



Senate

General Assembly

File No. 284

February Session, 2018

Substitute Senate Bill No. 338

Senate, April 5, 2018

The Committee on Environment reported through SEN. KENNEDY of the 12th Dist. and SEN. MINER of the 30th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE USE OF COMMUNITY INVESTMENT ACCOUNT FUNDS FOR COMBATTING INVASIVE SPECIES.

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

1 Section 1. Section 4-66aa of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2018*):

3 (a) There is established, within the General Fund, a separate,
4 nonlapsing account to be known as the "community investment
5 account". The account shall contain any moneys required by law to be
6 deposited in the account. The funds in the account shall be distributed
7 every three months as follows: (1) Ten dollars of each fee credited to
8 said account shall be deposited into the agriculture sustainability
9 account established pursuant to section 4-66cc and, then, of the
10 remaining funds, (2) twenty-five per cent to the Department of
11 Economic and Community Development to use as follows: (A) Three
12 hundred eighty thousand dollars, annually, to supplement the
13 technical assistance and preservation activities of the Connecticut

14 Trust for Historic Preservation, established pursuant to special act 75-
15 93, and (B) the remainder to supplement historic preservation activities
16 as provided in sections 10-409 to 10-415, inclusive; (3) twenty-five per
17 cent to the Department of Housing to supplement new or existing
18 affordable housing programs; (4) twenty-five per cent to the
19 Department of Energy and Environmental Protection for municipal
20 open space grants and grants to lake authorities or associations for the
21 control of invasive species, provided: (A) Any such grant to a lake
22 authority or association for such purposes shall not exceed one-third of
23 the reasonable costs for such control measures or project, (B) any such
24 grant shall not exceed twenty-five thousand dollars, and (C) any such
25 lake shall provide for access by members of the general public; and (5)
26 twenty-five per cent to the Department of Agriculture to use as
27 follows: (A) Five hundred thousand dollars annually for the
28 agricultural viability grant program established pursuant to section 22-
29 26j; (B) five hundred thousand dollars annually for the farm transition
30 program established pursuant to section 22-26k; (C) one hundred
31 thousand dollars annually to encourage the sale of Connecticut-grown
32 food to schools, restaurants, retailers and other institutions and
33 businesses in the state; (D) seventy-five thousand dollars annually for
34 the Connecticut farm link program established pursuant to section 22-
35 26l; (E) forty-seven thousand five hundred dollars annually for the
36 Seafood Advisory Council established pursuant to section 22-455; (F)
37 forty-seven thousand five hundred dollars annually for the
38 Connecticut Farm Wine Development Council established pursuant to
39 section 22-26c; (G) twenty-five thousand dollars annually to the
40 Connecticut Food Policy Council established pursuant to section 22-
41 456; and (H) the remainder for farmland preservation programs
42 pursuant to chapter 422. Each agency receiving funds under this
43 section may use not more than ten per cent of such funds for
44 administration of the programs for which the funds were provided.

45 (b) Notwithstanding the provisions of subsection (a) of this section,
46 fifty per cent of the moneys deposited in the community investment
47 account from January 1, 2016, until June 30, 2017, shall be credited
48 every three months to the resources of the General Fund, provided the

49 funds remaining in the account shall be distributed as provided in
50 subsection (a) of this section.

51 (c) Prior to the distribution of any funds to a lake authority or
52 association pursuant to subsection (a) of this section, the Auditors of
53 Public Accounts shall, within available resources, conduct a forensic
54 accounting of the expenditure of funds from the community
55 investment account for the two preceding fiscal years and provide a
56 report to the joint standing committees of the General Assembly
57 having cognizance of matters relating to budgetary appropriations and
58 the environment not later than January 1, 2019.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2018	4-66aa

ENV *Joint Favorable Subst.*

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 19 \$	FY 20 \$
Auditors	GF - Cost	69,460	69,460
State Comptroller - Fringe Benefits ¹	GF - Cost	23,418	23,418

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 19 \$	FY 20 \$
Various Municipalities	Potential Revenue Loss	See Below	See Below

Explanation

The bill requires the Department of Energy and Environmental Protection (DEEP) to provide Community Investment Act (CIA) grant funding to lake authorities or associations for controlling invasive species.² Currently, DEEP uses its portion of CIA funds for grants to municipalities to purchase open space.

The bill results in a potential revenue loss to municipalities as it expands the pool of CIA grant recipients. The revenue loss is dependent upon the grant funding received by lake authorities that otherwise would have gone to municipalities to purchase open space.

¹The 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 36.33% of payroll in FY 19 and FY 20.

² Under the bill, grants to lake authorities from CIA funds cannot exceed one-third, and \$25,000 of the reasonable costs for the authority's or association's invasive species control measures or project.

The available cash balance in DEEP's subaccount of the CIA, is \$4,360,832.

The bill also requires the Auditors of Public Accounts to conduct a forensic accounting of CIA expenditures for the last two fiscal years before DEEP can distribute funds to a lake authority or association. The Auditors would need to hire an Auditor 2 position at \$64,460 plus fringes of \$23,418 and \$5,000 for training expenses to conduct the audit and issue a report by January 1, 2019.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the resources of the CIA.

OLR Bill Analysis**sSB 338*****AN ACT CONCERNING THE USE OF COMMUNITY INVESTMENT ACCOUNT FUNDS FOR COMBATTING INVASIVE SPECIES.*****SUMMARY**

This bill requires the Department of Energy and Environmental Protection (DEEP) to use some of its community investment account (CIA) funds to provide grants to certain lake authorities or associations to control invasive species. Current law requires DEEP to use all of its CIA funds for grants to municipalities to purchase open space. Under the bill, DEEP must use the funds for both municipal open space grants and lake authority or association invasive species grants.

Under the bill, a lake authority or association grant cannot exceed (1) one-third of the reasonable costs for the authority's or association's invasive species control measures or project and (2) \$25,000. In order to be eligible for a grant, the lake must be accessible to the general public.

Before DEEP can distribute funds to a lake authority or association, the bill requires the auditors of public accounts, within available resources, to conduct a forensic accounting of CIA expenditures for the last two fiscal years. The auditors must report, by January 1, 2019, to the Appropriations and Environment committees.

EFFECTIVE DATE: October 1, 2018

BACKGROUND***Community Investment Account***

By law, the CIA is a separate, non-lapsing General Fund account that provides funding for open space, farmland preservation, historic preservation, affordable housing, and promoting agriculture.

Funds are divided between DEEP, the Department of Economic and Community Development, the Department of Housing, and the Department of Agriculture. The account is capitalized through a \$40 land recording fee (CGS § 7-34a(e)).

Related Law

By law, DEEP administers an aquatic invasive species management grant program, through which DEEP may make grants to a municipality for up to:

1. 75% of the cost of conducting an aquatic invasive species diagnostic feasibility study related to reducing an aquatic invasive species population in an inland body of water or
2. 50% of the cost of conducting a restoration project in an inland body of water by controlling and managing an aquatic invasive species population that existed there as of July 1, 2014 (CGS § 22a-339i).

Related Bill

HB 5129 (File 2), reported favorably by the Environment Committee, requires the motor vehicles commissioner, beginning January 1, 2020, to issue “Save Our Lakes” commemorative license plates. It creates a Connecticut lakes and ponds preservation account that DEEP must use, among other things, to restore and rehabilitate state lakes and ponds and on programs to eradicate aquatic invasive species.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute
Yea 16 Nay 14 (03/22/2018)