



House of Representatives

General Assembly

File No. 861

January Session, 2019

Substitute House Bill No. 7192

House of Representatives, May 8, 2019

The Committee on Public Safety and Security reported through REP. VERRENGIA of the 20th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MUNICIPAL AND REGIONAL OPPORTUNITIES AND EFFICIENCIES.

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

1 Section 1. Section 7-395 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2019*):

3 (a) The secretary shall review each audit report filed with said
4 secretary as provided in section 7-393, except said secretary shall
5 review the audit reports on each audited agency biennially and may
6 review the audit reports on any municipality or regional school district
7 biennially, provided such secretary shall, in any year in which he does
8 not review the report of any such municipality or regional school
9 district, review the comments and recommendations of the
10 independent auditor who made such audit. If, upon such review of the
11 audit report, evidence of fraud or embezzlement is found, he shall
12 report such information to the state's attorney for the judicial district in
13 which such municipality, regional school district or audited agency is

14 located. If, in the review of such audit report said secretary finds that
15 such audit has not been prepared in compliance with the provisions of
16 subsection (a) of section 7-394a, or said secretary finds evidence of any
17 unsound or irregular financial practice in relation to commonly
18 accepted standards in municipal finance, said secretary shall prepare a
19 report concerning such finding, including necessary details for proper
20 evaluation of such finding and recommendations for corrective action
21 and shall refer such report to the Municipal Finance Advisory
22 Commission established under section 7-394b. A copy of such report
23 shall be filed with: (1) The chief executive officer of such municipality
24 or audited agency or the superintendent of such school district and, in
25 the case of a town, city or borough, with the clerk of such town, city or
26 borough; and (2) the Auditors of Public Accounts.

27 (b) If, upon such review of the audit report, the secretary finds (1)
28 that such audit has not been prepared in accordance with subsection
29 (a) of section 7-394a, and the municipality, regional school district or
30 audited agency did not request permission to have the audit report
31 prepared in a manner not in compliance with said subsection; or (2)
32 evidence of unsound or irregular financial practices or management
33 letter comments or lack of internal controls in relation to commonly
34 accepted standards in municipal finance, then the secretary shall
35 prepare a report concerning such finding, including, but not limited to,
36 information to aid in the evaluation of such finding and
37 recommendations for corrective action. The secretary shall submit such
38 report to (A) the Municipal Finance Advisory Commission established
39 pursuant to section 7-394b; (B) the Auditors of Public Accounts; and
40 (C) the chief executive officer and clerk of the municipality,
41 superintendent of schools for the regional school district or chief
42 executive officer of the audited agency.

43 (c) Upon receipt of a report submitted pursuant to subsection (b) of
44 this section, the chief executive officer of a municipality or audited
45 agency or superintendent of schools for the regional school district
46 shall attest to and explain the secretary's findings and submit a plan
47 for corrective action, in writing, to the secretary.

48 (d) The secretary shall refer to the Municipal Finance Advisory
49 Commission any municipality that has not been previously referred to
50 said commission pursuant to subsection (b) of this section or section 7-
51 576, 7-576a or 7-576c, provided the municipality has:

52 (1) A negative fund balance percentage;

53 (2) Reported a fund balance percentage of less than five per cent in
54 the three immediately preceding fiscal years;

55 (3) Reported a declining fund balance trend in the two immediately
56 preceding fiscal years;

57 (4) Issued tax or bond anticipation notes in the three immediately
58 preceding fiscal years to meet cash liquidity;

59 (5) Had a general fund annual operating budget deficit of one and
60 one-half per cent or more of such municipality's general fund revenues
61 in the immediately preceding fiscal year;

62 (6) Had a general fund annual operating budget deficit of two per
63 cent or more of such municipality's average general fund revenues in
64 the two immediately preceding fiscal years; or

65 (7) Received a bond rating below A from a bond rating agency.

66 (e) The secretary may, at the secretary's discretion and based upon
67 the review conducted pursuant to subsection (a) of this section, refer to
68 the Municipal Finance Advisory Commission any municipality that
69 has not been previously referred to said commission pursuant to
70 subsection (b) of this section or section 7-576, 7-576a or 7-576c.

71 (f) For the purposes of this section, "deficit", "fund balance" and
72 "fund balance percentage" have the same meanings as provided in
73 section 7-560.

74 Sec. 2. Section 2-79a of the general statutes is repealed and the
75 following is substituted in lieu thereof (*Effective July 1, 2019*):

76 (a) (1) There shall be a Connecticut Advisory Commission on
77 Intergovernmental Relations. The purpose of the commission shall be
78 to enhance coordination and cooperation between the state and local
79 governments. [The]

