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sSB-11
AN ACT CONCERNING CONNECTICUT RESILIENCY PLANNING AND PROVIDING MUNICIPAL OPTIONS FOR CLIMATE RESILIENCE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 $	FY 26 $
Insurance Dept.	IF - Potential Cost	Up to $40,000	None
Department of Energy and Environmental Protection	GF - See Below	See Below	See Below
Treasurer, Debt Serv.	GF - Potential Cost/Revenue	See Below	See Below

Note: GF=General Fund; IF=Insurance Fund

Municipal Impact: None Below

Explanation

The bill results in various impacts that are described below.

Sections 1-10 establish and outline the powers of resiliency improvement districts that are similar to increment financing districts. The sections permit municipalities to establish these resiliency improvement districts and provide guidelines for how they can be used. The impact of these sections is dependent on how municipalities use the districts.

The sections require municipalities that establish a resiliency improvement district to first develop a district master plan and financial plan. This results in a potential cost to municipalities to develop these plans. There is an additional, minimal cost to municipalities that choose

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to establish these districts associated with holding a public hearing. A municipality may also incur costs by issuing bonds for various economic development projects.

The sections also allow municipalities to fix the assessment of certain properties within a resiliency improvement district. This would preclude any grand list growth resulting from an increase in the assessment of the property.

Municipalities may also impose benefits assessments on real property in the district that benefits from public improvements. This may result in a potential revenue gain to municipalities that is dependent on what the change in assessed value is as a result of the improvements.

The sections require municipalities to: (1) replace any affordable housing units within the district that are demolished or reduced as a result of a resiliency improvement project, or (2) replace two units for each affordable unit that was demolished or reduced if they have to be relocated outside of the district boundary. This results in a potential cost to municipalities to the extent that affordable housing units are demolished.

Sections 11 and 12 make changes to the requirements that must be included in municipalities' Plans of Conservation and Development (POCDs), including a climate change vulnerability assessment and use of geospatial (GIS) data, among others. These sections require any POCDs adopted after October 1, 2026, to include these new requirements.[1]

Beginning in FY 26, this may result in costs of up to $20,000 for various municipalities to include the new requirements in their POCDs. Costs to municipalities will depend on what is needed to meet these requirements and may include technology, programs for GIS data, or

[1] Under current law, municipalities are required to update their plan of conservation and development at least once every ten years.

consultants.

These provisions may also result in a revenue loss to various municipalities to the extent they are unable to adopt the POCDs with the new requirements. Failure to do so, consistent with current law, results in a municipality becoming ineligible for discretionary state funding.[2]

Section 15 expands allowable uses of municipal reserve funds. This may result in a municipality using its reserve funds more quickly beginning in FY 25.

Section 16 expands allowable uses of Town Aid Road (TAR) grants to include building, improving, and maintaining resiliency for roads, bridges, and related structures that may be impacted by increased precipitation, flooding, sea level rise, and extreme heat. This may result in a municipality using its TAR grant more quickly beginning in FY 25.

Section 17 requires each municipality to submit a report of the culverts and bridges located within the municipality and outlines what must be included in the report, including geospatial data and any other information required by the Office of Policy and Management (OPM). This may result in a cost to various municipalities, likely beginning in FY 26, that is dependent on what information must be included in the report.

Sections 22, 23, and 36 permit and outline the requirements for municipal zoning regulations to allow for a regional transfer of development rights system. Any fiscal impact is dependent on how land is used as a result.

Sections 27-31 make various changes to bond-funded programs, including the Open Space and Watershed Land Acquisition Program

[2] Discretionary state funding includes, but is not limited to, any source of funding that a state agency administers through a competitive process. This may include: the Urban Action Program and Small Town Economic Assistance Program.

(OSWA) administered by DEEP.[3] Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been. The bill does not change GO bond authorizations relevant to the program.

These sections result in a potential revenue gain to various municipalities beginning in FY 25 to the extent they qualify for the grant under the expanded eligibility.

Section 34 authorizes the Department of Energy and Environmental Protection (DEEP) to acquire up to 25.7 acres of property for the Resilient Bridgeport flood control project and to ensure relocations of utilities as needed. The section reduces the state share of utilities relocations by up to 50 percent, which may result in a one-time state savings of up to approximately $1.5 million when the project occurs in the next several years. The property acquisitions are expected to have a cost within the next few years; however, it is anticipated that both the state share of the utilities relocations and the acquisitions will be paid with federal funds.

The section also requires relocation of some utilities, including electric, which results in a potential rate increase. This legislation moves up to one-half of the cost of utility relocation from the state to utility companies which will be recovered through the normal rate process. The extent of the impact will depend on the number of utilities required to be relocated and the total cost for that relocation.

Section 35 requires DEEP, in consultation with the Insurance Department (DOI), to report on establishing a coastal resiliency fund to be supported by a surcharge on certain insurance policies. This may result in a one-time cost to DOI of up to $40,000 in FY 25 for consultants to assist the department in recommending a fund and surcharge design

[3] No change is anticipated to the portion of OSWA that is funded through the Community Investment Account.

to maximize compliance.

The bill includes various other requirements that do not result in a fiscal impact to the state or municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, how municipalities choose to use the resiliency improvement districts, and the terms of any bonds issued.