



Senate

General Assembly

File No. 21

February Session, 2022

Senate Bill No. 127

Senate, March 16, 2022

The Committee on Planning and Development reported through SEN. CASSANO of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING COMMUNITY INVESTMENT BOARDS AND NEIGHBORHOOD ASSISTANCE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2022*) (a) Except as provided in
2 subsection (b) of this section, in each municipality with a population of
3 more than sixty thousand, as enumerated in the 2020 federal decennial
4 census, and having a total area of not more than thirty square miles, the
5 chief executive officer of such municipality shall establish and appoint
6 members to one community investment board for each neighborhood in
7 the municipality. Each community investment board may be
8 compromised of, but need not be limited to, residents, business owners,
9 religious leaders, community development corporation representatives
10 and community group representatives. Such boards shall identify
11 priorities for the use of municipal revenue sharing grants awarded
12 pursuant to section 4-66l of the general statutes, as amended by this act.

13 (b) If any municipality described in subsection (a) of this section has
14 established a neighborhood revitalization zone for a neighborhood

15 pursuant to section 7-600 of the general statutes, the chief executive
16 officer of such municipality shall designate the neighborhood
17 revitalization zone committee of such neighborhood, as described in
18 section 7-602 of the general statutes, as the community investment board
19 for such neighborhood for the purposes of carrying out the provisions
20 of such subsection.

21 Sec. 2. Section 4-66l of the general statutes is amended by adding
22 subsection (h) as follows (*Effective October 1, 2022*):

23 (NEW) (h) On and after October 1, 2022, any municipal revenue
24 sharing grant awarded pursuant to this section to a municipality whose
25 chief executive officer has established or designated community
26 investment boards pursuant to section 1 of this act may be expended by
27 such municipalities as follows: (1) Thirty-five per cent of such grant on
28 priorities identified by such community investment boards, (2) thirty-
29 five per cent of such grant on priorities identified by the legislative body
30 of the municipality, and (3) thirty per cent of such grant on priorities
31 jointly agreed upon by such community investment boards and the
32 legislative body of the municipality.

33 Sec. 3. (NEW) (*Effective July 1, 2022*) (a) Not later than January 1, 2024,
34 the Office of Policy and Management shall, within available
35 appropriations, create and maintain an Internet web site to allow
36 residents and organizations to submit proposals for solutions to
37 problems specific to urban areas to the Office of Policy and
38 Management.

39 (b) If the Secretary of the Office of Policy and Management, or the
40 secretary's designee, determines that a proposal submitted through the
41 Internet web site created pursuant to subsection (a) of this subsection is
42 viable, the secretary shall (1) identify a municipality or neighborhood in
43 which to establish a pilot program to implement the proposal, (2)
44 establish the pilot program in such municipality or neighborhood, (3)
45 monitor the implementation of the pilot program, and (4) assess the
46 results of the pilot program.

47 (c) The Office of Policy and Management shall, within available
48 appropriations, provide a monetary award to each resident or
49 organization that submits a proposal through the Internet web site
50 created pursuant to subsection (a) of this section, if the secretary, or the
51 secretary's designee, determines that a pilot program established to
52 implement the proposal was successful after assessing the results of the
53 pilot program pursuant to subsection (b) of this section.

54 Sec. 4. (*Effective July 1, 2022*) (a) There is established a task force to
55 study the (1) programs for which state funding is utilized by nonprofit
56 providers, and (2) requirements imposed on nonprofit providers by
57 state agencies and compliance with those requirements by nonprofit
58 providers.

59 (b) The task force shall consist of the following members:

60 (1) Two appointed by the speaker of the House of Representatives;

61 (2) Two appointed by the president pro tempore of the Senate;

62 (3) Two appointed by the majority leader of the House of
63 Representatives;

64 (4) Two appointed by the majority leader of the Senate;

65 (5) Two appointed by the minority leader of the House of
66 Representatives; and

67 (6) Two appointed by the minority leader of the Senate.

68 (c) Any member of the task force appointed under subdivision (1),
69 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
70 of the General Assembly.

71 (d) All appointments to the task force shall be made not later than
72 thirty days after the effective date of this section. Any vacancy shall be
73 filled by the appointing authority.

74 (e) The speaker of the House of Representatives and the president pro

75 tempore of the Senate shall select the chairpersons of the task force from
76 among the members of the task force. Such chairpersons shall schedule
77 the first meeting of the task force, which shall be held not later than sixty
78 days after the effective date of this section.

79 (f) The administrative staff of the joint standing committee of the
80 General Assembly having cognizance of matters relating to planning
81 and development shall serve as administrative staff of the task force.

82 (g) Not later than January 1, 2023, the task force shall submit a report
83 on its findings and any recommendations to the joint standing
84 committee of the General Assembly having cognizance of matters
85 relating to planning and development, in accordance with the
86 provisions of section 11-4a of the general statutes. The task force shall
87 terminate on the date that it submits such report or January 1, 2023,
88 whichever is later.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	New section
Sec. 2	<i>October 1, 2022</i>	4-66l
Sec. 3	<i>July 1, 2022</i>	New section
Sec. 4	<i>July 1, 2022</i>	New section

PD *Joint Favorable*

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 23 \$	FY 24 \$	The Out Years
State Comptroller - Fringe Benefits ¹	GF - Cost	Up to 17,000	Up to 17,000	Up to 17,000
Policy & Mgmt., Off.	GF - Cost	Up to 42,000	Up to 42,000	Up to 42,000
Policy & Mgmt., Off.	GF - Cost	None	None	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires certain large municipalities to establish community investment boards and requires those boards to identify priorities for the use of certain grants funded from the Municipal Revenue Sharing Account (MRSA). Beginning in FY 23, the bill allows such municipalities to spend a portion of their MRSA funding on the priorities of those boards.