80 (2) Before July 1, 2019, the commission shall consist of the president
81 pro tempore of the Senate, the speaker of the House of
82 Representatives, the minority leader of the Senate, the minority leader
83 of the House of Representatives, the Secretary of the Office of Policy
84 and Management, the Commissioners of Education, Energy and
85 Environmental Protection, Economic and Community Development,
86 or their designees, and sixteen additional members as follows: [(1)] (A)
87 Six municipal officials appointed by the Governor, four of whom shall
88 be selected from a list of nominees submitted to [him] the Governor by
89 the Connecticut Conference of Municipalities and two of whom shall
90 be selected from a list submitted by the Council of Small Towns. Two
91 of such six officials shall be from towns having populations of twenty
92 thousand or less persons, two shall be from towns having populations
93 of more than twenty thousand but less than sixty thousand persons
94 and two shall be from towns having populations of sixty thousand or
95 more persons; [(2)] (B) two local public education officials appointed
96 by the Governor, one of whom shall be selected from a list of nominees
97 submitted to [him] the Governor by the Connecticut Association of
98 Boards of Education and one of whom shall be selected from a list
99 submitted by the Connecticut Association of School Administrators;
100 [(3)] (C) one representative of a regional council of governments
101 appointed by the Governor from a list of nominees submitted to [him]
102 the Governor by the Regional Planning Association of Connecticut;
103 [(4)] (D) five persons who do not hold elected or appointed office in
104 state or local government, one of whom shall be appointed by the
105 Governor, one of whom shall be appointed by the president pro
106 tempore of the Senate, one of whom shall be appointed by the speaker
107 of the House of Representatives, one of whom shall be appointed by
108 the minority leader of the Senate and one of whom shall be appointed
109 by the minority leader of the House of Representatives; [(5)] (E) one
110 representative of the Connecticut Conference of Municipalities

111 appointed by said conference; and [(6)] (F) one representative of the
112 Council of Small Towns appointed by said council. [Each]

113 (3) On and after July 1, 2019, the commission shall consist of the
114 chairpersons and ranking members of the joint standing committee of
115 the General Assembly having cognizance of matters relating to
116 planning and development, or their designees, the Secretary of the
117 Office of Policy and Management and seventeen additional members
118 as follows: (A) Six municipal officials appointed by the Governor, four
119 of whom shall be selected from a list of nominees submitted to the
120 Governor by the Connecticut Conference of Municipalities and two of
121 whom shall be selected from a list submitted by the Council of Small
122 Towns. Two of such six officials shall be from towns having
123 populations of twenty thousand or less persons, two shall be from
124 towns having populations of more than twenty thousand but less than
125 sixty thousand persons and two shall be from towns having
126 populations of sixty thousand or more persons; (B) two local public
127 education officials appointed by the Governor, one of whom shall be
128 selected from a list of nominees submitted to the Governor by the
129 Connecticut Association of Boards of Education and one of whom shall
130 be selected from a list submitted by the Connecticut Association of
131 School Administrators; (C) one representative of a regional council of
132 governments appointed by the Governor from a list of nominees
133 submitted to the Governor by the Regional Planning Association of
134 Connecticut; (D) one representative of organized labor appointed by
135 the Governor from a list of nominees submitted to the Governor by the
136 Connecticut AFL-CIO; (E) five persons who do not hold elected or
137 appointed office in state or local government, one of whom shall be
138 appointed by the Governor, one of whom shall be appointed by the
139 president pro tempore of the Senate, one of whom shall be appointed
140 by the speaker of the House of Representatives, one of whom shall be
141 appointed by the minority leader of the Senate and one of whom shall
142 be appointed by the minority leader of the House of Representatives;
143 (F) one representative of the Connecticut Conference of Municipalities
144 appointed by said conference; and (G) one representative of the
145 Council of Small Towns appointed by said council.

146 (4) Before July 1, 2019, each member of the commission appointed
147 pursuant to [subdivisions (1) to (6)] subparagraphs (A) to (F),
148 inclusive, of subdivision (2) of this subsection shall serve for a term of
149 two years. On and after July 1, 2019, each member of the commission
150 appointed pursuant to subparagraphs (A) to (G), inclusive, of
151 subdivision (3) of this subsection shall serve for a term of two years
152 and may serve until a successor is appointed and has qualified. All
153 other members shall serve for terms which are coterminous with their
154 terms of office. The Governor shall appoint a chairperson and a vice-
155 chairperson from among the commission members. Members of the
156 General Assembly may serve as gubernatorial appointees to the
157 commission. Members of the commission shall not be compensated for
158 their services but shall be reimbursed for necessary expenses incurred
159 in the performance of their duties.

160 (b) The commission shall: (1) Serve as a forum for consultation
161 among state and local government officials; (2) conduct research on
162 intergovernmental issues, including, but not limited to, the sharing
163 and consolidation of government services as well as the direct and
164 indirect impacts of changes in the provision of services at different
165 levels of government; (3) encourage and coordinate studies of
166 intergovernmental issues by universities, research and consulting
167 organizations and others; and (4) [initiate policy development and
168 make] develop models for sustainable, recurring savings and revenue
169 growth while initiating policy development and making
170 recommendations for consideration by all levels and branches of
171 government. The commission shall issue, from time to time, public
172 reports of its findings and recommendations. [and] Before July 1, 2019,
173 the commission shall issue, annually, a public report on its activities.
174 On and after July 1, 2019, the commission shall issue, annually, a
175 public report on its activities and a work plan, as described in
176 subsection (c) of this section, for the next year. On and after July 1,
177 2020, such public report shall describe the status of all items in the
178 prior year's work plan, including statistics to measure progress made,
179 if any, from the prior year.

