

Budget Act Changes to the Renters' Rebate Program

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Issue

Summarize the changes made by the FY 18-19 budget to the Renters' Rebate Program. List the value of rebates issued to renters in FY 17, by municipality.

The Office of Legislative Research is not authorized to provide legal opinions, and this report should not be construed as such.

Summary

The state's Renters' Rebate Program provides rebates to older adult or totally disabled renters whose incomes do not exceed certain limits ([CGS § 12-170d et seq.](#), as amended by [PA 17-222](#) and [PA 17-2](#), June Special Session (JSS) (§§ 1 & 563-565)). The FY 18-19 budget act makes municipalities, instead of the state, responsible for funding the grants under the program beginning October 31, 2017. However, it also appropriates \$12,685,377 in FY 18 and \$13,666,177 in FY 19 to the Office of Policy and Management (OPM) for the program ([PA 17-2](#), JSS (§ 1)). (According to the Office of Fiscal Analysis (OFA), the appropriation is approximately half of the amount OPM would need to issue full rebates to renters.) According to a memorandum OPM Secretary Ben Barnes recently issued to municipalities, the agency has determined that it may not use this appropriation to issue rebates or distribute the funds to municipalities because it is no longer legally authorized to administer the program (see OPM's November 2, 2017 memo, Attachment "A").

The budget act does not specify how rebates for calendar year 2016, for which OPM received applications in 2017 but has not yet issued rebates for, must be handled.

In FY 17, OPM issued a total of \$25,020,226 in rebates to renters in 162 municipalities. Table 1, below, lists the aggregate value of the rebates by municipality.

Rebates for Calendar Year 2016

The budget act shifts, from OPM to municipalities, responsibility for issuing rebates under the Renters' Rebate Program. But it does not specify how the program must transition to municipal administration for purposes of 2016 rebates, for which OPM received applications in 2017 but has not yet issued payments. Although the act appropriates FY 18 funds to OPM for the program, OPM has determined that it does not have authority to use this appropriation to issue the 2016 rebates since it is no longer authorized to administer the program.

As was required under prior law, except for individuals eligible for an extension, renters applied to local assessors or their agents for rebates between April 1 and October 1, 2017, for expenses incurred in calendar year 2016. Assessors or their agents reviewed applications and submitted to OPM, on a rolling basis, lists of renters qualified for a rebate. Prior law required OPM, by October 15, to prepare a list of approved rebates, taking into account any reductions necessary to keep within available appropriations. When the budget act became law (on October 31, 2017), and the program's administration shifted to municipalities, OPM had not issued the 2016 rebates (presumably because the governor's August 18, 2017 revised executive order did not provide funding for the program ([Governor's Revised Executive Order Allocation Plan](#))).

Under the act, municipalities must process applications submitted on or after October 31, 2017, which for calendar year 2016 includes applications submitted by renters who are eligible for a filing extension. Under existing law and the act, renters have until December 15 to request a filing extension.

Rebates for 2017 and Thereafter

For rebate applications submitted for 2017 and subsequent years, the act requires municipalities to follow a similar administrative process as was required under prior law. Under this process, renters must generally apply between April 1 and October 1 and local assessors or their agents must, by October 15, prepare a list of approved rebates. Municipalities have 120 days after this list is prepared to approve rebate payments, and 15 days after approval to issue rebates. Under existing law and the budget act, the list of qualified rebates must be updated monthly to include subsequently approved applicants; their rebates must be issued within timeframes similar to those applicable to regular rebate payments.

Background on the Renters' Rebate Program

The state's Renters' Rebate Program reimburses older adult or totally disabled renters whose incomes do not exceed certain limits. It is open to people renting an apartment or room, or living in cooperative housing or a mobile home. To be eligible, the recipient, or his or her spouse, must be (1) age 65 or older; (2) age 50 or older and the surviving spouse of a renter who at the time of the renter's death had qualified for and was entitled to tax relief, provided such spouse was domiciled with such renter at the time of the renter's death; or (3) age 18 or older with a total and permanent disability. The recipient also must have lived in the state for at least one year. Individuals apply annually to local assessors or their agents between April 1 and October 1 for reimbursement for payments made in the preceding calendar year.

