



House of Representatives

General Assembly

File No. 227

February Session, 2024

Substitute House Bill No. 5273

House of Representatives, April 3, 2024

The Committee on Planning and Development reported through REP. KAVROS DEGRAW of the 17th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE RECOMMENDATIONS OF THE INTERGOVERNMENTAL POLICY AND PLANNING DIVISION WITHIN THE OFFICE OF POLICY AND MANAGEMENT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-94a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 On or before July first, annually, the [tax collector] assessor of each
4 municipality shall certify to the Secretary of the Office of Policy and
5 Management, on a form furnished by said secretary, the amount of tax
6 revenue which such municipality, except for the provisions of
7 subdivision (55) of section 12-81, would have received, together with
8 such supporting information as said secretary may require, except that
9 for the assessment year commencing October 1, 2003, such certification
10 shall be made to the secretary on or before August 1, 2004. Any
11 municipality which neglects to transmit to said secretary such claim and
12 supporting documentation as required by this section shall forfeit two

13 hundred fifty dollars to the state, provided said secretary may waive
14 such forfeiture in accordance with procedures and standards adopted
15 by regulation in accordance with chapter 54. Said secretary shall review
16 each such claim as provided in section 12-120b. Any claimant aggrieved
17 by the results of the secretary's review shall have the rights of appeal as
18 set forth in section 12-120b. The secretary shall, on or before December
19 fifteenth, annually, certify to the Comptroller the amount due each
20 municipality under the provisions of this section, including any
21 modification of such claim made prior to December fifteenth, and the
22 Comptroller shall draw an order on the Treasurer on the fifth business
23 day following and the Treasurer shall pay the amount thereof to such
24 municipality on or before the thirty-first day of December following. If
25 any modification is made as the result of the provisions of this section
26 on or after the December fifteenth following the date on which the [tax
27 collector] assessor has provided the amount of tax revenue in question,
28 any adjustments to the amount due to any municipality for the period
29 for which such modification was made shall be made in the next
30 payment the Treasurer shall make to such municipality pursuant to this
31 section. For the purposes of this section, "municipality" means a town,
32 city, borough, consolidated town and city or consolidated town and
33 borough. The provisions of this section shall not apply to the assessment
34 year commencing on October 1, 2002. In the fiscal year commencing July
35 1, 2004, and in each fiscal year thereafter, the amount of the grant
36 payable to each municipality in accordance with this section shall be
37 reduced proportionately in the event that the total amount of the grants
38 payable to all municipalities exceeds the amount appropriated.

39 Sec. 2. Section 12-9 of the general statutes is repealed and the
40 following is substituted in lieu thereof (*Effective from passage*):

41 [The] Not later than July 1, 2024, and annually thereafter, the
42 Secretary of the Office of Policy and Management shall [annually] cause
43 to be prepared by the tax collector complete statements relating to the
44 mill rate and tax levy [during the preceding] for the ensuing fiscal year,
45 such statements to be made upon printed blanks to be prepared and
46 furnished by the secretary to all such officers at least thirty days before

47 the date prescribed by the secretary for the filing of such statements.
48 Any person who neglects to file a true and correct report in the office of
49 the secretary at the time and in the form required by [him] the secretary
50 or which, in making and filing such report, includes therein any wilful
51 misstatement, shall forfeit one hundred dollars to the state, provided the
52 secretary may waive such forfeiture in accordance with procedures and
53 standards adopted by regulation in accordance with chapter 54.

54 Sec. 3. Subsection (d) of section 7-325 of the general statutes is
55 repealed and the following is substituted in lieu thereof (*Effective from*
56 *passage*):

57 (d) Not later than July 1, [2022] 2024, and annually thereafter, the tax
58 collector of each district shall submit a statement to the Secretary of the
59 Office of Policy and Management on a form prescribed by the secretary.
60 Such statement shall include complete information concerning the mill
61 rate and tax levy in the district for the [preceding] ensuing fiscal year.
62 Any tax collector who neglects to submit a true and correct statement
63 shall forfeit one hundred dollars to the state.

64 Sec. 4. (NEW) (*Effective from passage*) Not later than July 1, 2024, and
65 annually thereafter, each special services district established under
66 chapter 105a of the general statutes shall submit a statement to the
67 Secretary of the Office of Policy and Management on a form prescribed
68 by the secretary. Such statement shall include complete information
69 concerning the mill rate and tax levy in the district for the ensuing fiscal
70 year. Any such district that neglects to submit a true and correct
71 statement shall forfeit one hundred dollars to the state.

