

# Finance, Revenue and Bonding Committee

## JOINT FAVORABLE REPORT

**Bill No.:** House Bill 5476

AN ACT CONCERNING THE PROVISION OF PARTIAL FEE REDUCTIONS BY MUNICIPAL STORMWATER AUTHORITIES AND THE INCLUSION OF HEATING, VENTILATING AND AIR CONDITIONING SYSTEMS IN SCHOOL

**Title:** BUILDING PROJECT GRANT PAYMENTS.

**Vote Date:** 4/5/2022

**Vote Action:** Joint Favorable

**PH Date:** 3/21/2022

**File No.:** 572

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### SPONSORS OF BILL:

Finance, Revenue, and Bonding Committee

### REASONS FOR BILL:

[Public Act 21-115](#) authorized municipalities to create stormwater authorities that could levy a fee on real property based upon the amount of impervious surface contained on the property. Fees collected are to be used by the municipality to offset the cost of stormwater mitigation efforts. Uniquely, stormwater authorities may assess fees on both taxable and non-taxable property.

This bill requires municipal stormwater authorities to provide partial fee reductions for properties where the owner (1) has a stormwater management system that complies with state and local stormwater standards and effectively reduces, retains, or treats stormwater or (2) has installed infrastructure that reduces, retains, or treats stormwater onsite and exceeds any applicable state or local requirements. It also eliminates the requirement that authorities consider grand list valuation in setting fees. This bill would incentivize private investment in limiting run-off on private property.

The bill also makes installing, replacing, or repairing heating, ventilation, or air conditioning (HVAC) systems eligible for school building project grants, which would incentivize school districts to make essential improvements to address air quality.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

[Katie Dykes, Commissioner, Connecticut Department of Energy and Environmental Protection \(DEEP\)](#) testified in opposition to Section 1 stating it, "proposes amendments to Public Act 21-115, An Act Concerning Climate Change Adaptation (House Bill 6441), which included expanding the then-limited stormwater authority pilot program to provide all municipalities in the state with the option to create a stormwater authority. It is premature to amend the stormwater authority statute. This new expanded program is less than a year old. No additional municipalities have implemented the authority or started the process, indicating the implementation of stormwater authorities in Connecticut is still in its nascent stages. Any changes to the statute would be best informed by further public participation, that is part of the requisite due process and deliberations in establishing local ordinances, in addition to the technical assistance and education efforts called for in Governor Lamont's Executive Order 21-3. Section 10 of the order charges DEEP to "work in cooperation with its partners, including the University of Connecticut," to provide "assistance to municipalities with the creation, utilization, and operation of stormwater authorities."

[Michelle Gilman, Commissioner, Connecticut Department of Administrative Services \(DAS\)](#) submitted testimony in support of section 2 of this bill, and asked the committee to establish eligibility requirements for the program. For example, the eligibility parameters for these grants should include requirements that: (1) the new system increases the efficiency of any heating, ventilation or air conditioning system at the school; (2) the building itself cannot be beyond its useful life; and (3) prevents a school from receiving another grant to replace the new heating, ventilation or air conditioning system for a set amount of time. Finally, to facilitate the introduction of these projects into the non-priority list grant program, DAS would require increased bond funding going forward. DAS encourages the Finance, Revenue and Bonding Committee to work with the Education Committee regarding changes to section 10-283(b) of the general statutes.

## **NATURE AND SOURCES OF SUPPORT:**

The following people submitted testimony in support of the bill's efforts to reduce stormwater fees levied on non-profit higher education institutions:

[Tracy Espy, President, Mitchell College](#)

[David Frassinelli, Vice President for Facilities, Fairfield University](#)

[Lucy Lucker, Vice President for Finance and Administration, University of Saint Joseph,](#)

[Laura Whitney, Vice President for Finance, University of Hartford](#)

[Phil McCabe, Senior Vice President for Finance, Sacred Heart University](#)

[Jennifer Widess, President, Connecticut Conference of Independent Colleges](#)

The following people testified in support of Section 2 of this bill, stating that it is a mechanism to improve the indoor air quality in schools.

[John Butts, Executive Director, The Associated General Contractors of Connecticut, Inc.](#)

[Gina Calabro, Executive Director and Chief Operating Officer, American Institute of Architects, Connecticut Chapter](#)

[Elizabeth Gara, Executive Director, Connecticut Council of Small Towns](#)

[Kimberly Glassman, Director, Foundation for Fair Contracting of Connecticut, Inc](#)

[Paul Hoar, President, Aerus Electrolux](#)

[Louis Rosado Burch, Legislative Coordinator, Connecticut Education Association, Representative, Coalition for Healthy Air in Schools](#)

[Michael Thompson, Executive Director, Associated Sheet Metal and Roofing Contractors of Connecticut](#)

[Kristen Brainerd Abrahamson, Executive Vice President, Mechanical Contractors Association of Connecticut \(MCAC\)](#) testified in support of section 2 of this bill. MCAC stated that by allowing municipalities to receive state reimbursement for HVAC improvements under the school construction program, local boards of education will be more likely to make necessary and essential improvements to address air quality (IAQ). Additionally, she testified that the grants would assist smaller municipalities that struggle with budget reductions or securing other resources.

[Rick Branson, Executive Director, Connecticut Association of Independent Schools](#) testified in support of this bill stating that it seeks to ensure stormwater authorities to have a thorough process in place for awarding credit in the form of a fee reduction for investments that property owners made to reduce or eliminate stormwater runoff.

[Randy Collins, Advocacy Manager, Connecticut Conference of Municipalities \(CCM\)](#) testified in support of both sections of the bill. However, CCM requested amendments that provided additional clarity on stormwater fee reduction.

#### **NATURE AND SOURCES OF OPPOSITION:**

The following people testified that levying a stormwater fee on a nonprofit is akin to a tax and asked for an amendment exempting nonprofits from these fees.

[Gian-Carl Casa, President and CEO, The Connecticut Nonprofit Alliance](#)

[Stan Soby, Vice President, Public Policy and External Affairs, Oak Hill](#)

[Gary Steck, Chief Executive Officer, Wellmore Behavioral Health](#)

[John Cattelan, Connecticut Alliance of YMCA's](#)

[Christopher Healy, Executive Director, Connecticut Catholic Public Affairs Conference](#)

[Sandra Lavoy, Senior Vice President, Community Rehabilitation Services, CW Resources Inc.](#)

[Jennifer Pulse, Chief Financial Officer, Mental Health Connecticut](#)

[David Godbout, Connecticut Resident](#) opposed the bill on the grounds that the current session of the Connecticut General Assembly is illegal, in breach of Article 3, Section 16 of the State Constitution.

**Reported by: Dawn Silveira**

**Date: April 22, 2022**