

HB 5407 -- Redline

VA Joint Favorable to File No. 148 -- 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.

Deletions ~~struck~~ · Insertions underlined

House of Representatives General Assembly ~~Raised~~File-Bill No.

~~5407~~148 February Session, 2026 ~~LCO~~House Bill No.

~~1985~~5407 ~~Referred~~House to of Representatives, March 24, 2026 The Committee on ~~VETERANS'~~Veterans' AND ~~MILITARY~~Military AFFAIRS ~~Introduced~~reported by through REP.

~~(VA)FOSTER AN of ACT the CONCERNING 57th STATE Dist., REIMBURSEMENT Chairperson to of MUNICIPALITIES the FOR Committee REVENUE on LOST the DUE part to of THE the PROPERTY House, TAX that EXEMPTION the FOR bill VETERANS sought WITH to A pass. ONE HUNDRED PER CENT PERMANENT AND TOTAL DISABILITY RATING.~~

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Any claimant ~~LCO~~HB5407 1985/ 1~~File of 2 Raised Bill~~ No.

~~5407~~148 ~~aggrieved~~by ~~HB5407 the File results No. of the secretary's review shall have the rights of appeal as set forth in section 12-120b of the general statutes.~~

148 aggrieved by the results of the secretary's review shall have the rights of appeal as set forth in section 12-120b of the general statutes.

Section 1 January 1, 2027 New section VA Joint Favorable ~~LCO~~HB5407 1985/ 2~~File of No. -2~~

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148 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:

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 None See Below Gain 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 .

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 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 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.

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148 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.

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148 OLR Bill Analysis 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.

SUMMARY This bill establishes a process for municipalities to receive reimbursement from the Office of Policy and Management (OPM) for lost revenue from the property tax exemption for veterans who have been determined by the United States Department of Veterans Affairs to have a 100% service-connected permanent and total disability (a "100% P&T disability").

Existing law fully exempts from property tax a primary dwelling or motor vehicle for each of these veterans.

The bill requires each municipality's assessor, by July 1 annually, to certify to the OPM secretary, on a form created by the secretary, the amount of tax revenue the municipality would have received for the immediately preceding assessment year if not for this property tax exemption.

The bill requires the secretary to review claims and certify to the comptroller the amount due to a municipality.

The comptroller must draw an order on the treasurer and the treasurer must pay the municipality.

Under the bill, a municipality that fails to certify or submit supporting documents to the OPM secretary must pay \$250 to the state as a penalty.

The bill permits the secretary to waive the penalty through a procedure in existing law (see BACKGROUND).

The bill applies to a municipality, which under the bill, is a town, city, borough, consolidated town and city, or consolidated town and borough.

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148 EFFECTIVE DATE:

January 1, 2027 STATE REIMBURSEMENT PROCESS The bill requires the OPM secretary to review each claim under existing procedures for reviewing certain other property tax exemptions and tax relief and grant programs (which includes provisions about notice, modifications, reconsideration, and hearings).

Under the bill, claimants aggrieved by the results of the secretary's review can appeal to court.

The bill requires the secretary to certify to the comptroller, by December 15 annually, the amount due to each municipality, including any modification of claims made before December 15.

The bill also requires the comptroller to draw an order on the treasurer five business days after.

Under the bill, the treasurer must pay the amount required to the municipality before the following December 31.

Modifications Under the bill, if any modification is made, beginning on the December 15 after the assessor provided the amount of tax revenue, the treasurer's next payment to the municipality under the bill must be adjusted.

BACKGROUND Penalty Waiver Procedure Bylaw, the OPM secretary can waive a penalty if he receives a written application for the waiver within 30 business days after the relevant reimbursement claim's filing date. The application must explain the reason for the waiver request and be signed by the official responsible for filing the claim and the chief executive officer of the municipality or the district.

The failure to file must be for reasonable cause and not intentional or due to neglect.

Some examples of reasonable cause include:

1.

acts of God, 2.

vacancies in the position of the official responsible for filing the HB5407 / File No.

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148 claim within 60 days of the claim filing date, 3.

failure to deliver the claim despite a reasonable attempt to make timely delivery, and 4.

administrative or technical problems.

COMMITTEE ACTION Veterans' and Military Affairs Committee Joint Favorable Yea 21 May 1 (03/10/2026) HB5407 / File No.

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