180 (c) In developing any work plan to be issued on and after July 1,
181 2019, the commission, in consultation with other commissions
182 established to address consolidation and sharing of government
183 services, shall, on or before October 15, 2019, and every six months
184 thereafter until October 15, 2021, consider, analyze and make specific
185 recommendations to the secretary for the accomplishment of, all
186 aspects of sharing government services among state, regional and local
187 bodies, which aspects may include, but not be limited to:

188 (1) Standardization and alignment of various regions;

189 (2) Consolidation of government services, including, but not limited
190 to, joint purchasing, for a municipality and its respective local or
191 regional school district, as applicable;

192 (3) Consolidation and sharing of government services, including,
193 but not limited to, joint purchasing, among municipalities;

194 (4) Types of government services that may be provided in a more
195 efficient, high-quality or cost-effective manner by another level of
196 government or by regional councils of governments, regional
197 educational service centers or other similar regional bodies;

198 (5) Standardization of government services, including, but not
199 limited to, the issuance of permits, across state, regional and local
200 bodies;

201 (6) Standardization, enhancement or streamlining of reporting by
202 and among state, regional and local bodies;

203 (7) Standardization, enhancement or streamlining of collection and
204 sharing of data;

205 (8) Opportunities for the use of e-government solutions to deliver
206 government services and conduct government programs;

207 (9) Alternative sources of revenue for municipal governments,
208 regional councils of governments and regional educational service

209 centers;

210 (10) Regional revenue sharing;

211 (11) Coalition bargaining and other changes to relations between
212 municipalities and municipal employees;

213 (12) Reduction of long-term liabilities of municipalities; and

214 (13) Sequencing of and timeliness for planning and implementation
215 of aspects described in this subsection.

216 [(c)] (d) On or before [October 1, 2019] the second Wednesday after
217 the convening of the regular session of the General Assembly in 2020,
218 and every four years thereafter on such second Wednesday, the
219 commission shall submit to the General Assembly a report which lists
220 each existing state mandate, as defined in subsection (a) of section 2-
221 32b, and which (1) categorizes each mandate as constitutional,
222 statutory or executive, [(2) provides the date of original enactment or
223 issuance along with a brief description of the history of the mandate,
224 and (3) analyzes the costs incurred by] and (2) describes the potential
225 impacts on local governments [in] implementing the mandate. In each
226 report the commission may also make recommendations on state
227 mandates for consideration by the commission. On and after October
228 1, 1996, the report shall be submitted to the joint standing committee of
229 the General Assembly having cognizance of matters relating to
230 appropriations and budgets of state agencies, to any other joint
231 standing committee of the General Assembly having cognizance and,
232 upon request, to any member of the General Assembly. A summary of
233 the report shall be submitted to each member of the General Assembly
234 if the summary is two pages or less and a notification of the report
235 shall be submitted to each member if the summary is more than two
236 pages. Submission shall be by mailing the report, summary or
237 notification to the legislative address of each member of the
238 committees or the General Assembly, as applicable. The provisions of
239 this subsection shall not be construed to prevent the commission from
240 making more frequent recommendations on state mandates.

241 [(d)] (e) Commencing on or before [the second Wednesday after the
242 convening of the 1997 regular session of the General Assembly]
243 January 15, 1997, and every year thereafter except a year in which a
244 report is filed pursuant to subsection [(c)] (d) of this section, the
245 commission shall submit to the General Assembly a supplement to the
246 report required in [said subsection (c)] said subsection identifying any
247 new mandates adopted and any mandates changed in the previous
248 year.

249 [(e)] (f) The Office of Policy and Management shall provide such
250 staff as is necessary for the performance of the functions and duties of
251 the Connecticut Advisory Commission on Intergovernmental
252 Relations. Such persons may be exempt from the classified service.

253 Sec. 3. Section 2-32c of the general statutes is repealed and the
254 following is substituted in lieu thereof (*Effective July 1, 2019*):

255 On and after [January 1, 2019] July 1, 2019, the Connecticut
256 Advisory Commission on Intergovernmental Relations, established
257 pursuant to section 2-79a, as amended by this act, shall, not more than
258 ninety days after adjournment of any regular or special session of the
259 General Assembly or [September first] November fifteenth
260 immediately following adjournment of a regular session, whichever is
261 [sooner] later, submit to the speaker of the House of Representatives,
262 the president pro tempore of the Senate, the majority leader of the
263 House of Representatives, the majority leader of the Senate, the
264 minority leader of the House of Representatives, [and] the minority
265 leader of the Senate and the chief elected official of each municipality a
266 report [which] that lists each state mandate enacted during said
267 regular or special session of the General Assembly. [Within five days
268 of] Not later than five days after receipt of the report, the speaker and
269 the president pro tempore shall [submit the report to the Secretary of
270 the Office of Policy and Management and] refer each state mandate to
271 the joint standing committee or select committee of the General
272 Assembly having cognizance of the subject matter of the mandate.
273 [The secretary shall provide notice of the report to the chief elected

274 official of each municipality.]

275 Sec. 4. Section 4-66k of the general statutes is repealed and the
276 following is substituted in lieu thereof (*Effective July 1, 2019*):

277 (a) There is established an account to be known as the "regional
278 planning incentive account" which shall be a separate, nonlapsing
279 account within the General Fund. The account shall contain any
280 moneys required by law to be deposited in the account. Moneys in the
281 account shall be expended by the Secretary of the Office of Policy and
282 Management in accordance with subsection (b) of this section for the
283 purposes of first providing funding to regional planning organizations
284 in accordance with the provisions of subsections (b) [and (c)] to (d),
285 inclusive, of this section and then to providing grants under the
286 regional performance incentive program established pursuant to
287 section 4-124s, as amended by this act.

288 (b) For the fiscal year ending June 30, 2014, funds from the regional
289 planning incentive account shall be distributed to each regional
290 planning organization, as defined in section 4-124i, revision of 1958,
291 revised to January 1, 2013, in the amount of one hundred twenty-five
292 thousand dollars. Any regional council of governments that is
293 comprised of any two or more regional planning organizations that
294 voluntarily consolidate on or before December 31, 2013, shall receive
295 an additional payment in an amount equal to the amount the regional
296 planning organizations would have received if such regional planning
297 organizations had not voluntarily consolidated.

