



General Assembly

February Session, 2018

**Raised Bill No. 423**

LCO No. 2126



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:  
(PD)

***AN ACT ELIMINATING THE MUNICIPAL SPENDING CAP.***

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

1 Section 1. Section 4-66l of the 2018 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2018*):

4 (a) For the purposes of this section:

5 (1) "FY 15 mill rate" means the mill rate a municipality used during  
6 the fiscal year ending June 30, 2015;

7 (2) "Mill rate" means, unless otherwise specified, the mill rate a  
8 municipality uses to calculate tax bills for motor vehicles;

9 (3) "Municipality" means any town, city, consolidated town and city  
10 or consolidated town and borough. "Municipality" includes a district  
11 for the purposes of subdivision (1) of subsection (d) of this section;

12 (4) "Municipal spending" means:

T1 Municipal Municipal  
T2 spending for spending for  
T3 the fiscal year - the fiscal year  
T4 prior to the two years  
T5 current fiscal prior to the  
T6 year current year  
T7 \_\_\_\_\_ X 100 = Municipal spending;  
T8 Municipal spending for the fiscal  
T9 year two years prior to the  
T10 current year

13 (5) "Per capita distribution" means:

T11 Municipal population  
T12 \_\_\_\_\_ X Sales tax revenue = Per capita distribution;  
T13  
T14 Total state population

14 (6) "Pro rata distribution" means:

T15 Municipal weighted  
T16 mill rate  
T17 calculation  
T18 \_\_\_\_\_ X Sales tax revenue = Pro rata distribution;  
T19 Sum of all municipal  
T20 weighted mill rate  
calculations combined

15 (7) "Regional council of governments" means any such council  
16 organized under the provisions of sections 4-124i to 4-124p, inclusive;

17 (8) "Municipal population" means the number of persons in a  
18 municipality according to the most recent estimate of the Department  
19 of Public Health;

20 (9) "Total state population" means the number of persons in this

21 state according to the most recent estimate published by the  
22 Department of Public Health;

23 (10) "Weighted mill rate" means a municipality's FY 15 mill rate  
24 divided by the average of all municipalities' FY 15 mill rate;

25 (11) "Weighted mill rate calculation" means per capita distribution  
26 multiplied by a municipality's weighted mill rate;

27 (12) "Sales tax revenue" means the moneys in the account remaining  
28 for distribution pursuant to subdivision (7) of subsection (b) of this  
29 section;

30 (13) "District" means any district, as defined in section 7-324; and

31 (14) "Secretary" means the Secretary of the Office of Policy and  
32 Management.

33 (b) There is established an account to be known as the "municipal  
34 revenue sharing account" which shall be a separate, nonlapsing  
35 account within the General Fund. The account shall contain any  
36 moneys required by law to be deposited in the account. The secretary  
37 shall set aside and ensure availability of moneys in the account in the  
38 following order of priority and shall transfer or disburse such moneys  
39 as follows:

40 (1) Ten million dollars for the fiscal year ending June 30, 2016, shall  
41 be transferred not later than April fifteenth for the purposes of grants  
42 under section 10-262h;

43 (2) For the fiscal year ending June 30, 2018, and each fiscal year  
44 thereafter, moneys sufficient to make motor vehicle property tax  
45 grants payable to municipalities pursuant to subsection (c) of this  
46 section shall be expended not later than August first annually by the  
47 secretary;

48 (3) For the fiscal year ending June 30, 2018, and each fiscal year

49 thereafter, moneys sufficient to make the grants payable from the  
50 select payment in lieu of taxes grant account established pursuant to  
51 section 12-18c shall annually be transferred to the select payment in  
52 lieu of taxes account in the Office of Policy and Management;

53 (4) For the fiscal years ending June 30, 2018, and June 30, 2019,  
54 moneys sufficient to make the municipal revenue sharing grants  
55 payable to municipalities pursuant to subdivision (2) of subsection (d)  
56 of this section shall be expended not later than October thirty-first  
57 annually by the secretary;

