

# OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

HB-5407

AN ACT CONCERNING STATE REIMBURSEMENT TO MUNICIPALITIES FOR REVENUE LOST DUE TO THE PROPERTY TAX EXEMPTION FOR VETERANS WITH A ONE HUNDRED PER CENT PERMANENT AND TOTAL DISABILITY RATING.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Resources of the General Fund	GF - Cost	None	At Least 20 million

Note: GF=General Fund

### ***Municipal Impact:***

Municipalities	Effect	FY 27 \$	FY 28 \$
All Municipalities	Revenue Gain	None	See Below

### ***Explanation***

The bill results in a cost to the General Fund of at least \$20 million beginning in FY 28 to reimburse municipalities for property tax revenue lost due to the property tax exemption for veterans with a disability rating of one hundred percent deemed permanent and total by the U.S. Department of Veterans Affairs<sup>1</sup>. The bill results in a revenue gain of at least \$20 million to municipalities that have lost revenue because of the exemption.

Municipalities' reimbursements will be subject to a \$250 forfeiture to

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<sup>1</sup> The total impact will potentially be higher, dependent on the number of qualifying veterans, the number of spouses of deceased qualifying veterans, and the value of the property that is being exempted.

the extent that municipalities do not submit a claim with proper documentation to the Secretary of the Office of Policy and Management and the secretary enforces the forfeiture.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the amount of property tax revenue lost as a result of the exemption.