298 (c) [Beginning in] For the fiscal year ending June 30, 2015, and
299 [annually thereafter] each fiscal year thereafter until July 1, 2019, funds
300 from the regional planning incentive account shall be distributed to
301 each regional council of governments formed pursuant to section 4-
302 124j, in the amount of one hundred twenty-five thousand dollars plus
303 fifty cents per capita, using population information from the most
304 recent federal decennial census. Any regional council of governments
305 that is comprised of any two or more regional planning organizations,
306 as defined in section 4-124i, revision of 1958, revised to January 1, 2013,

307 that voluntarily consolidated on or before December 31, 2013, shall
308 receive a payment in the amount of one hundred twenty-five thousand
309 dollars for each such regional planning organization that voluntarily
310 consolidated on or before said date.

311 (d) For the fiscal year ending June 30, 2020, and each fiscal year
312 thereafter, funds from the regional planning incentive account shall be
313 distributed to each regional council of governments formed pursuant
314 to section 4-124j, in the amount of seventy-five thousand dollars plus
315 thirty cents per capita, using population information from the most
316 recent federal decennial census. The secretary may distribute,
317 annually, an additional amount to each regional council of
318 governments.

319 Sec. 5. Section 4-66r of the general statutes is repealed and the
320 following is substituted in lieu thereof (*Effective July 1, 2019*):

321 For the fiscal year ending June 30, [2018] 2020, and each fiscal year
322 thereafter, each regional council of governments shall [, within
323 available appropriations,] receive a grant-in-aid to be known as a
324 regional services grant, the amount of which shall be based on [a
325 formula to be determined by the Secretary of the Office of Policy and
326 Management. No such council shall receive a grant for the fiscal year
327 ending June 30, 2018, unless the secretary approves a spending plan
328 for such grant moneys submitted by such council to the secretary on or
329 before November 1, 2017. No such council shall receive a grant for the
330 fiscal year ending June 30, 2019, or any fiscal year thereafter, unless the
331 secretary approves a spending plan for such grant moneys submitted
332 by such council to the secretary on or before July 1, 2018, and annually
333 thereafter] the formula established pursuant to section 4-66k, as
334 amended by this act. Each regional council of governments shall use
335 such grant funds for planning purposes and to achieve efficiencies in
336 the delivery of municipal services, without diminishing the quality of
337 such services. On or before October 1, [2018] 2020, and annually
338 thereafter, each regional council of governments shall submit a report,
339 in accordance with section 11-4a, to the joint standing committees of

340 the General Assembly having cognizance of matters relating to
341 planning and development and finance, revenue and bonding, and to
342 the secretary. Such report shall (1) summarize the expenditure of such
343 grant funds, (2) describe any regional program, project or initiative
344 currently provided or planned by the council, (3) review the
345 performance of any existing regional program, project or initiative
346 relative to its initial goals and objectives, (4) analyze the existing
347 services provided by member municipalities or by the state that, in the
348 opinion of the council, could be more effectively or efficiently
349 provided on a regional basis, and (5) provide recommendations for
350 legislative action concerning potential impediments to the
351 regionalization of services.

352 Sec. 6. Subsections (b) to (e), inclusive, of section 4-124s of the
353 general statutes are repealed and the following is substituted in lieu
354 thereof (*Effective July 1, 2019*):

355 (b) There is established a regional performance incentive program
356 that shall be administered by the Secretary of the Office of Policy and
357 Management. [On or before December 31, 2011, and annually
358 thereafter, any regional council of governments, any two or more
359 municipalities acting through a regional council of governments, any
360 economic development district, any regional educational service center
361 or any combination thereof may submit a proposal to the secretary for:
362 (1) The joint provision of any service that one or more participating
363 municipalities of such council, educational service center or agency
364 currently provide but which is not provided on a regional basis, (2) a
365 planning study regarding the joint provision of any service on a
366 regional basis, or (3) shared information technology services. A copy of
367 said proposal shall be sent to the legislators representing said
368 participating municipalities.] The secretary may provide funding for:
369 (1) The joint provision of any government service, or (2) a planning
370 study regarding the joint provision of any service on a regional basis.
371 Any local or regional board of education or regional educational
372 service center serving a population greater than one hundred thousand
373 may submit a proposal to the secretary for a regional special education

374 initiative.

375 (c) (1) [A regional council of governments, an economic
376 development district, a regional educational service center or a local or
377 regional board of education shall submit each proposal in the form and
378 manner the secretary prescribes and shall, at a minimum, provide the
379 following information for each proposal: (A) Service or initiative
380 description; (B) the explanation of the need for such service or
381 initiative; (C) the method of delivering such service or initiative on a
382 regional basis; (D) the organization that would be responsible for
383 regional service or initiative delivery; (E) a description of the
384 population that would be served; (F) the manner in which regional
385 service or initiative delivery will achieve economies of scale; (G) the
386 amount by which participating municipalities will reduce their mill
387 rates as a result of savings realized; (H) a cost benefit analysis for the
388 provision of the service or initiative by each participating municipality
389 and by the entity or board of education submitting the proposal; (I) a
390 plan of implementation for delivery of the service or initiative on a
391 regional basis; (J) a resolution endorsing such proposal approved by
392 the legislative body of each participating municipality; and (K) an
393 explanation of the potential legal obstacles, if any, to the regional
394 provision of the service or initiative] On or before December 1, 2019,
395 and annually thereafter, the Connecticut Advisory Commission on
396 Intergovernmental Relations established pursuant to section 2-79a, as
397 amended by this act, may recommend to the secretary any specific
398 proposal for achieving additional cost savings through regional
399 efficiencies. The secretary may provide funding, within available
400 resources, to a regional council of governments, an economic
401 development district, a regional educational service center or any
402 combination thereof for the purpose of administering any such
403 proposal. Said commission shall submit each proposal in the form and
404 manner prescribed by the secretary.

