

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

EMERGENCY CERTIFICATION

HB-6001

AN ACT CONCERNING THE SUSPENSION OF CERTAIN GAS TAXES, THE EXTENSION OF FREE BUS SERVICE, BOTTLE DEPOSIT LABELS AND FUNDING FOR THE CONNECTICUT PREMIUM PAY PROGRAM AND ENERGY ASSISTANCE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Various	GF - See Below	See Below	None
Department of Transportation	TF - Revenue Loss	90 million	None

Note: GF=General Fund; TF=Transportation Fund

Municipal Impact: None

Explanation

Section 1 extends the full gas tax suspension for an additional month (through December 2022), and then restores the tax incrementally beginning in January 2023 at the rate of 5 cents per month returning to the statutory rate of 25 cents per gallon on May 1, 2023. This results in a one-time FY 23 revenue loss of \$90 million to the Special Transportation Fund.

Section 2 allocates \$10.8 million in American Rescue Plan Act (ARPA) funds to the Department of Transportation to extend free bus service and \$30 million in ARPA funds to the Department of Social Services for home heating energy supplemental funding. The section also reduces the APRA allocation to the Invest Connecticut program, administered by the Office of Policy and Management, by \$40.8 million.

Section 3 makes modifications to the formula for the Connecticut Premium Pay Program. Total resources for the program are approximately \$105.1 million after accounting for the existing balance in the program (\$28.5 million) plus additional resources authorized under Section 4 (\$31.6 million) and Section 5 (\$45 million) of the bill.

Section 4 transfers the unexpended balance for the Connecticut Essential Workers COVID-19 Assistance Program to the Connecticut Premium Pay Program. The unexpended balance is approximately \$31.6 million.

Section 5 reduces the FY 23 appropriation for Retiree State Employee Health Service Cost account by \$45 million and appropriates \$45 million to the Connecticut Premium Pay Account.

Section 6 directs the use of \$30 million in ARPA funds, appropriated under Section 2 of the bill, for the new Home Heating Energy Assistance Supplemental Reserve line item in the Department of Social Services. Such funding is dedicated to supporting direct benefits for home heating or utility assistance for consumers eligible under the federal fiscal year 2023 Low Income Home Energy Assistance Block Grant Allocation Plan (LIHEAP) and can only be expended after all federal funds received by the state for home heating and utility assistance purposes have been exhausted.

Section 7 requires the Public Utilities Regulatory Authority (PURA), a regulatory board within the Department of Energy and Environmental Protection, to direct at least 95% of fines in FY 23 and FY 24 to nonprofit agencies engaged in energy assistance programs. Currently, PURA may direct an unspecified portion of fines to be paid to nonprofit agencies engaged in energy assistance programs; fine revenue otherwise flows to the General Fund (GF). Based on PURA fines issued from FY 19 through FY 23 to date, this section is anticipated to result in a revenue loss to the GF of at least \$4.8 million in FY 23 (assuming the fine revenue would not have otherwise been dedicated to nonprofit agencies) and approximately \$2.2 million in FY 24, since these funds would flow to the nonprofits instead of the GF. This section also implements reporting requirements for nonprofits and stipulates the amount of funds that a recipient nonprofit can use for administrative purposes, and these provisions do not result in a fiscal impact to the state or municipalities.

Sections 8 and 9 exempt beverage wholesalers from certain labeling requirements for items covered under the expanded bottle bill, which does not result in any fiscal impact to the state or municipalities.

The Out Years

There is no fiscal impact in the out years.

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.

Sources: Office of the State Comptroller Memo regarding the CT Premium Pay Program