These provisions have no fiscal impact, as the bill does not change the allocation or amount of MRSA funding in any year, nor does it restrict a municipality's use of such funding. Under current law, an estimated \$424.7 million is estimated to be deposited into MRSA in FY 23.

The bill also requires the Office of Policy and Management (OPM) to

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.53% of payroll in FY 23.

create and maintain a website allowing residents and organizations to submit proposed solutions to specific urban area problems, and to offer financial awards to residents and organizations that submit ideas that become the basis for successful pilot programs. There is a cost of up to \$59,000 (\$42,000 in salary and \$17,000 in fringe benefits) annually for a permanent, part time employee to maintain the Web site.

There is an additional cost to OPM to offer financial awards to residents. This cost will vary based on the awards offered.

The bill also establishes a task force to study the (1) programs for which state funding is utilized by nonprofit providers, and (2) requirements imposed on nonprofit providers by state agencies and compliance with those requirements by nonprofit providers. The task force shall submit a report on its findings and recommendations to the Planning and Development Committee by January 1, 2023. This has no fiscal impact as PA 17-236 prohibits transportation allowances for task force members.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in the General Fund revenue diversion to the Municipal Revenue Sharing Account.

OLR Bill Analysis**SB 127*****AN ACT CONCERNING COMMUNITY INVESTMENT BOARDS AND NEIGHBORHOOD ASSISTANCE.*****SUMMARY**

This bill requires the chief executive officers (CEO) of certain large municipalities to establish neighborhood community investment boards to identify funding priorities for municipal revenue sharing grants. The CEOs must establish a board for each neighborhood in the municipality and appoint the board members, who may include residents, business owners, and civic leaders. The bill authorizes these municipalities to spend part of their municipal revenue sharing grants on the identified priorities.

By January 1, 2024, the bill requires the Office of Policy and Management (OPM), within available appropriations, to create and maintain a website that lets residents and organizations submit proposed solutions to problems in urban areas (§ 3). If the OPM secretary or his designee decides a proposal is viable, he must identify a municipality or neighborhood in which to implement the proposal as a pilot program, monitor its implementation, and assess its results. OPM must give a financial award, within available appropriations, to each resident or organization whose proposal becomes the basis of a pilot program that the secretary or his designee deems successful.

The bill also establishes a task force to study (1) programs for which nonprofit providers use state funding and (2) state agency requirements for nonprofit providers and compliance with those requirements.

EFFECTIVE DATE: October 1, 2022, except the OPM website and task force provisions are effective July 1, 2022.

§§ 1-2 — COMMUNITY INVESTMENT BOARDS

The bill's requirement to establish community investment boards in each neighborhood applies to any municipality with a population over 60,000 according to the 2020 Census, but an area of no more than 30 square miles (i.e., Bridgeport, Bristol, Hamden, Hartford, Meriden, New Britain, New Haven, Norwalk, Waterbury, and West Hartford). The municipality's CEO must select the board members, who may include residents, business owners, religious leaders, community development corporation representatives, and community group representatives. If a neighborhood revitalization zone (NRZ) has been established in a neighborhood, the CEO must designate the associated NRZ committee to serve as the neighborhood's community investment board (see BACKGROUND).

The bill requires the community investment boards to identify priorities for spending municipal revenue sharing grants. Municipalities with community investment boards may choose to spend these grants so that:

1. 35% is spent on priorities identified by the community investment boards,
2. 35% is spent on priorities identified by the municipality's legislative body, and
3. 30% is spent on priorities jointly agreed upon by the boards and legislative body.

§ 4 — TASK FORCE ON STATE-FUNDED NONPROFIT PROVIDERS

Under the bill, the task force consists of 12 members, two each appointed by the six legislative leaders. Their appointments may be legislators and must be made by July 31, 2022. The appointing authority fills any vacancy.

The bill requires the Senate president pro tempore and House speaker to select the task force's chairpersons from among its members. The chairpersons must schedule and hold the first meeting by August

30, 2022. The Planning and Development Committee's administrative staff must serve as the task force's staff.

The task force must report its findings and recommendations to the Planning and Development Committee by January 1, 2023. The task force terminates on that date or when it submits its report, whichever is later.

BACKGROUND

Municipal Revenue Sharing Grants

By law, municipal revenue sharing grants are funded through the municipal revenue sharing account by a sales tax revenue diversion. The statutory formula for calculating the grant amounts is based on each municipality's real and personal property mill rate (other than its motor vehicle mill rate). Grant amounts are reduced for municipalities whose spending exceeds a specified municipal spending cap.

NRZs

The state's NRZ program helps neighborhood residents and businesses develop and implement plans to revitalize economically- and socially-distressed neighborhoods. NRZs are municipally designated.

NRZ committees are established after a municipality adopts the NRZ planning committee's strategic plan in order to implement it (CGS § 7-602). NRZ committees must reflect the neighborhood's composition and include tenants and property owners, community organizations, and representatives of neighborhood businesses or businesses that own property in the neighborhood.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable
Yea 19 Nay 7 (03/04/2022)