405 (2) The secretary shall review each proposal and shall award grants
406 for proposals the secretary determines best meet the requirements of
407 this section. [In awarding such grants, the secretary shall give priority

408 to a proposal submitted by (A) any entity specified in subsection (a) of
409 this section that includes participation of all of the member
410 municipalities of such entity, and which may increase the purchasing
411 power of participating municipalities or provide a cost savings
412 initiative resulting in a decrease in expenses of such municipalities,
413 allowing such municipalities to lower property taxes, (B) any economic
414 development district, and (C) any local or regional board of
415 education.]

416 (d) On or before December 31, 2013, and annually thereafter until
417 December 31, 2018, in addition to any proposal submitted pursuant to
418 this section, any municipality or regional council of governments may
419 apply to the secretary for a grant to fund: (1) Operating costs
420 associated with connecting to the state-wide high speed, flexible
421 network developed pursuant to section 4d-80, including the costs to
422 connect at the same rate as other government entities served by such
423 network; and (2) capital cost associated with connecting to such
424 network, including expenses associated with building out the internal
425 fiber network connections required to connect to such network,
426 provided the secretary shall make any such grant available in
427 accordance with the two-year schedule by which the Bureau of
428 Enterprise Systems and Technology recommends connecting each
429 municipality and regional council of governments to such network.
430 Any municipality or regional council of governments shall submit each
431 application in the form and manner the secretary prescribes.

432 (e) The secretary shall submit to the Governor and the joint standing
433 [committee] committees of the General Assembly having cognizance of
434 matters relating to planning and development and finance, revenue
435 and bonding a report on the grants provided pursuant to this section.
436 Each such report shall include information on the amount of each
437 grant, and the potential of each grant for leveraging other public and
438 private investments. The secretary shall submit a report for the fiscal
439 year commencing July 1, 2011, not later than February 1, 2012, and
440 shall submit a report for each subsequent fiscal year not later than the
441 first day of March in such fiscal year. [Such reports shall include the

442 property tax reductions achieved by means of the program established
443 pursuant to this section.]

444 Sec. 7. Subsection (a) of section 32-665 of the general statutes is
445 repealed and the following is substituted in lieu thereof (*Effective July*
446 *1, 2019*):

447 (a) Except as otherwise provided in sections 32-650 to 32-668,
448 inclusive, the following provisions of the general statutes, including
449 regulations adopted thereunder, shall not apply to the overall project:
450 Section 3-14b, subdivisions (13) to (15), inclusive, of section 4-166,
451 sections 4-167 to 4-174, inclusive, 4-181a, 4a-1 to 4a-59a, inclusive, 4a-63
452 to 4a-76, inclusive, title 4b, section 16a-31, chapters 97a, 124 and 126,
453 sections 14-311 to 14-314c, inclusive, 19a-37, 22a-16 and subsection (a)
454 of section 22a-19. For the purposes of section 22a-12, construction plans
455 relating to the overall project shall not be considered construction
456 plans required to be submitted by state agencies to the Council on
457 Environmental Quality. Notwithstanding any provision of any special
458 act, charter, ordinance, home rule ordinance or chapter 98, no
459 provision of any such act, charter or ordinance or said chapter 98,
460 concerning licenses, permits or approvals by a political subdivision of
461 the state pertaining to building demolition or construction shall apply
462 to the overall project and, notwithstanding any provision of the
463 general statutes, the State Building Inspector and the State Fire
464 Marshal shall have original jurisdiction with respect to the
465 administration and enforcement of the State Building Code and the
466 Fire Safety Code, respectively, with respect to all aspects of the overall
467 project, including, without limitation, the conduct of necessary reviews
468 and inspections and the issuance of any building permit, certificate of
469 occupancy or other necessary permits or certificates related to building
470 construction, occupancy or fire safety. For the purposes of part III of
471 chapter 557, the stadium facility project, the convention center project
472 and the parking project shall be deemed to be a public works project
473 and consist of public buildings except that the provisions relating to
474 payment of prevailing wages to workers in connection with a public
475 works project including, but not limited to, section 31-53 shall not

476 apply to the stadium facility project, the convention center project and
477 the parking project if the project manager or the prime construction
478 contractor has negotiated other wage terms pursuant to a project labor
479 agreement. The provisions of section 2-32c, as amended by this act,
480 and subsection [(c)] (d) of section 2-79a, as amended by this act, shall
481 not apply to any provisions of public act 99-241, as amended by public
482 act 00-140, or chapter 588x concerning the overall project. Any building
483 permit application with respect to the overall project shall be exempt
484 from the assessment of an education fee under subsection (b) of section
485 29-252a.