72 Sec. 5. Subdivision (1) of subsection (a) of section 12-62c of the general
73 statutes is repealed and the following is substituted in lieu thereof
74 (*Effective July 1, 2024, and applicable to assessment years commencing on or*
75 *after October 1, 2024*):

76 (a) (1) A town implementing a revaluation of all real property may
77 phase in a real property assessment increase, or a portion of such
78 increase resulting from such revaluation, by requiring the assessor to

79 gradually increase the assessment or the rate of assessment applicable
80 to such property in the assessment year preceding that in which the
81 revaluation is implemented, in accordance with one of the methods set
82 forth in subsection (b) of this section. The legislative body of the town
83 shall approve the decision to provide for such phase-in, the method by
84 which it is accomplished and its term, provided the number of
85 assessment years over which such gradual increases are reflected shall
86 not exceed five assessment years, including the assessment year for
87 which the revaluation is effective. If a town chooses to phase in a portion
88 of the increase in the assessment of each parcel of real property resulting
89 from said revaluation, said legislative body shall establish a factor,
90 which shall be not less than twenty-five per cent in any assessment year
91 commencing prior to October 1, 2024, or twenty per cent in any
92 assessment year commencing on or after October 1, 2024, and shall
93 apply such factor to such increases for all parcels of real property,
94 regardless of property classification. A town choosing to phase in a
95 portion of assessment increase shall multiply such factor by the total
96 assessment increase for each such parcel to determine the amount of
97 such increase that shall not be subject to the phase-in. The assessment
98 increase for each parcel that shall be subject to the gradual increases in
99 amounts or rates of assessment, as provided in subsection (b) of this
100 section, shall be (A) the difference between the result of said
101 multiplication and the total assessment increase for any such parcel, or
102 (B) the result derived when such factor is subtracted from the actual
103 percentage by which the assessment of each such parcel increased as a
104 result of such revaluation, over the assessment of such parcel in the
105 preceding assessment year and said result is multiplied by such parcel's
106 total assessment increase.

107 Sec. 6. Subsection (a) of section 8-23 of the general statutes is repealed
108 and the following is substituted in lieu thereof (*Effective July 1, 2024*):

109 (a) (1) At least once every ten years, the commission shall prepare or
110 amend and shall adopt a plan of conservation and development for the
111 municipality. Following adoption, the commission shall regularly
112 review and maintain such plan. The commission may adopt such

113 geographical, functional or other amendments to the plan or parts of the
114 plan, in accordance with the provisions of this section, as it deems
115 necessary. The commission may, at any time, prepare, amend and adopt
116 plans for the redevelopment and improvement of districts or
117 neighborhoods which, in its judgment, contain special problems or
118 opportunities or show a trend toward lower land values.

119 (2) If a plan is not amended decennially, the chief elected official of
120 the municipality shall submit a letter to the Secretary of the Office of
121 Policy and Management and the Commissioners of Transportation,
122 Energy and Environmental Protection and Economic and Community
123 Development that explains why such plan was not amended. A copy of
124 such letter shall be included in each application by the municipality for
125 discretionary state funding in excess of twenty-five thousand dollars
126 submitted to any state agency.

127 Sec. 7. Section 4-124s of the general statutes is repealed and the
128 following is substituted in lieu thereof (*Effective July 1, 2024*):

129 (a) For purposes of this section:

130 (1) "Regional council of governments" means any such council
131 organized under the provisions of sections 4-124i to 4-124p, inclusive;

132 (2) "Municipality" means a town, city or consolidated town and
133 borough;

134 (3) "Legislative body" means the board of selectmen, town council,
135 city council, board of alderman, board of directors, board of
136 representatives or board of the warden and burgesses of a municipality;

137 (4) "Secretary" means the Secretary of the Office of Policy and
138 Management or the designee of the secretary;

139 (5) "Regional educational service center" has the same meaning as
140 provided in section 10-282; and

141 (6) "Employee organization" means any lawful association, labor

142 organization, federation or council having as a primary purpose the
143 improvement of wages, hours and other conditions of employment.

