

# OFFICE OF FISCAL ANALYSIS

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## EMERGENCY CERTIFICATION

HB-7067

AN ACT CONCERNING AN EMERGENCY CERTIFICATE OF NEED APPLICATION PROCESS FOR TRANSFERS OF OWNERSHIP OF HOSPITALS THAT HAVE FILED FOR BANKRUPTCY PROTECTION, THE ASSESSMENT OF MOTOR VEHICLES FOR PROPERTY TAXATION, A PROPERTY TAX EXEMPTION FOR VETERANS WHO ARE PERMANENTLY AND TOTALLY DISABLED AND FUNDING OF THE SPECIAL EDUCATION EXCESS COST GRANT.

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### ***OFA Fiscal Note***

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

Agency Affected	Fund-Effect	FY 25 \$
Education, Dept.	GF - Cost	40 million

Note: GF=General Fund

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

Municipalities	Effect	FY 26 \$	FY 27 \$
All Municipalities	Potential Grand List Increase	See Below	See Below
Various Municipalities	Net Grand List Increase	See Below	See Below

Municipalities	Effect	FY 25 \$
Local and Regional School Districts	Revenue Gain	40 million

#### ***Explanation***

The bill makes various changes that result in the impacts described below.

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**Section 1** requires the Office of Health Strategy (OHS) and its Health Systems Planning Unit (HSPU) to develop and implement an emergency Certificate of Need application process. There is no fiscal impact to the agency since OHS and the HSPU currently possess the staff and resources necessary to meet the requirements of the bill.

**Section 2** results in a potential Grand List increase to municipalities to the extent they choose to change the depreciation schedule for motor vehicles. The section allows municipalities to vote to increase the depreciation schedule for motor vehicles by five percentage points for each year beginning with the 2024 Grand List (FY 26), which may result in a Grand List increase.

**Section 3** requires municipalities that change the depreciation schedule to (1) hear appeals related to the assessment of property for an additional time period and (2) send any changes to the Office of Policy and Management. This may result in a potential cost to municipalities in FY 25 associated with an increased number of appeal hearings.

The section also permits municipalities to make changes to their FY 26 budget and taxes that have been levied for FY 26. Any impact will be dependent on changes made to the FY 26 budget and taxes that have already been levied.

**Sections 4 and 5** result in a net grand list increase for municipalities in FY 26 and FY 27 to the extent that veterans with a permanently and totally disabled determination and a disability rating of less than 100% no longer qualify for the total property tax exemption described in Subdivision (83) of Section 12-81 of the CT General Statutes, and are subsequently made subject to the provisions of Subdivision (20) of Section 12-81.

**Section 6** results in the same impact as Section 3 for municipalities that adjust and republish their 2024 Grand List due to changes related to Sections 4 and 5.

**Section 7** appropriates an additional \$40 million in FY 25 to the State

Department of Education for Excess Cost. The Excess Cost grant reimburses local and regional boards of education for eligible special education expenses. The current FY 25 appropriation is approximately \$181.1 million. This section results in a corresponding revenue gain to local and regional boards of education of \$40 million in FY 25. The revenue gain to a board of education will depend on its reimbursement tier and the amount of eligible expenditures.

The appropriation results in the budget being under the spending cap by approximately \$127.1 million in the current fiscal year (FY 25).

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

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of qualifying veterans.

*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.*