486 Sec. 8. Subsection (b) of section 4-66n of the general statutes is
487 repealed and the following is substituted in lieu thereof (*Effective July*
488 *1, 2019*):

489 (b) Moneys transferred to the account in accordance with section 87
490 of public act 13-247 shall be expended by the Office of Policy and
491 Management as follows: (1) For the Nutmeg Network, [two million
492 one hundred seventy-four thousand] two million one hundred four
493 thousand dollars; (2) for a tax incidence study, seven hundred
494 thousand dollars; (3) for the universal chart of accounts, [four hundred
495 fifty thousand] two hundred seventy thousand dollars; (4) to audit
496 private providers of special education services, in accordance with
497 section 2-90 and sections 10-91g to 10-91i, inclusive, three hundred
498 sixty-six thousand dollars; [and] (5) for the Department of Education,
499 to conduct the study described in section 4 of public act 16-144, two
500 hundred fifty thousand dollars; and (6) to promote and facilitate the
501 implementation of shared or regional government services, two
502 hundred fifty thousand dollars. Such moneys for the universal chart of
503 accounts may be used to reimburse expenses incurred on or after July
504 1, 2013.

505 Sec. 9. Section 12-62 of the general statutes is repealed and the
506 following is substituted in lieu thereof (*Effective July 1, 2019*):

507 (a) As used in this chapter:

508 (1) "Assessor" means the person responsible for establishing
509 property assessments for purposes of a town's grand list and includes
510 a board of assessors;

511 (2) "Field review" means the process by which an assessor, a
512 member of an assessor's staff or person designated by an assessor
513 examines each parcel of real property in its neighborhood setting,
514 compares observable attributes to those listed on such parcel's
515 corresponding property record, makes any necessary corrections based
516 on such observation and verifies that such parcel's attributes are
517 accounted for in the valuation being developed for a revaluation;

518 (3) "Full inspection" or "fully inspect" means to measure or verify
519 the exterior dimensions of a building or structure and to enter and
520 examine the interior of such building or structure in order to observe
521 and record or verify the characteristics and conditions thereof,
522 provided permission to enter such interior is granted by the property
523 owner or an adult occupant;

524 (4) "Real property" means all the property described in section 12-
525 64;

526 (5) "Revaluation" or "revalue" means to establish the present true
527 and actual value of all real property in a town as of a specific
528 assessment date;

529 (6) "Secretary" means the Secretary of the Office of Policy and
530 Management, or said secretary's designee; [and]

531 (7) "Town" means any town, consolidated town and city or
532 consolidated town and borough; [.]

533 (8) "Revaluation zone" means one of five geographic areas in the
534 state established by the secretary utilizing the boundaries of the nine
535 planning regions; and

536 (9) "Planning region" has the same meaning as provided in section
537 4-124i.

538 (b) (1) (A) Commencing October 1, 2006, and until September 30,
539 2020, each town shall implement a revaluation not later than the first
540 day of October that follows, by five years, the October first assessment
541 date on which the town's previous revaluation became effective,
542 provided, a town that opted to defer a revaluation, pursuant to section
543 12-62l, shall implement a revaluation not later than the first day of
544 October that follows, by five years, the October first assessment date
545 on which the town's deferred revaluation became effective.

546 (B) Commencing October 1, 2020, (i) each town shall implement a
547 revaluation not later than the first day of October that follows, by five
548 years, an October first assessment date set in accordance with a
549 revaluation date schedule prescribed by the secretary for each
550 revaluation zone, (ii) any town's required revaluation subsequent to
551 any delayed revaluation implemented pursuant to subparagraph (A)
552 of this subdivision shall be implemented in accordance with this
553 section, and (iii) any such revaluation subsequent to any delayed
554 revaluation shall recommence on the date set in such revaluation date
555 schedule prescribed for the revaluation zone in which such town is
556 located, which revaluation date schedule applied to such town prior to
557 such delay.

558 (C) The town shall use assessments derived from each such
559 revaluation for the purpose of levying property taxes for the
560 assessment year in which such revaluation is effective and for each
561 assessment year that follows until the ensuing revaluation becomes
562 effective.

563 (2) When conducting a revaluation, an assessor shall use generally
564 accepted mass appraisal methods which may include, but need not be
565 limited to, the market sales comparison approach to value, the cost
566 approach to value and the income approach to value. Prior to the
567 completion of each revaluation, the assessor shall conduct a field
568 review. Except in a town that has a single assessor, the members of the
569 board of assessors shall approve, by majority vote, all valuations
570 established for a revaluation.

571 (3) An assessor, member of an assessor's staff or person designated
572 by an assessor may, at any time, fully inspect any parcel of improved
573 real property in order to ascertain or verify the accuracy of data listed
574 on the assessor's property record for such parcel. Except as provided in
575 subdivision (4) of this subsection, the assessor shall fully inspect each
576 such parcel once in every ten assessment years, provided, if the full
577 inspection of any such parcel occurred in an assessment year
578 preceding that commencing October 1, 1996, the assessor shall fully
579 inspect such parcel not later than the first day of October of 2009, and
580 shall thereafter fully inspect such parcel in accordance with this
581 section. Nothing in this subsection shall require the assessor to fully
582 inspect all of a town's improved real property parcels in the same
583 assessment year and in no case shall an assessor be required to fully
584 inspect any such parcel more than once during every ten assessment
585 years.

586 (4) An assessor may, at any time during the period in which a full
587 inspection of each improved parcel of real property is required, send a
588 questionnaire to the owner of such parcel to (A) obtain information
589 concerning the property's acquisition, and (B) obtain verification of the
590 accuracy of data listed on the assessor's property record for such
591 parcel. An assessor shall develop and institute a quality assurance
592 program with respect to responses received to such questionnaires. If
593 satisfied with the results of said program concerning such
594 questionnaires, the assessor may fully inspect only those parcels of
595 improved real property for which satisfactory verification of data
596 listed on the assessor's property record has not been obtained and is
597 otherwise unavailable. The full inspection requirement in subdivision
598 (3) of this subsection shall not apply to any parcel of improved real
599 property for which the assessor obtains satisfactory verification of data
600 listed on the assessor's property record.