144 (b) There is established a regional performance incentive program
145 that shall be administered by the Secretary of the Office of Policy and
146 Management. Any regional council of governments, regional
147 educational service center or a combination thereof may submit a
148 proposal to the secretary for: (1) The provision of any service that [one]
149 two or more participating municipalities of such council or local or
150 regional board of education of such regional educational service center
151 [currently] may provide [but which is not provided] on a regional and
152 ongoing basis, (2) the redistribution of grants awarded pursuant to
153 sections 4-66g, 4-66h, 4-66m and 7-536, according to regional priorities,
154 or (3) regional revenue sharing among such participating municipalities
155 pursuant to section 7-148bb. A copy of said proposal shall be sent to the
156 legislators representing said participating municipalities or local or
157 regional boards of education. Any regional educational service center
158 serving a population greater than one hundred thousand may submit a
159 proposal to the secretary for a regional special education initiative.

160 (c) (1) A regional council of governments or regional educational
161 service center shall submit each proposal in the form and manner the
162 secretary prescribes and shall, at a minimum, provide the following
163 information for each proposal: (A) Service or initiative description; (B)
164 the explanation of the need for such service or initiative; (C) the method
165 of delivering such service or initiative on a regional basis; (D) the
166 organization that would be responsible for regional service or initiative
167 delivery; (E) a description of the population that would be served; (F)
168 the manner in which the proposed regional service or initiative delivery
169 will achieve economies of scale for participating municipalities or
170 boards of education; (G) [the amount by which participating
171 municipalities will reduce their mill rates as a result of savings realized]
172 an estimate of anticipated savings or costs that will not be incurred by
173 participating municipalities during the grant award period and in fiscal
174 years beyond such period; (H) a cost benefit analysis for the provision
175 of the service or initiative by each participating municipality and by the

176 entity or board of education submitting the proposal; (I) a plan of
177 implementation for delivery of the service or initiative on a regional
178 basis that addresses any potential growth or reduction in rates of
179 participation during the grant award period; (J) a resolution endorsing
180 such proposal approved by the governing body of the council or center,
181 which shall include a statement affirming that the council or center shall
182 fund an increasing proportion of the cost of such proposal over the
183 duration of the grant award period, that not less than [twenty-five] fifty
184 per cent of the total cost of such proposal shall be funded by the council
185 or center [in the first year of operation, and that by the fourth year of
186 operation the council or center] by the end of the grant award period
187 and that the council or center shall fund one hundred per cent of such
188 cost thereafter; (K) a resolution endorsing such proposal approved by
189 the governing body of the council of each planning region in which the
190 service or initiative is to be provided; (L) a copy of an acknowledgment
191 from any employee organization that may be impacted by such
192 proposal that they have been informed of and consulted about the
193 proposal; and (M) an explanation of the potential legal obstacles, if any,
194 to the regional provision of the service or initiative, and how such
195 obstacles will be resolved.

196 (2) The secretary shall review each proposal and shall award grants
197 for proposals the secretary determines best satisfy the following criteria:
198 (A) The proposed service or initiative will (i) reduce municipal and state
199 costs, (ii) enhance capacity in the delivery of services, or (iii) result in an
200 improvement in the level of service provided when compared to the
201 local delivery of such service, (B) the proposed service or initiative will
202 be available to or benefit all participating members of the regional
203 council of governments or regional educational service center regardless
204 of such members' participation in the grant application process; [(B)
205 when compared to the existing delivery of services by participating
206 members of the council or center, the proposal demonstrates (i) a
207 positive cost benefit to such members, (ii) increased efficiency and
208 capacity in the delivery of services, (iii) a diminished need for state
209 funding, and (iv) increased cost savings;] (C) the proposed service or
210 initiative promotes cooperation among participating members that may

211 lead to a reduction in economic or social inequality; (D) the proposal has
212 been approved by a majority of the members of the council or center;
213 [and, pursuant to this subsection, contains a statement that not less than
214 twenty-five per cent of the cost of such proposal shall be funded by the
215 council or center in the first year of operation, and that by the fourth
216 year of operation the council or center shall fund one hundred per cent
217 of such cost;] and (E) any employee organizations that may be impacted
218 by such proposal have been informed of and consulted about such
219 proposal, pursuant to this subsection.

