

SB 869 -- Redline

PD Joint Favorable to File No. 82 -- AN ACT CONCERNING COMMUNITY INVESTMENT BOARDS AND NEIGHBORHOOD ASSISTANCE.

Deletions ~~struck~~ · Insertions underlined

Senate General Assembly ~~Raised~~File Bill No.

~~869~~82 January Session, 2021 ~~LCO~~Senate Bill No.

~~2046~~869 ~~Referred~~Senate, to March 17, 2021 The Committee on ~~PLANNING~~Planning ~~AND~~and ~~DEVELOPMENT~~Development ~~Introduced~~reported by through SEN.

~~(PD)CASSANO AN of ACT the CONCERNING 4th COMMUNITY Dist., INVESTMENT Chairperson BOARDS of AND the NEIGHBORHOOD Committee ASSISTANCE, on the part of the Senate, that the bill ought to pass.~~

AN ACT CONCERNING COMMUNITY INVESTMENT BOARDS AND NEIGHBORHOOD ASSISTANCE.

~~LCO~~SB869 ~~2046/~~ ~~\\PRDFS1\SCOUSERS\FORZANO\WS\2021SB-00869-R01~~File of 5 SB.docx ~~Raised Bill~~ No.

~~869~~82 (b)1 ~~If~~SB869 any ~~File~~ municipality ~~No.~~ described in subsection (a) of this section has established a neighborhood revitalization zone for a neighborhood pursuant to section 7-600 of the general statutes, the chief executive officer of such municipality shall designate the neighborhood revitalization zone committee of such neighborhood, as described in section 7-602 of the general statutes, as the community investment board for such neighborhood for the purposes of carrying out the provisions of said subsection.

82 (b) If any municipality described in subsection (a) of this section has established a neighborhood revitalization zone for a neighborhood pursuant to section 7-600 of the general statutes, the chief executive officer of such municipality shall designate the neighborhood revitalization zone committee of such neighborhood, as described in section 7-602 of the general statutes, as the community investment board for such neighborhood for the purposes of carrying out the provisions of said subsection.

Moneys in the account shall be expended by the Office of Policy and Management for the purposes of making select grants to municipalities and districts for payments in lieu of taxes as provided for in subdivision (1) of subsection (e) of section 12-18b, subparagraphs (B) and (C) of subdivision (2) of subsection (e) of section 12-18b, subdivision (3) of subsection (e) of LCO section 2046 12-18b ~~{\\PRDFS1\SCOUSERS\FORZANO\WS\2021SB-00862 and of for 5 any R01-SB.docx other } purpose Raised expressly Bill provided No. by law.~~

~~869~~SB869 ~~section/ 12-18b~~File and ~~No.~~ for any other purpose expressly provided by law.

~~(b)82 Any2 select~~SB869 ~~grant~~File for ~~No.~~ payment in lieu of taxes awarded to a municipality whose chief executive officer has established or designated community investment boards pursuant to section 1 of this act may be expended by such municipality as provided in subsection (j) of section 4-66l, as amended by this act.

82 (b) Any select grant for payment in lieu of taxes awarded to a municipality whose chief executive officer has established or designated community investment boards pursuant to section 1 of this act may be expended by such municipality as provided in subsection (j) of section 4-66l, as amended by this act.

(Effective July 1, 2021) (a) There is established a task force to study the (1) programs for which state funding is utilized by nonprofit providers, and (2) requirements imposed on nonprofit providers by state agencies and compliance with those requirements by nonprofit ~~LCO providers.~~ ~~2046 {\\PRDFS1\SCOUSERS\FORZANO\WS\2021SB-00863 of 5 R01-SB.docx } Raised Bill No. 869 providers.~~

~~(1)SB869 Two/ appointed~~File by ~~No.~~ the speaker of the House of Representatives;
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82 (1) Two appointed by the speaker of the House of Representatives;

(g) Not later than January 1, 2022, the task force shall submit a report on its findings and any recommendations to the joint standing LCO committee 2046 of {\\PRDFS1\SCOUSERS\FORZANO\WS\2021SB-00864 the General Assembly having cognizance of 5 matters R01-SB.docx relating } to Raised planning Bill and No. development, in accordance with the provisions of section 11-4a of the general statutes.