601 (c) The following shall be available for public inspection in the
602 assessor's office, in the manner provided for access to public records in
603 subsection (a) of section 1-210, not later than the date written notices of
604 real property valuations are mailed in accordance with subsection (f)

605 of this section: (1) Any criteria, guidelines, price schedules or statement
606 of procedures used in such revaluation by the assessor or by any
607 revaluation company that the assessor designates to perform mass
608 appraisal or field review functions, all of which shall continue to be
609 available for public inspection until the town's next revaluation
610 becomes effective; and (2) a compilation of all real property sales in
611 each neighborhood for the twelve months preceding the date on which
612 each revaluation is effective, the selling prices of which are
613 representative of the fair market values of the properties sold, which
614 compilation shall continue to be available for public inspection for a
615 period of not less than twelve months immediately following a
616 revaluation's effective date. If the assessor changes any property
617 valuation as determined by the revaluation company, the assessor
618 shall document, in writing, the reason for such change and shall
619 append such written explanation to the property card for the real
620 estate parcel whose revaluation was changed. Nothing in this
621 subsection shall be construed to permit the assessor to post a plan or
622 drawing of a dwelling unit of a residential property's interior on the
623 Internet or to otherwise publish such plan or drawing.

624 (d) (1) The chief executive officer of a town shall notify the Secretary
625 of the Office of Policy and Management that the town is effecting a
626 revaluation by sending a written notice to the secretary not later than
627 thirty days after the date on which such town's assessor signs a grand
628 list that reflects assessments of real property derived from a
629 revaluation. Any town that fails to effect a revaluation for the
630 assessment date required by this section shall be subject to a penalty
631 effective for the fiscal year commencing on the first day of July
632 following such assessment date, and continuing for each successive
633 fiscal year in which the town fails to levy taxes on the basis of such
634 revaluation, provided the secretary shall not impose such penalty with
635 respect to any assessment year in which the provisions of subsection
636 (b) of section 12-117 are applicable. Such penalty shall be the forfeit of
637 the amount otherwise allocable to such town pursuant to section 7-536,
638 and the loss of fifty per cent of the amount of the grant that is payable
639 to such town pursuant to sections 3-55i, 3-55j and 3-55k. Upon

640 imposing said penalty, the secretary shall notify the chief executive
641 officer of the amount of the town's forfeiture for said fiscal year and
642 that the secretary's certification to the State Comptroller for the
643 payments of such grant in said year shall reflect the required
644 reduction.

645 (2) The secretary may waive such penalty if, in the secretary's
646 opinion, there appears to be reasonable cause for the town not having
647 implemented a revaluation for the required assessment date, provided
648 the chief executive officer of the town submits a written request for
649 such waiver. Reasonable cause shall include: (A) An extraordinary
650 circumstance or an act of God, (B) the failure on the part of any
651 revaluation company to complete its contractual duties in a time and
652 manner allowing for the implementation of such revaluation, and
653 provided the town imposed the sanctions for such failure provided in
654 a contract executed with said company, (C) the assessor's death or
655 incapacitation during the conduct of a revaluation, which results in a
656 delay of its implementation, or (D) an order by the superior court for
657 the judicial district in which the town is located postponing such
658 revaluation, or the potential for such an order with respect to a
659 proceeding brought before said court. The chief executive officer shall
660 submit such written request to the secretary not earlier than thirty
661 business days after the date on which the assessor signs a grand list
662 that does not reflect real property assessments based on values
663 established for such required revaluation, and not later than thirty
664 days preceding the July first commencement date of the fiscal year in
665 which said penalty is applicable. Such request shall include the reason
666 for the failure of the town to comply with the provisions of subsection
667 (b) of this section. The chief executive officer of such town shall
668 promptly provide any additional information regarding such failure
669 that the secretary may require. Not later than sixty days after receiving
670 such request and any such additional information, the secretary shall
671 notify the chief executive officer of the secretary's decision to grant or
672 deny the waiver requested, provided the secretary may delay a
673 decision regarding a waiver related to a potential court order until not
674 later than sixty days after the date such court renders the decision. The

675 secretary shall not grant a penalty waiver under the provisions of this
676 subsection with respect to consecutive years unless the General
677 Assembly approves such action.

678 (e) When conducting a revaluation, an assessor may designate a
679 revaluation company certified in accordance with section 12-2b to
680 perform [property] parcel data collection, analysis of such data and
681 any mass appraisal valuation or field review functions, pursuant to a
682 method or methods the assessor approves, and may require such
683 company to prepare and mail the valuation notices required by
684 subsection (f) of this section, provided nothing in this subsection shall
685 relieve any assessor of any other requirement relating to such
686 revaluation imposed by any provisions of the general statutes, any
687 public or special act, the provisions of any municipal charter that are
688 not inconsistent with the requirements of this section, or any
689 regulations adopted pursuant to subsection (g) of this section.

