



# House of Representatives

General Assembly

**File No. 97**

February Session, 2008

Substitute House Bill No. 5031

*House of Representatives, March 20, 2008*

The Committee on Appropriations reported through REP. MERRILL of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING PAYMENT IN LIEU OF TAXES FOR PUBLIC HOUSING AND THE LOW AND MODERATE INCOME TAX ABATEMENT PROGRAM.***

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

1 Section 1. (*Effective from passage*) The sum of two million two  
2 hundred four thousand dollars appropriated to the Department of  
3 Social Services in section 1 of public act 07-1 of the June special session,  
4 for Housing/Homeless Services, is transferred to the Department of  
5 Economic and Community Development, for the fiscal year ending  
6 June 30, 2008, for Payment in Lieu of Taxes, for the program  
7 established under subsection (b) of section 8-216 of the general  
8 statutes.

9 Sec. 2. (*Effective from passage*) The sum of one million seven hundred  
10 four thousand eight hundred ninety dollars appropriated to the  
11 Department of Social Services in section 1 of public act 07-1 of the June  
12 special session, for Housing/Homeless Services, is transferred to the  
13 Department of Economic and Community Development, for the fiscal



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 chamber thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** See Below

**Municipal Impact:** See Below

**Explanation**

The bill transfers \$3,908,890 from the Department of Social Services (DSS) to the Department of Economic and Community Development (DECD) for FY 08. The funding is available from DSS within Housing/Homeless Services due to slower than anticipated disbursement of Rental Assistance Program (RAP) certificates. The transfer provides \$2,204,000 for the moderate rental housing Payment-in-Lieu-of-Taxes (PILOT) program, and \$1,704,890 for the Tax Abatement program within DECD. The programs allow for DECD to make payments to participating municipalities on behalf of certain housing authorities (PILOT) and certain private or non-profit housing developments (Tax Abatement). Neither program was funded in FY 08 or FY 09.

In FY 08 (using current services as the base), this transfer would reduce the anticipated surplus of \$160.4 million projected by the Office of Fiscal Analysis (OFA) on 2/4/08 by \$3.9 million, but would not affect the degree to which the budget is currently over the spending cap (\$690.4 million) because a transfer in lieu of an appropriation is being utilized as the funding source.

In FY 08 (using the Governor's recommended budget revisions as the base), such appropriations would reduce the anticipated surplus of \$63.2 million projected by OFA based on the Governor's recommended revisions by \$3.9 million, but would not affect the degree to which the budget is currently over the spending cap (\$690.4 million) because a transfer in lieu of an appropriation is being utilized as the funding

source.

***The Out Years***

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

**OLR Bill Analysis****sHB 5031*****AN ACT CONCERNING PAYMENT IN LIEU OF TAXES FOR PUBLIC HOUSING AND THE LOW AND MODERATE INCOME TAX ABATEMENT PROGRAM.*****SUMMARY:**

This bill transfers funds from the Department of Social Services Housing/Homeless Services appropriation in P.A. 07-1, June Special Session, to the Department of Economic and Community Development (DECD) for the payment in lieu of taxes (PILOT) and low- and moderate-income tax abatement programs. Under the bill, DECD receives \$2,204,000 for the PILOT program and \$1,704,890 for the tax abatement program in FY 08.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****PILOT***

This program allows the commissioner of DECD to enter into a contract with a municipality and its housing authority to make payments in lieu of taxes to the municipality on land and improvements owned or leased by the housing authority or the Connecticut Housing Finance Authority.

***Low- and Moderate- Income Housing Tax Abatement Program***

This program provides annual reimbursement for local tax abatements of up to \$450 per low- and moderate-income housing unit for 40 years, in certain private or non-profit developments.

**COMMITTEE ACTION**

Select Committee on Housing

Joint Favorable Change of Reference  
Yea 9 Nay 0 (02/19/2008)

Planning and Development Committee

Joint Favorable Change of Reference  
Yea 19 Nay 0 (03/03/2008)

Appropriations Committee

Joint Favorable Substitute  
Yea 43 Nay 0 (03/10/2008)