~~869 committee of the General Assembly having cognizance of matters relating to planning and development, in accordance with the provisions of section 11-4a of the general statutes.~~

~~This~~SB869 ~~act/ shall~~File ~~take~~No. effect as follows and shall amend the following sections:

~~Section~~82 ~~14 October~~SB869 ~~1, File~~ 2021 ~~No.~~ New section October 1, 2024 Sec.

282 4-66l This Sec. act shall take effect as follows and shall amend the following sections:

Section 1 October 1, 2021 New section Sec.

2 October 1, 2024 4-66l Sec.

5 July 1, 2021 New section PD Joint Favorable ~~LCO~~SB869 ~~2046/~~ ~~{\\PRDFS1\SCOUSERS\FORZANO\WS\2021SB-00869-File 5 No. of 5 R01-SB.docx }~~

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82 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 22 \$ FY 23 \$ Out Years State GF - Cost None Up to 16,400 Up to 16,400 Comptroller - 1 Fringe Benefits Policy & Mgmt., GF - Cost None Up to 40,000 Up to 40,000 Off.

Policy & Mgmt., GF - Cost None None Potential Off.

Note:

GF=General Fund Municipal Impact:

None Explanation The bill requires certain large municipalities to establish community investment boards and requires those boards to identify priorities for the use of certain grants funded from the Municipal Revenue Sharing Account (MRSA).Beginning inFY 25,the bill allowssuch municipalities to spend a portion of their MRSA funding on the priorities of those boards.

These provisionshave no fiscal impact,as the billdoes not change the allocation or amount of MRSA funding in any year, nor does it restrict a municipality's use of such funding.

Under current law, an estimated \$377.2 million is estimated to be deposited into MRSA in FY 22.

It should be noted that PA 21-3 1) eliminates the select payment in The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller.

The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

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82 lieu of taxes account, and 2) specifies MRSA as the funding source for a new tiered PILOT grant system established by the act.

The bill also requires the Office of Policy and Management (OPM) to create and maintain a website allowing residents and organizations to submit proposed solutions to specific urban area problems, and to offer financial awards to residents and organizations that submit ideas that become the basis for successful pilot programs.

There is a cost of up to \$56,400 (salary plus fringe) annually for a permanent, part time employee to maintain the Web site.

There is an additional cost to OPM to offer financial awards to residents.

This cost will vary based on the awards offered.

The bill also establishes a task force to study the (1) programs for which state funding is utilized by nonprofit providers, and (2) requirements imposed on nonprofit providers by state agencies and compliance with those requirements by nonprofit providers.

The task force shall submit a report on its findings and recommendations to the Planning and Development Committee by January 1, 2022.

This has no fiscal impact as PA 17-236 prohibits transportation allowances for task force members.

The Out Years The annualized ongoing fiscal impact identified above would continue into the future subject to changes in the General Fund revenue diversion to the Municipal Revenue Sharing Account.

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82 OLR Bill Analysis SB 869 AN ACT CONCERNING COMMUNITY INVESTMENT BOARDS AND NEIGHBORHOOD ASSISTANCE.

SUMMARY This bill requires the chief executive officers (CEO) of certain large municipalities to establish neighborhood community investment boards to identify funding priorities for certain state grants.

The CEOs must establish a board for each neighborhood in the municipality and appoint the board members who may include residents, business owners, and civic leaders.

Beginning in FY 25, the bill authorizes these municipalities to spend a portion of their municipal revenue sharing grant on priorities identified by these boards.

It also extends this authorization to payment in lieu of taxes (PILOT) grants funded through the select PILOT account, which was repealed by PA 21-3, effective July 1, 2021 (see BACKGROUND).

By January 1, 2023, the bill requires the Office of Policy and Management (OPM), within available appropriations, to create and maintain a website that allows residents and organizations to submit

proposed solutions to problems specific to urban areas (Sec. 4).

