

Municipal Responsibility for Renters' Rebate Program Costs

By: Julia Singer Bansal, Associate Analyst
August 13, 2018 | 2018-R-0197

Issue

Are municipalities responsible for a portion of the cost of rebates issued under the Renters' Rebate Program?

This report updates OLR Report [2017-R-0307](#) to reflect the changes made by the 2018 budget adjustment act, [PA 18-81](#), § 34.

Summary

No. As of July 1, 2018, municipalities are no longer responsible for sharing the cost of rebates issued under the program ([PA 18-81](#), § 34). Thus, municipalities will not contribute to the cost of rebates issued to individuals who apply during calendar year 2018 and in future years.

Summary of Recent Changes to the Program

The FYs 18-19 biennial budget act ([PA 17-2](#) (JSS), §§ 563-565) shifted, from the Office of Policy and Management (OPM) to municipalities, responsibility for issuing rebates under the Renters' Rebate Program (effective upon passage). Subsequently, the legislature passed [PA 17-4](#) (JSS), §§ 23-26, effective November 21, 2017, returning responsibility for administering the program to OPM, but requiring municipalities to bear half the cost of renters' rebates, up to \$250,000 a year. Beginning in FY 18, the act required OPM to select at least one state grant per municipality from which to withhold up to \$250,000 per year. As required by the act, OPM withheld a portion of municipalities' Education Cost Sharing (ECS) grants to fund rebates for individuals who applied during the 2017 calendar year.

The FY 19 budget adjustment act, [PA 18-81](#), § 34, effective July 1, 2018, eliminated the requirement that OPM annually recover a portion of rebate costs from municipalities, thus shifting responsibility entirely to the state. Under the act, OPM will not withhold grants from municipalities to cover the cost of issuing rebates to individuals who apply in calendar year 2018 and in future years.

[PA 17-2](#) (JSS) § 1 appropriated \$12,685,377 in FY 18 and \$13,666,177 in FY 19 to OPM for the Renters' Rebate Program. [PA 17-4](#) (JSS) § 16 increased this appropriation to \$25,020,226 in both FY 18 and FY 19. [PA 18-81](#) did not modify these appropriations.

Background on the Renters' Rebate Program

The state's Renters' Rebate Program reimburses older adult or totally disabled renters whose incomes fall below 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 the 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 ([CGS § 12-170d et seq.](#), as amended by [PA 18-81](#)).

Rebates can be up to \$900 for married couples and up to \$700 for unmarried individuals ([CGS § 12-170e](#)). 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 2018 were \$43,000 for married renters and \$35,300 for unmarried renters.

JSB:cmg