58 (5) For the fiscal year ending June 30, 2018, and each fiscal year  
59 thereafter, seven million dollars shall be expended for the purposes of  
60 the regional services grants pursuant to subsection (e) of this section to  
61 the regional councils of governments;

62 (6) For the fiscal year ending June 30, 2018, and each fiscal year  
63 thereafter, moneys may be expended for the purpose of supplemental  
64 motor vehicle property tax grants pursuant to subsection (c) of this  
65 section; and

66 (7) For the fiscal year ending June 30, 2020, and each fiscal year  
67 thereafter, moneys in the account remaining shall be expended  
68 annually by the secretary for the purposes of the municipal revenue  
69 sharing grants established pursuant to subsection (f) of this section.  
70 Any such moneys deposited in the account for municipal revenue  
71 sharing grants between October first and June thirtieth shall be  
72 distributed to municipalities on the following October first and any  
73 such moneys deposited in the account between July first and  
74 September thirtieth shall be distributed to municipalities on the  
75 following January thirty-first. Any municipality may apply to the  
76 Office of Policy and Management on or after July first for early  
77 disbursement of a portion of such grant. The Office of Policy and  
78 Management may approve such an application if it finds that early  
79 disbursement is required in order for a municipality to meet its cash  
80 flow needs. No early disbursement approved by said office may be

81 issued later than September thirtieth.

82 (c) (1) For the fiscal year ending June 30, 2018, motor vehicle  
83 property tax grants to municipalities that impose mill rates on real  
84 property and personal property other than motor vehicles greater than  
85 39 mills or that, when combined with the mill rate of any district  
86 located within the municipality, impose mill rates greater than 39  
87 mills, shall be made in an amount equal to the difference between the  
88 amount of property taxes levied by the municipality and any district  
89 located within the municipality on motor vehicles for the assessment  
90 year commencing October 1, 2013, and the amount such levy would  
91 have been if the mill rate on motor vehicles for said assessment year  
92 was 39 mills.

93 (2) For the fiscal year ending June 30, 2019, and each fiscal year  
94 thereafter, motor vehicle property tax grants to municipalities that  
95 impose mill rates on real property and personal property other than  
96 motor vehicles greater than 45 mills or that, when combined with the  
97 mill rate of any district located within the municipality, impose mill  
98 rates greater than 45 mills, shall be made in an amount equal to the  
99 difference between the amount of property taxes levied by the  
100 municipality and any district located within the municipality on motor  
101 vehicles for the assessment year commencing October 1, 2013, and the  
102 amount such levy would have been if the mill rate on motor vehicles  
103 for said assessment year was 45 mills.

104 (3) For the fiscal year ending June 30, 2018, and each fiscal year  
105 thereafter, any municipality that imposed a mill rate for real and  
106 personal property of more than 39 mills during the fiscal year ending  
107 June 30, 2017, and effected a revaluation of real property for the 2014  
108 or 2015 assessment year that resulted in an increase of 4 or more mills  
109 over the prior mill rate, may apply to the Office of Policy and  
110 Management for a supplemental motor vehicle property tax grant. The  
111 Office of Policy and Management may approve such an application,  
112 within available funds, provided such supplemental grant does not  
113 reduce any amount payable to any other municipality.

114 (4) Not later than fifteen calendar days after receiving a property tax  
115 grant pursuant to this section, the municipality shall disburse to any  
116 district located within the municipality the amount of any such  
117 property tax grant that is attributable to the district.

118 (d) (1) For the fiscal year ending June 30, 2017, each municipality  
119 shall receive a municipal revenue sharing grant, which shall be  
120 payable August 1, 2016, from the Municipal Revenue Sharing Fund  
121 established in section 4-66p. The total amount of the grant payable is as  
122 follows:

T21	Municipality	Grant Amount
T22	Andover	66,705
T23	Ansonia	605,442
T24	Ashford	87,248
T25	Avon	374,711
T26	Barkhamsted	76,324
T27	Beacon Falls	123,341
T28	Berlin	843,048
T29	Bethany	114,329
T30	Bethel	392,605
T31	Bethlehem	42,762
T32	Bloomfield	438,458
T33	Bolton	106,449
T34	Bozrah	53,783
T35	Branford	570,402
T36	Bridgeport	14,476,283
T37	Bridgewater	15,670
T38	Bristol	1,276,119
T39	Brookfield	343,611
T40	Brooklyn	103,910
T41	Burlington	193,490
T42	Canaan	14,793
T43	Canterbury	58,684
T44	Canton	211,078