220 (d) Notwithstanding the provisions of sections 7-339a to 7-339l,
221 inclusive, or any other provision of the general statutes, no regional
222 council of governments or regional educational service center or any
223 member municipalities or local or regional boards of education of such
224 councils or centers shall be required to execute an interlocal agreement
225 to implement a proposal submitted pursuant to subsection (c) of this
226 section.

227 (e) Any board of education awarded a grant for a proposal submitted
228 pursuant to subsection (c) of this section may deposit any cost savings
229 realized as a result of the implementation of the proposed service or
230 initiative into a nonlapsing account pursuant to section 10-248a.

231 (f) The secretary shall submit to the Governor and the joint standing
232 committee of the General Assembly having cognizance of matters
233 relating to finance, revenue and bonding a report on the grants provided
234 pursuant to this section. Each such report shall (1) include information
235 on the amount of each grant and the potential of each grant for
236 leveraging other public and private investments, and (2) describe any
237 [property tax reductions] municipal or state cost savings and improved
238 services achieved by means of the program established pursuant to this
239 section. The secretary shall submit a report for the fiscal year
240 commencing July 1, 2011, not later than February 1, 2012, and shall
241 submit a report for each subsequent fiscal year not later than the first
242 day of March in such fiscal year.

243 Sec. 8. Subsection (a) of section 12-170d of the general statutes is

244 repealed and the following is substituted in lieu thereof (*Effective July 1,*
245 *2024*):

246 (a) Beginning with the calendar year 1973 and for each calendar year
247 thereafter any renter of real property, or of a mobile manufactured
248 home, as defined in section 12-63a, which such renter occupies as his or
249 her home, who meets the qualifications set forth in this section, shall be
250 entitled to receive in the following year in the form of direct payment
251 from the state, a grant in refund of utility and rent bills actually paid by
252 or for such renter on such real property or mobile manufactured home
253 to the extent set forth in section 12-170e. Such grant by the state shall be
254 made upon receipt by the state of a certificate of grant with a copy of the
255 application therefor attached, as provided in section 12-170f, as
256 amended by this act. [, provided such application shall be made within
257 one year from the close of the calendar year for which the grant is
258 requested.] If the rental quarters are occupied by more than one person,
259 it shall be assumed for the purposes of this section and sections 12-170e
260 and 12-170f, as amended by this act, that each of such persons pays his
261 or her proportionate share of the rental and utility expenses levied
262 thereon and grants shall be calculated on that portion of utility and rent
263 bills paid that are applicable to the person making application for grant
264 under said sections. For purposes of this section and sections 12-170e
265 and 12-170f, as amended by this act, a married couple shall constitute
266 one tenant, and a resident of cooperative housing shall be a renter. To
267 qualify for such payment by the state, the renter shall meet qualification
268 requirements in accordance with each of the following subdivisions: (1)
269 (A) At the close of the calendar year for which a grant is claimed be sixty-
270 five years of age or over, or his or her spouse who is residing with such
271 renter shall be sixty-five years of age or over, at the close of such year,
272 or be fifty years of age or over and the surviving spouse of a renter who
273 at the time of his or her death had qualified and was entitled to tax relief
274 under this chapter, provided such spouse was domiciled with such
275 renter at the time of his or her death, or (B) at the close of the calendar
276 year for which a grant is claimed be under age sixty-five and eligible in
277 accordance with applicable federal regulations, to receive permanent
278 total disability benefits under Social Security, or if such renter has not

