
OLR Bill Analysis

HB 5278

AN ACT CONCERNING INCENTIVES FOR TRANSIT-ORIENTED DEVELOPMENT.

SUMMARY

This bill allows the Department of Economic and Community Development commissioner to give municipalities grants that cover up to 100% of their planning costs for development projects that qualify as transit-oriented developments, as long as the commissioner determines that it is substantially likely that the project will be completed. Under current law, the commissioner may generally only give them grants sufficient to cover up to 50% of their planning costs for development projects (i.e., municipal projects to improve or dispose of land, buildings, or both primarily for industrial or business purposes).

Existing law already allows the commissioner to give distressed municipalities grants to cover up to their full planning costs for development projects, as long as he determines a substantial likelihood of the project's completion.

The bill also requires the Office of Policy and Management secretary to consider areas that are suitable for transit-oriented development when recommending areas to be included in "priority funding areas" (see BACKGROUND) in the State Plan of Conservation and Development. Under existing law, unchanged by the bill, when making these recommendations to the legislature, the secretary must consider whether an area has certain other designations (e.g., as a targeted investment community, enterprise zone, or corridor management area).

By law, "transit-oriented development" is the development of residential, commercial, and employment centers within one-half mile or walking distance of public transportation facilities (including rail and bus rapid transit and services) that meet transit supportive standards

for land uses, built environment densities, and walkable environments, in order to facilitate and encourage the use of transit services.

EFFECTIVE DATE: October 1, 2024

BACKGROUND

Priority Funding Areas

By law, state agencies generally cannot provide funding for a growth-related project unless the project is located in a priority funding area or meets one of the law’s exceptions (CGS § 16a-35d). Growth-related projects are, broadly, projects costing more than \$200,000 (1) to buy real property, other than for open space purposes; (2) to develop or improve real property; (3) to buy public transportation equipment or facilities; or (4) using state grants to buy, develop, or improve real property or buy public transportation equipment or facilities (CGS § 16a-35c(a)).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 20 Nay 1 (03/22/2024)