



Senate

General Assembly

File No. 542

February Session, 2022

Substitute Senate Bill No. 401

Senate, April 20, 2022

The Committee on Appropriations reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING DISBURSEMENT OF MUNICIPAL REVENUE SHARING ACCOUNT FUNDS.

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

1 Section 1. Subsection (b) of section 4-66l of the 2022 supplement to the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2022*):

4 (b) There is established an account to be known as the "municipal
5 revenue sharing account" which shall be a separate, nonlapsing account
6 within the General Fund. The account shall contain any moneys
7 required by law to be deposited in the account. The secretary shall set
8 aside and ensure availability of moneys in the account [in the following
9 order of priority] and shall transfer or disburse such moneys as follows:

10 (1) For the fiscal year ending June 30, 2022, and each fiscal year
11 thereafter, moneys sufficient to make motor vehicle property tax grants
12 payable to municipalities pursuant to subsection (c) of this section shall
13 be expended not later than August first annually by the secretary;

14 (2) For the fiscal year ending June 30, 2022, and each fiscal year
 15 thereafter, moneys sufficient to make the grants payable pursuant to
 16 subsection (d) of section 12-18b, subdivisions (1) and (3) of subsection
 17 (e) of section 12-18b, subsection (b) of section 12-19b and subsections (b)
 18 and (c) of section 12-20b shall be expended by the secretary; and

19 (3) For the fiscal year ending June 30, 2022, and each fiscal year
 20 thereafter, moneys in the account remaining shall be expended annually
 21 by the secretary for the purposes of the municipal revenue sharing
 22 grants established pursuant to subsection (d) of this section. Any such
 23 moneys deposited in the account for municipal revenue sharing grants
 24 [between October first and June thirtieth shall be distributed to
 25 municipalities on the following October first and any such moneys
 26 deposited in the account between July first and September thirtieth shall
 27 be distributed to municipalities on the following January thirty-first]
 28 from sales tax revenue shall be distributed to municipalities not later
 29 than October first following the end of the fiscal year in which such
 30 revenue accrues. Any municipality may apply to the Office of Policy and
 31 Management on or after July first for early disbursement of a portion of
 32 such grant. The Office of Policy and Management may approve such an
 33 application if it finds that early disbursement is required in order for a
 34 municipality to meet its cash flow needs. No early disbursement
 35 approved by said office may be issued later than September thirtieth.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	4-661(b)

APP *Joint Favorable Subst.*

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: None

Municipal Impact: See Below

Explanation

The bill clarifies that all funding accrued to the Municipal Revenue Sharing Account during a given fiscal year shall be distributed to municipalities during, or immediately subsequent to, that fiscal year.

As an illustration, this precludes funding accrued prior to July 1, 2022 but deposited into MRSA after July 1, 2022 from being used for FY 23 MRSA grants. The bill results in such revenue being distributed as FY 22 grant funding to municipalities. FY 22 revenue deposits into MRSA are anticipated to total \$414.7 million.

It should be noted that Sec. 448 of PA 21-2, the FY 22 and FY 23 budget, specifies the distribution of MRSA funding in FY 22 and FY 23. As the bill does not amend this section, it is anticipated that the bill would have no impact until FY 24.

The Out Years

State Impact: None

Municipal Impact: See Above

OFA Bill Analysis

SB 401

AN ACT CONCERNING DISBURSEMENT OF MUNICIPAL REVENUE SHARING ACCOUNT FUNDS.

SUMMARY:

The bill clarifies that all funding accrued to the Municipal Revenue Sharing Account during a given fiscal year shall be distributed to municipalities during, or immediately subsequent to, that fiscal year.

It should be noted that Sec. 448 of PA 21-2, the FY 22 and FY 23 budget, specifies the distribution of MRSA funding in FY 22 and FY 23. The bill does not appear to amend this section. The bill amends CGS 4-66l, which directs the distribution of MRSA funding in FY 24 and annually thereafter.

EFFECTIVE DATE: July 1, 2022

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 50 Nay 0 (04/07/2022)