279 been engaged in employment covered by Social Security and
280 accordingly has not qualified for Social Security benefits but has become
281 qualified for permanent total disability benefits under any federal, state
282 or local government retirement or disability plan, including the Railroad
283 Retirement Act and any government-related teacher's retirement plan,
284 determined by the Secretary of the Office of Policy and Management to
285 contain requirements in respect to qualification for such permanent total
286 disability benefits which are comparable to such requirements under
287 Social Security; (2) shall reside within this state and shall have resided
288 within this state for at least one year or such renter's spouse who is
289 domiciled with such renter shall have resided within this state for at
290 least one year and shall reside within this state at the time of filing the
291 claim and shall have resided within this state for the period for which
292 claim is made; (3) shall have taxable and nontaxable income, the total of
293 which shall hereinafter be called "qualifying income", during the
294 calendar year preceding the filing of such renter's claim in an amount of
295 not more than twenty thousand dollars, jointly with spouse, if married,
296 and not more than sixteen thousand two hundred dollars if unmarried,
297 provided such maximum amounts of qualifying income shall be subject
298 to adjustment in accordance with subdivision (2) of subsection (a) of
299 section 12-170e, and provided the amount of any Medicaid payments
300 made on behalf of the renter or the spouse of the renter shall not
301 constitute income; and (4) shall not have received financial aid or
302 subsidy from federal, state, county or municipal funds, excluding Social
303 Security receipts, emergency energy assistance under any state
304 program, emergency energy assistance under any federal program,
305 emergency energy assistance under any local program, payments
306 received under the federal Supplemental Security Income Program,
307 payments derived from previous employment, veterans and veterans
308 disability benefits and subsidized housing accommodations, during the
309 calendar year for which a grant is claimed, for payment, directly or
310 indirectly, of rent, electricity, gas, water and fuel applicable to the rented
311 residence. Notwithstanding the provisions of subdivision (4) of this
312 subsection, a renter who receives cash assistance from the Department
313 of Social Services in the calendar year prior to that in which such renter

314 files an application for a grant may be entitled to receive such grant
315 provided the amount of the cash assistance received shall be deducted
316 from the amount of such grant and the difference between the amount
317 of the cash assistance and the amount of the grant is equal to or greater
318 than ten dollars. Funds attributable to such reductions shall be
319 transferred annually from the appropriation to the Office of Policy and
320 Management, for tax relief for elderly renters, to the Department of
321 Social Services, to the appropriate accounts, following the issuance of
322 such grants. Notwithstanding the provisions of subsection (b) of section
323 12-170aa, the owner of a mobile manufactured home may elect to
324 receive benefits under section 12-170e in lieu of benefits under said
325 section 12-170aa.

326 Sec. 9. Section 12-170f of the general statutes is repealed and the
327 following is substituted in lieu thereof (*Effective July 1, 2024*):

328 (a) Any renter, believing himself or herself to be entitled to a grant
329 under section 12-170d, as amended by this act, for any calendar year,
330 shall apply for such grant to the assessor of the municipality in which
331 the renter resides or to the duly authorized agent of such assessor or
332 municipality on or after April first and not later than [October first]
333 September thirtieth of each year with respect to such grant for the
334 calendar year preceding each such year. Such application shall be made
335 on a form prescribed and furnished by the Secretary of the Office of
336 Policy and Management or electronically in a manner prescribed by the
337 secretary. Municipalities that require notarization of a landlord
338 verification of property rental on an application under this section (1)
339 shall exempt a renter from the requirement if a landlord verification for
340 the same property rental by the same renter has been previously
341 notarized, and (2) shall not delay submission of the application of an
342 otherwise qualified renter to the Secretary of the Office of Policy and
343 Management if the renter fails to meet the deadline for notarizing such
344 landlord verification. [A renter may apply to the secretary prior to
345 November fifteenth of the claim year for an extension of the application
346 period. The secretary may grant such extension in the case of
347 extenuating circumstance due to illness or incapacitation as evidenced

348 by a certificate signed by a physician, physician assistant or an advanced
349 practice registered nurse to that extent, or if the secretary determines
350 there is good cause for doing so.] A renter making such application shall
351 present to such assessor or agent, in substantiation of the renter's
352 application, a copy of the renter's federal income tax return, and if not
353 required to file a federal income tax return, such other evidence of
354 qualifying income, receipts for money received, or cancelled checks, or
355 copies thereof, and any other evidence the assessor or such agent may
356 require. When the assessor or agent is satisfied that the applying renter
357 is entitled to a grant, such assessor or agent shall issue a certificate of
358 grant in such form as the secretary may prescribe and supply showing
359 the amount of the grant due.

360 (b) The assessor or agent shall forward the application to the secretary
361 not later than the last day of the month following the month in which
362 the renter has made application. Any municipality that neglects to
363 transmit to the secretary the application as required by this section shall
364 forfeit two hundred fifty dollars to the state, provided the secretary may
365 waive such forfeiture in accordance with procedures and standards
366 adopted by regulation in accordance with chapter 54. The certificate of
367 grant shall be delivered to the renter and the assessor or agent shall keep
368 the original copy of such certificate and application.

