

# OFFICE OF FISCAL ANALYSIS

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SB-880

AN ACT CONCERNING PAYMENTS IN LIEU OF TAXES TO  
MUNICIPALITIES FOR HOUSING AUTHORITIES.

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## ***OFA Fiscal Note***

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

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$	The Out Years
Policy & Mgmt., Off.	GF - Cost	None	None	Potential

Note: GF=General Fund

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

Municipalities	Effect	FY 22 \$	FY 23 \$	The Out Years
Various Municipalities	Revenue Gain	None	None	Potential

### ***Explanation***

The bill results in a potential revenue gain to certain municipalities, and a corresponding cost to the Office of Policy and Management, by establishing a PILOT grant to municipalities for exempt state and local housing authority property. The bill requires these grants to first be made in FY 24.

The bill requires OPM to make grants equal to 77% of the revenue loss to municipalities where these properties are located. However, the bill also specifies that 1) the grants can be proportionately reduced if appropriations are insufficient to fully fund, and 2) a municipality is ineligible for a grant if it currently receives any kind of payment pursuant to an agreement with a housing authority. As a result, any revenue gain to municipalities, and cost to OPM, will vary

significantly based on appropriation level and on the terms of any agreement a municipality has with a housing authority.

As an illustration, the chart below shows the estimated revenue loss, and PILOT payment, to four municipalities under the bill's provisions assuming they would be eligible to receive such payment. It is not known if they are currently receiving any funding from a housing authority which would disqualify them from the PILOT established by the bill.

#### **Illustration of Impact in Various Towns**

<b>Town</b>	<b>Est. FY 21 Revenue Loss \$</b>	<b>Est. FY 21 PILOT \$</b>
Danbury	567,887	437,273
Manchester	494,901	381,074
Groton	186,237	143,402
North Haven	88,753	68,340

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

The annualized ongoing fiscal impact identified above would continue into the future subject to funding levels for the PILOT grant established by the bill.