

# OFFICE OF FISCAL ANALYSIS

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

sHB-5498

AN ACT CONCERNING REVISIONS TO STATUTES RELATING TO  
MUNICIPAL TAX COLLECTION.

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Policy & Mgmt., Off.	GF - Savings	Minimal	Minimal

Note: GF=General Fund

### **Municipal Impact:**

Municipalities	Effect	FY 27 \$	FY 28 \$
All Municipalities	Potential Revenue Gain	See Below	See Below
All Municipalities	Potential Revenue Loss	See Below	See Below
All Municipalities	Potential Savings	Minimal	Minimal
All Municipalities	Potential Cost	Minimal	Minimal

### **Explanation**

The bill results in various impacts described below.

**Section 2** removes a requirement that the Office of Policy and Management (OPM) must approve certain property tax abatements and instead requires a standing abatement committee to approve them. This results in a minimal savings to OPM beginning in FY 27 associated with having to review and approve certain abatements.

This section also results in a potential revenue gain to certain

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municipalities beginning in FY 27 that do not have a standing abatement committee as the bill does not give them any other avenue to approve these property tax abatements.

**Section 5** expands requirements for a mailed tax payment to be considered on time. This results in a potential revenue gain to municipalities beginning in FY 27 to the extent more interest is accumulated with late tax payments.

The section also modifies the order in which a taxpayer's debt should be paid when the taxpayer makes a partial payment. Any impact is dependent on how this would have otherwise been paid.

Section 5 also requires municipalities to waive late payment interest on tax payments if they meet certain requirements. This results in a potential revenue loss to municipalities to the extent less interest is accumulated and paid.

**Section 6** allows a tax collector to only send a written demand for payment to one owner if multiple people are responsible for paying an overdue tax. This results in a potential savings to municipalities beginning in FY 27 associated with less postage. Any savings are anticipated to be minimal.

**Sections 11 and 12** require a tax collector to give notice of the place and time of a reschedule sale. This results in a potential cost to municipalities beginning in FY 27 associated with more postage or paper. Any costs are anticipated to be minimal.

The bill makes various other changes that do not result in a fiscal impact to the state or municipalities.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of abatements not approved, and the number of mailed notices.