369 (c) After the secretary's review of each claim, pursuant to section 12-
370 120b, and verification of the amount of the grant, the secretary shall
371 make a determination of any per cent reduction to all claims that will be
372 necessary to keep within available appropriations and, not later than
373 [October] November fifteenth of each year, prepare a list of certificates
374 approved for payment, and shall thereafter supplement such list
375 monthly. Such list and any supplements thereto shall be approved for
376 payment by the secretary and shall be forwarded by the secretary to the
377 Comptroller, along with a notice of any per cent reduction in claim
378 amounts, and the Comptroller shall, not later than fifteen days following
379 receipt of such list, draw an order on the Treasurer in favor of each
380 person on such list and on supplements to such list in the amount of
381 such person's claim, minus any per cent reduction noticed by the

382 secretary pursuant to this subsection, and the Treasurer shall pay such
383 amount to such person, not later than fifteen days following receipt of
384 such order.

385 (d) If the Secretary of the Office of Policy and Management
386 determines a renter was overpaid for such grant, the amount of any
387 subsequent grant paid to the renter under section 12-170d, as amended
388 by this act, after such determination shall be reduced by the amount of
389 overpayment until the overpayment has been recouped. Any claimant
390 aggrieved by the results of the secretary's review or determination shall
391 have the rights of appeal as set forth in section 12-120b. Applications
392 filed under this section shall not be open for public inspection. Any
393 person who, for the purpose of obtaining a grant under section 12-170d,
394 as amended by this act, wilfully fails to disclose all matters related
395 thereto or with intent to defraud makes false statement shall be fined
396 not more than five hundred dollars.

397 (e) Any municipality may provide, upon approval by its legislative
398 body, that the duties and responsibilities of the assessor, as required
399 under this section and section 12-170g, shall be transferred to (1) the
400 officer in such municipality having responsibility for the administration
401 of social services, or (2) the coordinator or agent for the elderly in such
402 municipality.

403 Sec. 10. Subsection (c) of section 19a-200 of the general statutes is
404 repealed and the following is substituted in lieu thereof (*Effective July 1,*
405 *2024*):

406 (c) In cities, towns or boroughs with a population of forty thousand
407 or more for five consecutive years, according to the [estimated
408 population figures authorized pursuant to subsection (b) of section
409 8-159a] most recent federal decennial census, or, in intervening years
410 between such censuses, the most recent estimate of the Department of
411 Public Health, such director of health shall serve in a full-time capacity,
412 except where a town has designated such director as the chief medical
413 advisor for its public schools under section 10-205.

414 Sec. 11. Sections 8-159a and 12-19f of the general statutes are repealed.
 415 (*Effective July 1, 2024*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-94a
Sec. 2	<i>from passage</i>	12-9
Sec. 3	<i>from passage</i>	7-325(d)
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>July 1, 2024, and applicable to assessment years commencing on or after October 1, 2024</i>	12-62c(a)(1)
Sec. 6	<i>July 1, 2024</i>	8-23(a)
Sec. 7	<i>July 1, 2024</i>	4-124s
Sec. 8	<i>July 1, 2024</i>	12-170d(a)
Sec. 9	<i>July 1, 2024</i>	12-170f
Sec. 10	<i>July 1, 2024</i>	19a-200(c)
Sec. 11	<i>July 1, 2024</i>	Repealer section

Statement of Legislative Commissioners:

In section 7(f)(2), "local" was changed to "municipal" for consistency.

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Policy & Mgmt., Off.	GF - Potential Revenue Gain	Up to 1,400	Up to 1,400
Policy & Mgmt., Off.	GF - Potential Savings	Minimal	Minimal

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Potential Revenue Gain	Minimal	Minimal
Special Districts	Potential Cost	Minimal	Minimal
Local and Regional School Districts	Potential Revenue Gain	See Below	See Below

Explanation

The bill makes various changes to municipalities and programs administered by the Office of Policy and Management (OPM) described below.

The bill requires special service districts to submit annual mill rate and tax levy information to OPM and subjects them to a \$100 fine for failing to meet this requirement. This results in a potential minimal cost to the special service districts and corresponding revenue gain to OPM.

As of 2021, there were 14 special service districts.¹ If each of these failed to report the information to OPM, it would result in a revenue gain of \$1,400 to OPM beginning in FY 25.

