

OFFICE OF FISCAL ANALYSIS

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HB-5278

AN ACT CONCERNING INCENTIVES FOR TRANSIT-ORIENTED DEVELOPMENT.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Potential Revenue Gain	See Below	See Below

Explanation

The bill results in a potential revenue gain to various municipalities beginning in FY 25 to the extent they are awarded larger grants from the Department of Economic and Community Development (DECD). The bill increases the portion of planning costs a grant can cover from up to 50% to up to 100%.

Any revenue gain is dependent on the percent of planning costs that is covered by the grant from DECD. The bill will have no impact to distressed municipalities as current law already allows them to receive up to 100% of planning costs from this grant.

The bill has no fiscal impact to DECD by expanding its authority on awarding planning grants to municipalities. It is anticipated that DECD will determine any award amount based on an applicable project's qualifications and with consideration to the availability of funding to its various programs which is unchanged under the bill.

The bill also requires the Office of Policy and Management to

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consider transit-oriented development when making certain recommendations for priority funding areas. This does not result in a fiscal impact to OPM as they already have the resources necessary to make these recommendations.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.