

OFFICE OF FISCAL ANALYSIS

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

SB-1037

AN ACT CONCERNING SELF-SERVICE STORAGE INSURANCE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Insurance Dept.	GF - Indeterminate	Less than 50,000	Less than 50,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in an indeterminate change in revenue to the General Fund beginning in FY 24, associated with a change to the licenses that employees and owners of self-service storage companies must obtain to offer self-service storage insurance.

Currently, all sellers of self-service storage insurance (i.e., owners and employees) must obtain a property and casualty insurance license from the Insurance Department (DOI), paying \$160 for license renewal every two years.

Under the bill, those current licensees will cease paying renewal fees. Instead, only the owner of the company must obtain a new, self-service storage insurance license, paying: (1) a \$100 application fee, (2) \$500 for an initial license, and (3) \$450 for license renewal every two years, which is a \$290 increase.

It is not clear which revenue impact will prevail. The revenue loss, anticipated to be less than \$66,880 across two years, depends on how

many current licenses are held by employees, who would no longer need to be licensed under the bill. The revenue gain from the new license and application fees will depend on the number of owners that become licensed, anticipated to be less than \$84,600 across two years, and the number of license renewals.¹

According to the U.S. Bureau of Labor Statistics, there were 141 “lessors of miniwarehouses and self-storage units” establishments in Connecticut in September 2022, with employment of 418.

There is no anticipated cost to DOI, given expected application volume and that these insurance sellers are already regulated by the agency.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to demand for self-service storage insurance licenses.

Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, NAICS 53113

¹ This reflects the maximum revenue possible in FY 24 if each of the 141 establishments had a separate owner who immediately became licensed to sell self-service storage insurance. However, one owner may own multiple establishments, some of the 141 establishments may not meet the definition of “self-service storage facility” in the bill, and not every owner may choose to sell such insurance.