T45	Chaplin	48,563
T46	Cheshire	594,084
T47	Chester	57,736
T48	Clinton	268,611
T49	Colchester	330,363
T50	Colebrook	29,694
T51	Columbia	111,276
T52	Cornwall	11,269
T53	Coventry	252,939
T54	Cromwell	288,951
T55	Danbury	2,079,675
T56	Darien	171,485
T57	Deep River	93,525
T58	Derby	462,718
T59	Durham	150,019
T60	East Granby	106,222
T61	East Haddam	186,418
T62	East Hampton	263,149
T63	East Hartford	3,877,281
T64	East Haven	593,493
T65	East Lyme	243,736
T66	East Windsor	232,457
T67	Eastford	23,060
T68	Easton	155,216
T69	Ellington	321,722
T70	Enfield	911,974
T71	Essex	74,572
T72	Fairfield	795,318
T73	Farmington	335,287
T74	Franklin	26,309
T75	Glastonbury	754,546
T76	Goshen	30,286
T77	Granby	244,839
T78	Greenwich	366,588

T79	Griswold	243,727
T80	Groton	433,177
T81	Guilford	456,863
T82	Haddam	170,440
T83	Hamden	4,491,337
T84	Hampton	38,070
T85	Hartford	13,908,437
T86	Hartland	27,964
T87	Harwinton	113,987
T88	Hebron	208,666
T89	Kent	26,808
T90	Killingly	351,213
T91	Killingworth	85,270
T92	Lebanon	149,163
T93	Ledyard	307,619
T94	Lisbon	45,413
T95	Litchfield	169,828
T96	Lyme	21,862
T97	Madison	372,897
T98	Manchester	1,972,491
T99	Mansfield	525,280
T100	Marlborough	131,065
T101	Meriden	1,315,347
T102	Middlebury	154,299
T103	Middlefield	91,372
T104	Middletown	964,657
T105	Milford	1,880,830
T106	Monroe	404,221
T107	Montville	401,756
T108	Morris	28,110
T109	Naugatuck	2,405,660
T110	New Britain	5,781,991
T111	New Canaan	168,106
T112	New Fairfield	288,278



T113	New Hartford	140,338
T114	New Haven	2,118,290
T115	New London	750,249
T116	New Milford	565,898
T117	Newington	651,000
T118	Newtown	572,949
T119	Norfolk	20,141
T120	North Branford	292,517
T121	North Canaan	66,052
T122	North Haven	487,882
T123	North Stonington	107,832
T124	Norwalk	3,401,590
T125	Norwich	1,309,943
T126	Old Lyme	79,946
T127	Old Saybrook	101,527
T128	Orange	284,365
T129	Oxford	171,492
T130	Plainfield	310,350
T131	Plainville	363,176
T132	Plymouth	255,581
T133	Pomfret	54,257
T134	Portland	192,715
T135	Preston	58,934
T136	Prospect	197,097
T137	Putnam	76,399
T138	Redding	189,781
T139	Ridgefield	512,848
T140	Rocky Hill	405,872
T141	Roxbury	15,998
T142	Salem	85,617
T143	Salisbury	20,769
T144	Scotland	36,200
T145	Seymour	343,388
T146	Sharon	19,467

T147	Shelton	706,038
T148	Sherman	39,000
T149	Simsbury	567,460
T150	Somers	141,697
T151	South Windsor	558,715
T152	Southbury	404,731
T153	Southington	889,821
T154	Sprague	89,456
T155	Stafford	243,095
T156	Stamford	2,372,358
T157	Sterling	77,037
T158	Stonington	202,888
T159	Stratford	1,130,316
T160	Suffield	321,763
T161	Thomaston	158,888
T162	Thompson	114,582
T163	Tolland	303,971
T164	Torrington	2,435,109
T165	Trumbull	745,325
T166	Union	17,283
T167	Vernon	641,027
T168	Voluntown	33,914
T169	Wallingford	919,984
T170	Warren	11,006
T171	Washington	25,496
T172	Waterbury	13,438,542
T173	Waterford	259,091
T174	Watertown	453,012
T175	West Hartford	1,614,320
T176	West Haven	1,121,850
T177	Westbrook	80,601
T178	Weston	211,384
T179	Westport	262,402
T180	Wethersfield	940,267



