

OFFICE OF FISCAL ANALYSIS

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

sHB-5498

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

As Amended by House "A" (LCO 5454)

House Calendar No.: 254

Senate Calendar No.: 527

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.

Primary Analyst: LG
Contributing Analyst(s):
Reviewer: JP

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This section also results in a potential revenue gain to certain 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 rescheduled 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.

Section 501 removes a provision that requires municipal newspaper advertisements to be published in a state newspaper. This may result in a potential minimal savings to municipalities beginning in FY 27 to the extent advertisement in other newspapers costs less.

Section 502 allows municipalities to waive interest on delinquent taxes if it meets certain requirements. This results in a potential revenue loss to municipalities beginning in FY 27 to the extent interest is waived.

Section 503 allows any municipality with a population between 20,000 and 30,000 to initiate an action to amend the municipal charter. This is not anticipated to result in a fiscal impact to the state or municipalities.

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

House "A" added various requirements in section 501 to 503 which results in a potential savings and potential revenue loss to municipalities beginning in FY 27.

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.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.