

OFFICE OF FISCAL ANALYSIS

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sHB-6892

AN ACT CONCERNING MUNICIPAL BLIGHT ORDINANCES AND THE FINE FOR LITTERING.

As Amended by House "A" (LCO 7463)

House Calendar No.: 282

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Energy and Environmental Protection	GF - Revenue Gain	See Below	See Below
Resources of the General Fund	GF - Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	Savings	Potential Minimal	Potential Minimal
Various Municipalities	Grand List Expansion	None	Potential
Various Municipalities	Revenue Gain	Potential	Potential

Explanation

The bill expands the definition of "blight" to include commercial property and makes other changes to the regulation of and penalties related to blight and littering. These changes result in multiple impacts to municipalities and a potential revenue gain to the state. Municipalities with the most property that falls under the definition of blight will receive the most benefit.

Section 1 expands the communities in which abandoned and blighted property receiverships can be used to include any community

with at least 15,000 people. To the extent this results in the improvement of blighted property, there would be a grand list expansion beginning in FY 25 in any municipality where this process occurs. A grand list expansion results in a revenue gain, given a constant mill rate.

Section 2 increases the maximum daily civil penalties municipalities can impose for blight from \$100 for all blighted properties to: (1) \$150 for occupied property, (2) \$250 for vacant property and (3) \$1,000 for any property if it is a third or subsequent violation occurring within a 12-month period. The bill additionally expands situations where a third violation may be issued. These provisions will result in a potential revenue gain to municipalities, beginning in FY 24, that is dependent on the number and type of blight violations that occur along with the penalty levels chosen by municipalities.

Sections 3, 4 and 7 expand the definition of blight to include commercial property. To the extent this results in more civil penalties, municipalities will experience a revenue gain beginning FY 24.

Section 5 makes a clarifying change regarding the goals of the enterprise zone program that has no fiscal impact.

Section 6 increases the maximum fine for littering from \$199 to \$500, beginning in FY 24. In FY 22, \$15,570 was collected in revenue to the General Fund (GF) from littering and \$3,947 was collected in revenue to the GF from littering on public land. This could result in a potential revenue gain to the GF and municipalities to the extent higher fines are imposed. Under current law (unchanged by the bill), one-half of the fine goes to the GF while one-half goes to the municipality in which it occurred; under certain conditions, the fine is collected by the Department of Energy and Environmental Protection instead of the municipality.

Section 8 eliminates certain notice requirements municipalities must provide to lienholders. This may result in a potential minimal savings to municipalities beginning in FY 24 as they are no longer required to provide certain notices.

Section 9 eliminates the requirement for mortgagees and lienholders to participate in certain court proceedings. This results in no fiscal impact to municipalities as the rest of the court proceedings are unchanged.

House "A" expands situations where a third violation may be issued for violation of municipal blight regulation. This may result in an increased potential revenue gain for municipalities, beginning in FY 24, that is dependent on the number and type of blight violations that occur along with the penalty levels chosen by municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations and the amount of the fees imposed.