T210	Ansonia	643,519
T211	Ashford	125,591
T212	Avon	539,387
T213	Barkhamsted	109,867
T214	Beacon Falls	177,547
T215	Berlin	1,213,548
T216	Bethany	164,574
T217	Bethel	565,146
T218	Bethlehem	61,554
T219	Bloomfield	631,150
T220	Bolton	153,231
T221	Bozrah	77,420
T222	Branford	821,080
T223	Bridgeport	9,758,441
T224	Bridgewater	22,557
T225	Bristol	1,836,944
T226	Brookfield	494,620
T227	Brooklyn	149,576
T228	Burlington	278,524
T229	Canaan	21,294
T230	Canterbury	84,475
T231	Canton	303,842
T232	Chaplin	69,906
T233	Cheshire	855,170
T234	Chester	83,109
T235	Clinton	386,660
T236	Colchester	475,551
T237	Colebrook	42,744
T238	Columbia	160,179
T239	Cornwall	16,221
T240	Coventry	364,100
T241	Cromwell	415,938
T242	Danbury	2,993,644
T243	Darien	246,849

T244	Deep River	134,627
T245	Derby	400,912
T246	Durham	215,949
T247	East Granby	152,904
T248	East Haddam	268,344
T249	East Hampton	378,798
T250	East Hartford	2,036,894
T251	East Haven	854,319
T252	East Lyme	350,852
T253	East Windsor	334,616
T254	Eastford	33,194
T255	Easton	223,430
T256	Ellington	463,112
T257	Enfield	1,312,766
T258	Essex	107,345
T259	Fairfield	1,144,842
T260	Farmington	482,637
T261	Franklin	37,871
T262	Glastonbury	1,086,151
T263	Goshen	43,596
T264	Granby	352,440
T265	Greenwich	527,695
T266	Griswold	350,840
T267	Groton	623,548
T268	Guilford	657,644
T269	Haddam	245,344
T270	Hamden	2,155,661
T271	Hampton	54,801
T272	Hartford	1,498,643
T273	Hartland	40,254
T274	Harwinton	164,081
T275	Hebron	300,369
T276	Kent	38,590
T277	Killingly	505,562

T278	Killingworth	122,744
T279	Lebanon	214,717
T280	Ledyard	442,811
T281	Lisbon	65,371
T282	Litchfield	244,464
T283	Lyme	31,470
T284	Madison	536,777
T285	Manchester	1,971,540
T286	Mansfield	756,128
T287	Marlborough	188,665
T288	Meriden	1,893,412
T289	Middlebury	222,109
T290	Middlefield	131,529
T291	Middletown	1,388,602
T292	Milford	2,707,412
T293	Monroe	581,867
T294	Montville	578,318
T295	Morris	40,463
T296	Naugatuck	1,251,980
T297	New Britain	3,131,893
T298	New Canaan	241,985
T299	New Fairfield	414,970
T300	New Hartford	202,014
T301	New Haven	114,863
T302	New London	917,228
T303	New Milford	814,597
T304	Newington	937,100
T305	Newtown	824,747
T306	Norfolk	28,993
T307	North Branford	421,072
T308	North Canaan	95,081
T309	North Haven	702,295
T310	North Stonington	155,222
T311	Norwalk	4,896,511