If the OPM secretary or her designee deems a submitted proposal viable, she must identify a municipality or neighborhood in which to implement the proposal as a pilot program, monitor its implementation, and assess its results.

OPM must provide a financial award, within available appropriations, to each resident or organization whose proposal becomes the basis of a pilot program that the secretary or her designee deems successful.

The bill also establishes a task force to study (1) programs for which nonprofit providers use state funding and (2) state agency requirements applicable to nonprofit providers and compliance with those

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82 requirements.

EFFECTIVE DATE:

July 1, 2021, except the community investment board provisions are effective October 1, 2021, and the municipal revenue sharing grant provisions are effective October 1, 2024.

Sec. Sec. 1-3 -- COMMUNITY INVESTMENT BOARDS The bill's requirement to establish community investment boards in each neighborhood applies to any municipality with a population over 60,000 according to the 2010 Census but an area of no more than 30 square miles (i.e., Bridgeport, Bristol, Hartford, Meriden, New Britain, New Haven, Norwalk, Waterbury, and West Hartford).

The municipality's CEO must select the board members, who may include residents, business owners, religious leaders, community development corporation representatives, and community group representatives.

If a neighborhood revitalization zone (NRZ) has been established in a neighborhood, the CEO must designate the associated NRZ committee to serve as the neighborhood's community investment board (see BACKGROUND).

The bill requires the community investment boards to identify priorities for spending municipal revenue sharing and PILOT grants funded through the select PILOT account.

(PA 21-3 repeals the select PILOT account and the associated grants, effective July 1, 2021; thus, this provision appears to have no legal effect.) Beginning October 1, 2024, municipalities with community investment boards may choose to spend these grants so that:

1.

35% is spent on priorities identified by the community investment boards, 2.

35% is spent on priorities identified by the municipality's legislative body, and 3.

30% is spent on priorities jointly agreed upon by the boards and legislative body.

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82 Sec. 5 -- TASK FORCE ON STATE-FUNDED NONPROFIT PROVIDERS Under the bill, the task force consists of 12 members, two each appointed by the six legislative leaders.

Their appointments may be legislators and must be made by July 31, 2021.

The appointing authority fills any vacancy.

The bill requires the Senate president pro tempore and House speaker to select the task force's chairpersons from among its members.

The chairpersons must schedule and hold the first meeting by August 30, 2021.

The Planning and Development Committee's administrative staff must serve as the task force's staff.

The task force must report its findings and recommendations to the Planning and Development Committee by January 1, 2022.

The task force terminates when it submits its report or on that date, whichever is later.

BACKGROUND Related Act PA 21-3 (Sec. 8), which received emergency certification on February 24, 2021, and was signed by the governor on March 4, 2021, eliminates the select PILOT account and requirement that a portion of specified PILOT grants be paid from the account as of July 1, 2021.

Under prior law, this account was a separate, nonlapsing General Fund account funded by disbursements from the municipal revenue sharing account (MRSA).

Prior law required the select PILOT account to be used to pay a specified portion of PILOT grants to municipalities and districts according to a statutory formula.

Municipal Revenue Sharing Grants By law, municipal revenue sharing grants are funded through MRSA by a sales tax revenue diversion. They were last funded in FY 17 through the Municipal Revenue Sharing Fund.

The statutory formula for calculating the grant amounts is based on each municipality's real and personal property mill rate (other than its SB869 / File No.

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82 motor vehicle mill rate).

Grant amounts are reduced for municipalities whose spending exceeds a specified municipal spending cap.
NRZs The state's NRZ program helps neighborhood residents and businesses develop and implement plans to
revitalize economically- and socially-distressed neighborhoods.

NRZs are municipally designated.

NRZ committees are established after a municipality adopts the NRZ planning committee's strategic plan
in order to implement it (CGS Sec. 7- 602).

NRZ committees must reflect the neighborhood's composition and include tenants and property owners,
community organizations, and representatives of neighborhood businesses or businesses that own property
in the neighborhood.

COMMITTEE ACTION Planning and Development Committee Joint Favorable Yea 24 Nay 2 (03/02/2021) SB869 /
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