Rebates can be up to \$900 for married couples and up to \$700 for unmarried individuals. The rebate amount is based on a graduated income scale and the amount of rent and utility payments (excluding telephone) made in the calendar year prior to the year in which the renter applies. The maximum [eligible incomes](#) for individuals applying in 2017 were \$42,900 for married renters and \$35,200 for unmarried renters.

FY 17 Renters' Rebate Program Payments by Municipality

Table 1 lists the aggregate value of rebates OPM issued to renters in each municipality in FY 17. OFA compiled these figures using the data available from the Core-CT Financial System. (If a renter's hometown was listed as a borough or village, the rebate amount is included in the host municipality's total.)

Table 1: Estimated FY 17 Renters' Rebate Program Payments by Municipality

<i>Municipality</i>	<i>FY 17 (Est.)</i>	<i>Municipality</i>	<i>FY 17 (Est.)</i>
Andover	\$11,418	Bolton	3,465
Ansonia	113,279	Bozrah	1,295
Ashford	16,101	Branford	169,847
Avon	34,854	Bridgeport	1,902,542
Barkhamsted	2,220	Bridgewater	1,295
Beacon Falls	9,528	Bristol	543,289
Berlin	93,827	Brookfield	18,647
Bethany	-	Brooklyn	47,400
Bethel	81,791	Burlington	4,090
Bethlehem	11,838	Canaan	648
Bloomfield	199,995	Canterbury	18,987

Table 1 (continued)

<i>Municipality</i>	<i>FY 17 (Est.)</i>	<i>Municipality</i>	<i>FY 17 (Est.)</i>
Canton	57,357	Hampton	-
Chaplin	4,625	Hartford	3,353,681
Cheshire	54,440	Hartland	-
Chester	4,745	Harwinton	8,677
Clinton	40,143	Hebron	14,299
Colchester	56,649	Kent	15,314
Colebrook	648	Killingly	159,376
Columbia	11,492	Killingworth	13,122
Cornwall	6,412	Lebanon	7,555
Coventry	42,524	Ledyard	17,935
Cromwell	56,596	Lisbon	2,174
Danbury	421,037	Litchfield	39,822
Darien	21,696	Lyme	-
Deep River	12,972	Madison	46,496
Derby	91,299	Manchester	583,817
Durham	8,370	Mansfield	64,941
East Granby	20,207	Marlborough	6,695
East Haddam	1,665	Meriden	673,483
East Hampton	49,762	Middlebury	32,836
East Hartford	525,306	Middlefield	12,945
East Haven	259,627	Middletown	480,960
East Lyme	88,453	Milford	247,249
East Windsor	90,044	Monroe	20,450
Eastford	-	Montville	48,458
Easton	648	Morris	9,289
Ellington	56,816	Naugatuck	190,451
Enfield	157,755	New Britain	767,836
Essex	15,548	New Canaan	28,303
Fairfield	92,320	New Fairfield	684
Farmington	146,884	New Hartford	1,249
Franklin	8,308	New Haven	2,516,854
Glastonbury	141,516	New London	388,808
Goshen	694	New Milford	113,512
Granby	14,420	Newington	147,508
Greenwich	165,613	Newtown	32,892
Griswold	63,942	Norfolk	6,122
Groton	307,017	North Branford	42,744
Guilford	68,115	North Canaan	42,495
Haddam	11,737	North Haven	117,079
Hamden	323,214	North Stonington	7,400

Table 1 (continued)

