

# OFFICE OF FISCAL ANALYSIS

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SB-900

AN ACT ESTABLISHING A REVOLVING LOAN ACCOUNT TO ASSIST ELDERLY HOMEOWNERS.

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## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 24 \$</b>	<b>FY 25 \$</b>
Policy & Mgmt., Off.	Elderly Revolving Loan Fund - Cost	Greater than 238,468	Greater than 308,110
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	98,528	131,370

Note: GF=General Fund

### ***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 24 \$</b>	<b>FY 25 \$</b>
Various Municipalities	Revenue Gain	Potential	Potential

### ***Explanation***

The bill results in a total cost of \$337,000 in FY 24 and \$439,000 in FY 25, and annually thereafter, to administer the Elderly Homeowner Property Tax Revolving Loan program established by the bill, and a potentially significant additional annual cost associated with providing the loans. The bill also results in a potential revenue gain to various municipalities beginning in FY 24.

The anticipated costs include \$238,468 in FY 24 and \$308,110 in FY 25

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<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

to the Office of Policy and Management for an additional four staff members to run the program and \$98,528 in FY 24 and \$131,370 in FY 25 to the Office of the State Comptroller for associated fringe benefits. This cost includes one Office Assistant at an annual salary of \$50,651, one Paralegal Specialist at an annual salary of \$77,677, and two Staff Attorney 1 positions at an annual salary of \$89,234. The estimate also includes an annual cost of \$1,314 for training and supplies and a one-time cost in FY 24 of \$7,057 for computers.

The cost of providing the loans would vary based on the number of people eligible who seek out the program, and on the size of the loans they take out. This cost may be significant. The bill allows investment earnings, including principal and interest on the loans, to be used to fund loans under the program, which will be administered using a separate non-lapsing account. The bill provides credited investment earnings to the account but does not specify a funding source.

To the extent that the Elderly Homeowner Property Tax Revolving Loan Fund provides homeowners who owe unpaid taxes with a way of paying those taxes, there is a revenue gain to municipalities.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of applicants and the value of the loans they receive.