The bill eliminates a requirement for municipalities to submit a letter with certain funding applications if the municipality fails to update its plan of conservation and development. Beginning in FY 25 only applications that are for discretionary funding of greater than \$25,000 must include this letter. Failure to submit this letter results in disqualification from discretionary funding. This results in a potential revenue gain to municipalities beginning in FY 25 to the extent less municipalities are disqualified from discretionary funding.

There is also a potential grand list shift in out years. This is associated with a reduction from 25% to 20% in the minimum revaluation phase-in for revaluation increases. This aligns with current law that allows municipalities to phase-in the revaluation over five years.

The bill also expands eligible purposes for which OPM can award regional performance incentive program (RPIP) grants. This results in a potential revenue gain to Regional Education Service Centers (RECS) and Councils of Government beginning in FY 25 to the extent additional grants are awarded.

The bill shortens the application period for the Renters Rebate program by one day and eliminates the extension period for renters possessing a physician's or advanced practice registered nurse's certificate. This may result in potential savings for the Office of Policy and Management beginning in FY 25 as they could see less applicants due to the deadline adjustments.

The bill makes various other changes including eliminating obsolete grant programs that do not result in a fiscal impact.

¹ These special service districts are located in the following municipalities: Bridgeport, Danbury, Hartford, Manchester, Middletown, New Britain, New Haven, New London, Stamford, and West Hartford.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, fines, and grants awarded.

OLR Bill Analysis**sHB 5273*****AN ACT CONCERNING THE RECOMMENDATIONS OF THE INTERGOVERNMENTAL POLICY AND PLANNING DIVISION WITHIN THE OFFICE OF POLICY AND MANAGEMENT.*****SUMMARY**

This bill:

1. makes various changes to the regional performance incentive program (RPIP), including its application requirements and selection criteria (§ 7);
2. changes the rental rebate program's deadlines for filing and processing applications and eliminates the ability to apply to the Office of Policy and Management (OPM) for an extension (§§ 8 & 9);
3. reduces, from 25% to 20%, the minimum revaluation phase-in factor for municipalities opting to phase in a portion of a revaluation increase, which allows them to phase-in up to 80%, rather than 75%, over a maximum of five assessment years; and
4. limits the discretionary state funding applications to which municipalities must attach a letter if they have not updated their local plans of conservation and development (C&D) (§ 6).

The bill also makes the following changes to conform to current OPM practice:

1. shifts, from municipal tax collectors to assessors, the requirement to certify to OPM the revenue loss associated with the property tax exemption for totally disabled homeowners (§ 1) and

2. requires the annual statements municipal and special taxing district tax collectors provide to OPM on their mill rate and tax levy to be based on data for the ensuing, rather than preceding, fiscal year, beginning with the FY 25 statements (§§ 2 & 3).

It also extends this annual mill rate and tax levy reporting requirement to municipal special services districts and subjects them to the same \$100 fine for failing to file a true and correct statement that applies to special taxing districts under existing law (§ 4). Lastly, the bill eliminates an obsolete (1) state grant program designed to provide formula grants to municipalities to address urban problems and (2) provision on allocating payment in lieu of taxes grants for the Torrington courthouse (§§ 10 & 11).

EFFECTIVE DATE: July 1, 2024, except that the provisions on annual mill rate and tax levy reporting to OPM are effective upon passage and the revaluation phase-in provisions are applicable to assessment years beginning on or after October 1, 2024.

§ 7 — RPIP

Eligible Purposes

The bill expands the eligible purposes for which OPM may award RPIP grants to include services that two or more participating municipalities or boards of education can provide on a regional and ongoing basis, rather than services that one or more of these entities currently provide but not on a regional basis. By law, eligibility for RPIP grants is limited to councils of governments (COG) and regional educational services centers (RESC).

As under existing law, OPM may also award the grants for (1) redistributing specified state grants to municipalities according to regional priorities, (2) regional revenue sharing among municipalities that have entered certain agreements to do so, and (3) qualifying regional special education initiatives.

Application Requirements

By law, applicants must include certain information about the

proposal and its projected benefits and implementation plan as part of their RPIP applications. The bill makes the following changes to this required information:

1. requires applicants to include an estimate of the proposal's anticipated savings or costs that will be avoided during the grant award period and in future fiscal years, rather than the amount by which participating municipalities will reduce their mill rates as a result of these savings;
2. requires that the implementation plan for the proposed regional service or initiative address any potential growth or reduction in participation rates during the grant award period; and
3. specifies that it include a copy of an acknowledgment, rather than an acknowledgment itself, from any employer organization (e.g., labor union) potentially impacted by the proposal that it was informed and consulted about it.