<i>Municipality</i>	<i>FY 17 (Est.)</i>	<i>Municipality</i>	<i>FY 17 (Est.)</i>
Norwalk	382,621	Stonington	109,347
Norwich	545,712	Stratford	225,358
Old Lyme	20,630	Suffield	45,409
Old Saybrook	19,658	Thomaston	43,194
Orange	31,916	Thompson	30,294
Out Of State	73,755	Tolland	30,189
Oxford	9,790	Torrington	283,561
Plainfield	87,942	Trumbull	84,779
Plainville	98,055	Union	-
Plymouth	61,387	Vernon	289,421
Pomfret	13,469	Voluntown	8,409
Portland	40,117	Wallingford	163,800
Preston	15,266	Warren	463
Prospect	15,179	Washington	3,769
Putnam	117,380	Waterbury	1,378,957
Redding	901	Waterford	54,666
Ridgefield	34,885	Watertown	97,866
Rocky Hill	62,711	West Hartford	304,858
Roxbury	6,881	West Haven	500,993
Salem	-	Westbrook	43,780
Salisbury	8,284	Weston	510
Scotland	-	Westport	44,139
Seymour	93,063	Wethersfield	255,495
Sharon	5,085	Willington	19,820
Shelton	152,016	Wilton	33,173
Sherman	955	Winchester	129,366
Simsbury	64,087	Windham	354,823
Somers	42,458	Windsor	90,996
South Windsor	90,175	Windsor Locks	54,683
Southbury	35,848	Wolcott	80,197
Southington	208,774	Woodbridge	7,703
Sprague	7,068	Woodbury	29,768
Stafford	60,183	Woodstock	12,695
Stamford	747,961		
Sterling	3,056		

Source: OFA

Attachment "A"



STATE OF CONNECTICUT OFFICE OF POLICY AND MANAGEMENT

November 2, 2017

Dear Chief Elected Municipal Official:

On Tuesday, Governor Malloy signed legislation establishing the state budget (Emergency Certified Bill 1502) for fiscal years 2018-2019. As you know, our state had been without an approved budget for more than 120 days. I know this situation has caused you and your residents considerable frustration. And although I continue to have real concerns about the state's ability to remain in balance this biennium and the out-year deficits that this budget exacerbates, we finally have a budget that will enable us to provide additional financial assistance to cities and towns.

In terms of municipal aid, my office is committed to implementing the municipal assistance components of the budget that are administered by OPM as soon as possible. We are currently in the process of calculating the level of funding to be allocated to each town in a variety of new and reauthorized programs. OPM expects to begin sending out these funds in the coming weeks starting with the distribution of \$35 million under the Municipal Revenue Sharing program. We hope to deliver the following additional municipal grants within the next couple of weeks:

- Municipal Stabilization Grant;
- Motor Vehicle Property Tax Grant;
- Reimbursement to Towns for Loss of Taxes on State Property;
- Reimbursement to Towns for Private Tax-Exempt Property; and
- Property Tax Relief Elderly Freeze Program

We anticipate returning to the statutory schedule of payments once we have caught up later this month.

There also are several significant changes in the budget that merit further attention.

Renters' Rebate Program. Although the state has historically been responsible for administering this program, sections 563-565 of the bipartisan budget bill negotiated by the General Assembly immediately shifts the responsibility to municipalities for making these renter rebate payments directly to qualified applicants. Under this law, the shift in responsibility is not accompanied by any state funding because the General Assembly stranded \$13 million a year at OPM without providing the agency the ability to distribute these funds either to individuals or to the towns that must now administer the program. In short, OPM is no longer authorized to administer the program and no longer has the authority to process payments for this purpose. This program is now a municipal responsibility. Therefore, OPM will direct any person requesting such assistance to call their town hall directly.


Property Tax Relief Elderly Circuit Breaker Program and Distressed Municipalities Grant Program. There is no funding in the new state budget for payments to municipalities under these programs.

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With respect to grants administered by other state agencies, including ECS in the State Department of Education, OPM will work through the allotment process to ensure a prompt return to the statutory schedule of payments.

If you have any questions or need further information, please feel free to contact David Kalafa of my staff at (860) 418-6221 or David.Kalafa@ct.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben Barnes", with a long horizontal flourish extending to the right.

Benjamin Barnes, Secretary

JSB:bs