

OFFICE OF FISCAL ANALYSIS

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sHB-6862

AN ACT CONCERNING BROADBAND CONSTRUCTION AND THE PREVAILING WAGE.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	STATE MANDATE ¹ - Cost	Potential	Potential

Explanation

The bill makes changes to the state's broadband grants program, which result in potential increased costs to municipalities beginning in FY 24.

The bill (1) makes broadband installation projects funded by certain state grants subject to the state's prevailing wage law; (2) prioritizes grants to applicants that meet certain criteria; and (3) makes other changes not anticipated to result in a fiscal impact. The prevailing wage provision may result in a potential cost to municipalities (for the municipal share of the project cost) as there will be increased contractual costs for these projects beginning in FY 24, to the extent that these projects currently fall below the existing prevailing wage threshold. There is also potential for increased costs to municipalities beginning in

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

FY 24 associated with the applicant criteria.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.