By law, the proposal must also include a resolution endorsing the proposal from the COG's or RESC's governing body. Under current law, this resolution must state that the entity will fund at least 25% of the proposal's first year costs and all of its costs by the fourth year. The bill instead requires that the resolution affirm that the entity will fund an increasing proportion of the proposal's costs during the grant award period, including 50% of the proposal's costs by the end of the period and all of its costs afterwards.

Selection Criteria

Current law requires the OPM secretary to award grants to proposals that he determines best meet specified criteria, including that the project demonstrate, compared to existing service delivery, increased capacity and efficiency, a cost benefit to members, increased cost savings, and a diminished need for state funding. The bill instead requires that the secretary award grants to proposals that best reduce municipal and state costs, enhance service delivery capacity, or improve the level of service provided compared to having it delivered at the local level.

It also makes a conforming change by eliminating the criteria that the proposal include a statement that the applicant will fund at least 25% of the proposal's first year costs and all its costs by the fourth year.

Required Report to the Legislature

The bill requires the OPM secretary, in his annual report to the legislature on RPIP, to describe the local or state cost savings, rather than property tax reductions, achieved by the program.

§§ 8 & 9 — RENTAL REBATE PROGRAM

The bill advances the application deadline for the rental rebate program by one day, from October 1 to September 30, and eliminates the ability to apply to OPM for an extension by November 15 of the claim year. Under current law, the OPM secretary can grant an extension (1) for good cause or (2) if the applicant provides a certificate (signed by a qualifying medical professional) that he or she was ill or incapacitated because of extenuating circumstances.

By law, unchanged by the bill, local officials must forward rental rebate applications to the OPM secretary by the end of the month following the month in which the renter applied. By advancing the application deadline to September 30, the bill also pushes up the deadline for towns to forward applications to OPM from November 30 to October 31.

The bill correspondingly pushes back, from October 15 to November 15, the date by which OPM must make a list of approved applications and forward them to the comptroller for payment. By law, unchanged by the bill, the comptroller must draw an order on the state treasurer within 15 days after receiving the list of approved payments from OPM.

Lastly, the bill makes a conforming change by eliminating a requirement that renters apply for the rebate within a year after the year for which they are requesting the grant.

§ 5 — REVALUATION PHASE-INS

Connecticut law allows municipalities to phase-in post-revaluation

assessment increases in property values over a period of up to five years. When a revaluation is phased-in, the real property assessment represents less than 70% of the property's revalued fair market value for each year of a phase-in term. Phase-ins give taxpayers time to adjust to assessment increases after a revaluation.

Existing law gives municipalities four options for phasing-in revaluations, including one option that phases-in just a portion of the increase in values or the overall rate at which they increased. Under current law, if a municipality chooses this option, it may phase-in no more than 75% of either increase. The amount or portion the town phases-in is called the "phase-in factor," and the town must uniformly apply it to all types of property. The bill reduces the minimum phase-in factor from 25% to 20%, which in turn allows municipalities to phase-in up to 80%, rather than 75%, of either increase over a maximum of five assessment years.

In practice, OPM applies this factor to all revaluation phase-ins, regardless of whether they phase in all or part of the revaluation increase. Based on this current practice, municipalities may only phase-in revaluation increases for up to four years with a minimum phase-in factor of 25% per year. So, reducing the phase-in factor from 25% to 20% allows towns to phase-in a revaluation for up to five years. The law, however, already allows towns to phase-in revaluation increases for up to five years.

§ 6 — DISCRETIONARY STATE FUNDING APPLICATIONS

Under current law, any municipality that fails to update its plan of C&D every 10 years must (1) submit a letter to specified state officials explaining why it was not amended and (2) include a copy of this letter in each application for discretionary funding it submits to any state agency. The bill limits the funding applications for which municipalities must attach this letter to those that exceed \$25,000.

By law, unchanged by the bill, municipalities that fail to update their plans of C&D or submit the letter described above are disqualified from

receiving discretionary state funds unless the OPM secretary waives this provision.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 2 (03/15/2024)