revenue compared to other states, the bill should delay implementation of the exemption, clarify that it is limited to unemployable individuals, cap the exemption amount, clarify that the exemption does not apply to income-producing portions of the property, create an income restriction for the exemption, and fully reimburse the municipalities for the exemption.

Mary Gardner, Tax Assessor, Town of Groton: Ms. Gardner stated that by expanding the exemption to surviving spouses whose spouses passed away after October 1, 2023, the bill essentially creates two distinct classes of veterans' widows. She suggests that the committee remove any time-based qualifications and allow any surviving spouses of veterans to qualify.

Allison Weir, Executive Director, Veterans Legal Center: Ms. Weir expressed her support for many of the measures included in the bill, namely the expansion of the exemption to gold star spouses and the inclusion of up to two acres of land in the exemption. She requested that the committee reconsider including the 100% requirement in the bill, as there are many unemployable veterans who do not have a 100% permanent and total disability rating. Because of this, she recommended the Department of Veterans' Affairs Individual Unemployability program as a better indicator of whether a veteran is employable.

William Boylan: Mr. Boylan explained the predicament of his son, a veteran with a 93% disability rating. Despite being in constant pain, his son would not qualify for the exemption. Mr. Boylan recommended a tiered exemption with 91-100% disabled veterans receiving a 100% exemption, 81-90% disabled veterans receiving a 90% exemption, and so on.

Alice Capaldo: Ms. Capaldo explained her late husband's fight with numerous different cancers due to exposure to Agent Orange in the Vietnam War. She stressed that no one should have to suffer through that ordeal or a similar one.

John DeSantis: Mr. DeSantis expressed his frustration with the committee and the former authors of the exemption, stating that hundreds of veterans are waiting for the fixes included in this bill. He iterated that if the legislature had done its due diligence when the law first passed, this bill would not even be needed.

Anonymous: An anonymous individual expressed their frustration that they were denied the exemption even though they are 100% permanently and totally disabled.

Reported by: Sam Sims

Date: 3/3/2025