T312	Norwich	1,362,971
T313	Old Lyme	115,080
T314	Old Saybrook	146,146
T315	Orange	409,337
T316	Oxford	246,859
T317	Plainfield	446,742
T318	Plainville	522,783
T319	Plymouth	367,902
T320	Pomfret	78,101
T321	Portland	277,409
T322	Preston	84,835
T323	Prospect	283,717
T324	Putnam	109,975
T325	Redding	273,185
T326	Ridgefield	738,233
T327	Rocky Hill	584,244
T328	Roxbury	23,029
T329	Salem	123,244
T330	Salisbury	29,897
T331	Scotland	52,109
T332	Seymour	494,298
T333	Sharon	28,022
T334	Shelton	1,016,326
T335	Sherman	56,139
T336	Simsbury	775,368
T337	Somers	203,969
T338	South Windsor	804,258
T339	Southbury	582,601
T340	Southington	1,280,877
T341	Sprague	128,769
T342	Stafford	349,930
T343	Stamford	3,414,955
T344	Sterling	110,893
T345	Stonington	292,053

T346	Stratford	1,627,064
T347	Suffield	463,170
T348	Thomaston	228,716
T349	Thompson	164,939
T350	Tolland	437,559
T351	Torrington	1,133,394
T352	Trumbull	1,072,878
T353	Union	24,878
T354	Vernon	922,743
T355	Voluntown	48,818
T356	Wallingford	1,324,296
T357	Warren	15,842
T358	Washington	36,701
T359	Waterbury	5,595,448
T360	Waterford	372,956
T361	Watertown	652,100
T362	West Hartford	2,075,223
T363	West Haven	1,614,877
T364	Westbrook	116,023
T365	Weston	304,282
T366	Westport	377,722
T367	Wethersfield	1,353,493
T368	Willington	174,995
T369	Wilton	547,338
T370	Winchester	323,087
T371	Windham	739,671
T372	Windsor	854,935
T373	Windsor Locks	368,853
T374	Wolcott	490,659
T375	Woodbridge	274,418
T376	Woodbury	288,147
T377	Woodstock	140,648

127 (e) For the fiscal year ending June 30, 2017, and each fiscal year  
128 thereafter, each regional council of governments shall receive a



129 regional services grant, the amount of which will be based on a  
130 formula to be determined by the secretary, except that, for the fiscal  
131 year ending June 30, 2018, and each fiscal year thereafter, thirty-five  
132 per cent of such grant moneys shall be awarded to regional councils of  
133 governments for the purpose of assisting regional education service  
134 centers in merging their human resource, finance or technology  
135 services with such services provided by municipalities within the  
136 region. For the fiscal year ending June 30, 2017, three million dollars  
137 shall be expended by the secretary from the Municipal Revenue  
138 Sharing Fund established in section 4-66p for the purpose of the  
139 regional services grant. No such council shall receive a grant for the  
140 fiscal year ending June 30, 2018, or any fiscal year thereafter, unless the  
141 secretary approves a spending plan for such grant moneys submitted  
142 by such council to the secretary on or before July 1, 2017, and annually  
143 thereafter. The regional councils of governments shall use such grants  
144 for planning purposes and to achieve efficiencies in the delivery of  
145 municipal services by regionalizing such services, including, but not  
146 limited to, region-wide consolidation of such services. Such efficiencies  
147 shall not diminish the quality of such services. A unanimous vote of  
148 the representatives of such council shall be required for approval of  
149 any expenditure from such grant. On or before October 1, 2017, and  
150 biennially thereafter, each such council shall submit a report, in  
151 accordance with section 11-4a, to the joint standing committees of the  
152 General Assembly having cognizance of matters relating to planning  
153 and development and finance, revenue and bonding. Such report shall  
154 summarize the expenditure of such grants and provide  
155 recommendations concerning the expansion, reduction or modification  
156 of such grants.

157 (f) For the fiscal year ending June 30, 2020, and each fiscal year  
158 thereafter, each municipality shall receive a municipal revenue sharing  
159 grant as follows:

160 (1) (A) A municipality having a mill rate at or above twenty-five  
161 shall receive the per capita distribution or pro rata distribution,

162 whichever is higher for such municipality.

163 (B) Such grants shall be increased by a percentage calculated as  
164 follows:

T378	Sum of per capita distribution amount
T379	for all municipalities having a mill rate
T380	below twenty-five - pro rata distribution
T381	amount for all municipalities
T382	having a mill rate below twenty-five
T383	<hr/>
T384	Sum of all grants to municipalities
T385	calculated pursuant to subparagraph (A)
T386	of subdivision (1) of this subsection.

