



Senate

General Assembly

February Session, 2000

File No. 237

Senate Bill No. 310

Senate, March 27, 2000

The Committee on Planning and Development reported through SEN. COLEMAN of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

An Act Concerning The Mashantucket Pequot And Mohegan Fund.

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

1 Section 3-55k of the general statutes is repealed and the following is
2 substituted in lieu thereof:

3 As used in sections 3-55i and 3-55j, "municipality" means any town,
4 borough, consolidated town and city or consolidated town and
5 borough.

PD Committee Vote: Yea 16 Nay 0 JF

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: None

Municipal Impact: Revenue Gain, Minimal Revenue Loss

Explanation**Municipal Impact:**

This bill would spread the distribution of Mashantucket Pequot and Mohegan funds to boroughs in addition to already qualifying municipalities. Since the funds are based on an appropriation level rather than a formula driven level this bill would decrease aid to existing qualifying municipalities and increase aid to boroughs. Since the new funds distributed to the boroughs would be only a small portion of the total, municipalities would experience minimal revenue losses.

OLR Bill Analysis

SB 310

AN ACT CONCERNING THE MASHANTUCKET PEQUOT AND MOHEGAN FUND.**SUMMARY:**

This bill requires the state to make grants to boroughs from the Mashantucket Pequot and Mohegan Fund. The grants currently go to towns, cities, consolidated towns and cities, and consolidated towns and boroughs. The law divides the fund into seven parts, each with its own criteria for calculating grant amounts. Most use the existing statutory formulas for calculating payments in lieu of taxes (PILOT) or property tax relief grants.

Since boroughs currently qualify for PILOTs for hospitals and private colleges and universities and property tax relief grants, the bill applies the formulas used to calculate these grants to determine the amount of grants boroughs would receive from the Mashantucket Pequot and Mohegan Fund.

The law requires the state to distribute at least \$85 million of the total funds it receives from the Mashantucket Pequot Tribe to municipalities. The state must distribute \$20.1 million of that total according to the formula used for calculating PILOTs for hospitals and private colleges and universities and \$35 million of the total according to the formula used to calculate local property tax relief grants.

EFFECTIVE DATE: October 1, 2000

BACKGROUND***Boroughs***

The state's boroughs evolved in the 1800s to meet the special needs of small, densely populated sections of large, mostly rural towns. The

legislature created them by special acts. As towns grew, other sections within them developed similar needs. Instead of creating more boroughs, the legislature allowed the existing boroughs to consolidate with the towns under special charters.

The eight remaining boroughs are Woodmont Association in Milford, Bantam and Litchfield in Litchfield, Danielson in Killingly, Fenwick in Old Saybrook, Jewett City in Griswold, Newtown in Newtown, and Stonington in Stonington.

COMMITTEE ACTION

Planning and Development

Joint Favorable Report

Yea 16 Nay 0