165 (C) Notwithstanding the provisions of subparagraphs (A) and (B) of  
166 this subdivision, Hartford shall receive not more than 5.2 per cent of  
167 the municipal revenue sharing grants distributed pursuant to this  
168 subsection; Bridgeport shall receive not more than 4.5 per cent of the  
169 municipal revenue sharing grants distributed pursuant to this  
170 subsection; New Haven shall receive not more than 2.0 per cent of the  
171 municipal revenue sharing grants distributed pursuant to this  
172 subsection and Stamford shall receive not more than 2.8 per cent of the  
173 equalization grants distributed pursuant to this subsection. Any excess  
174 funds remaining after such reductions in payments to Hartford,  
175 Bridgeport, New Haven and Stamford shall be distributed to all other  
176 municipalities having a mill rate at or above twenty-five on a pro rata  
177 basis according to the payment they receive pursuant to this  
178 subdivision; and

179 (2) A municipality having a mill rate below twenty-five shall receive  
180 the per capita distribution or pro rata distribution, whichever is less for  
181 such municipality.

182 (3) For the purposes of this subsection, "mill rate" means the mill  
183 rate for real property and personal property other than motor vehicles.

184 (g) Except as provided in subsection (c) of this section, a  
185 municipality may disburse any municipal revenue sharing grant funds  
186 to a district within such municipality.

187 [(h) (1) Except as provided in subdivision (2) of this subsection, for  
188 the fiscal year ending June 30, 2018, and each fiscal year thereafter, the  
189 amount of the grant payable to a municipality in any year in  
190 accordance with subsection (d) or (f) of this section shall be reduced if  
191 such municipality increases its adopted budget expenditures for such  
192 fiscal year above a cap equal to the amount of adopted budget  
193 expenditures authorized for the previous fiscal year by 2.5 per cent or  
194 more or the rate of inflation, whichever is greater. Such reduction shall  
195 be in an amount equal to fifty cents for every dollar expended over the  
196 cap set forth in this subsection. For the purposes of this section, (A)  
197 "municipal spending" does not include expenditures for debt service,  
198 special education, implementation of court orders or arbitration  
199 awards, expenditures associated with a major disaster or emergency  
200 declaration by the President of the United States, a disaster emergency  
201 declaration issued by the Governor pursuant to chapter 517 or any  
202 disbursement made to a district pursuant to subsection (c) or (g) of this  
203 section, budgeting for an audited deficit, nonrecurring grants, capital  
204 expenditures or payments on unfunded pension liabilities, (B)  
205 "adopted budget expenditures" includes expenditures from a  
206 municipality's general fund and expenditures from any nonbudgeted  
207 funds, and (C) "capital expenditure" means a nonrecurring capital  
208 expenditure of one hundred thousand dollars or more. Each  
209 municipality shall annually certify to the secretary, on a form  
210 prescribed by said secretary, whether such municipality has exceeded  
211 the cap set forth in this subsection and if so the amount by which the  
212 cap was exceeded.

213 (2) For the fiscal year ending June 30, 2018, and each fiscal year  
214 thereafter, the amount of the grant payable to a municipality in any  
215 year in accordance with subsection (d) or (f) of this section shall not be  
216 reduced in the case of a municipality whose adopted budget

217 expenditures exceed the cap set forth in subdivision (1) of this  
218 subsection by an amount proportionate to any increase to its municipal  
219 population from the previous fiscal year, as determined by the  
220 secretary.]

221 [(i)] (h) For the fiscal year ending June 30, 2020, and each fiscal year  
222 thereafter, the amount of the grant payable to a municipality in any  
223 year in accordance with subsection (f) of this section shall be reduced  
224 proportionately in the event that the total of such grants in such year  
225 exceeds the amount available for such grants in the municipal revenue  
226 sharing account established pursuant to subsection (b) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2018</i>	<i>4-66l</i>

**PD**      *Joint Favorable*