690 (f) Not earlier than the assessment date that is the effective date of a
691 revaluation and not later than the tenth calendar day immediately
692 following the date on which the grand list for said assessment date is
693 signed, the assessor shall mail a written notice to the last-known
694 address of the owner of each parcel of real property that was revalued.
695 Such notice shall include the valuation of such parcel as of said
696 assessment date and the valuation of such parcel in the last-preceding
697 assessment year, and shall provide information describing the
698 property owner's rights to appeal the valuation established for said
699 assessment date, including the manner in which an appeal may be
700 filed with the board of assessment appeals.

701 (g) The secretary shall adopt regulations, in accordance with the
702 provisions of chapter 54, which an assessor shall use when conducting
703 a revaluation. Such regulations shall include (1) provisions governing
704 the management of the revaluation process, including, but not limited
705 to, the method of compiling and maintaining property records,
706 documenting the assessment year during which a full inspection of
707 each parcel of improved real property occurs, and the method of

708 determining real property sales data in support of the mass appraisal
709 process, and (2) provisions establishing criteria for measuring the level
710 and uniformity of assessments generated from a revaluation, provided
711 such criteria shall be applicable to different classes of real property
712 with respect to which a sufficient number of property sales exist.
713 Certification of compliance with not less than one of said regulatory
714 provisions shall be required for each revaluation and the assessor shall,
715 not later than the date on which the grand list reflecting assessments of
716 real property derived from a revaluation is signed, certify to the
717 secretary and the chief executive officer, in writing, that the
718 revaluation was conducted in accordance with said regulatory
719 requirement. Any town effecting a revaluation with respect to which
720 an assessor is unable to certify such compliance shall be subject to the
721 penalty provided in subsection (d) of this section. In the event the
722 assessor designates a revaluation company to perform mass appraisal
723 valuation or field review functions with respect to a revaluation, the
724 assessor and the employee of said company responsible for such
725 function or functions shall jointly sign such certification. The assessor
726 shall retain a copy of such certification and any data in support thereof
727 in the assessor's office. The provisions of subsection (c) of this section
728 concerning the public inspection of criteria, guidelines, price schedules
729 or statement of procedures used in a revaluation shall be applicable to
730 such certification and supporting data.

731 (h) This section shall require the revaluation of real property (1)
732 designated within the 1983 Settlement boundary and taken into trust
733 by the federal government for the Mashantucket Pequot Tribal Nation
734 before June 8, 1999, or (2) taken into trust by the federal government
735 for the Mohegan Tribe of Indians of Connecticut.

736 (i) Each assessor shall file with the secretary parcel data from each
737 revaluation implemented pursuant to this section upon forms
738 prescribed and furnished by the secretary, which forms shall be so
739 prescribed and furnished not later than thirty days prior to the date set
740 by the secretary for such filing.

741 Sec. 10. (NEW) (*Effective July 1, 2019*) (a) Not later than July 1, 2020,
742 each regional council of governments shall establish a regional
743 assessment division for the collection and processing of data for each
744 municipality with fifteen thousand parcels or fewer of real property
745 within such council's planning region, as defined in section 4-124i of
746 the general statutes. Such data shall include, but not be limited to,
747 regional geographical information systems, personal property
748 declarations, income and expense statements, property transfers,
749 valuation of motor vehicles and building permit information. Each
750 such municipality shall provide the data requested by the regional
751 assessment division pursuant to this subsection.

752 (b) Each municipality with fifteen thousand parcels or fewer of real
753 property that fails to provide the data requested pursuant to
754 subsection (a) of this section shall be subject to a penalty, imposed by
755 the Secretary of the Office of Policy and Management, effective for the
756 fiscal year commencing July 1, 2020, and continuing for each
757 successive fiscal year in which the municipality fails to provide such
758 data, provided the secretary shall not impose such penalty with
759 respect to any assessment year in which the provisions of subsection
760 (b) of section 12-117 of the general statutes are applicable. Such penalty
761 shall be the forfeit of the amount otherwise allocable to such
762 municipality pursuant to section 7-536 of the general statutes, and the
763 loss of fifty per cent of the amount of the grant that is payable to such
764 municipality pursuant to sections 3-55i, 3-55j and 3-55k of the general
765 statutes. Upon imposing such penalty, the secretary shall notify such
766 municipality's chief executive officer of the amount of such
767 municipality's forfeiture for such fiscal year and that the secretary's
768 certification to the State Comptroller for the payments of such grant in
769 such year shall reflect the required reduction.

770 Sec. 11. Section 7-148cc of the general statutes is repealed and the
771 following is substituted in lieu thereof (*Effective July 1, 2019*):

772 [Two] Notwithstanding the provisions of the general statutes or any
773 special act, charter, special act charter, home-rule ordinance or local

774 law, two or more municipalities may jointly perform any function that
 775 each municipality may perform separately under any provisions of the
 776 general statutes or of any special act, charter or home rule ordinance
 777 by entering into an interlocal agreement pursuant to sections 7-339a to
 778 7-339l, inclusive. As used in this section, "municipality" means any
 779 municipality, as defined in section 7-187, any district, as defined in
 780 section 7-324, any metropolitan district or any municipal district
 781 created under section 7-330 and located within the state of
 782 Connecticut.

783 Sec. 12. Subdivision (6) of subsection (b) of section 7-576d of the
 784 general statutes is repealed and the following is substituted in lieu
 785 thereof (*Effective July 1, 2019*):

786 (6) With respect to any proposed collective bargaining agreement or
 787 amendments negotiated pursuant to sections 7-467 to 7-477, inclusive,
 788 including any such agreement negotiated by a board of education,
 789 notwithstanding the provisions of subsection (d) of section 7-474, or
 790 pursuant to section 10-153d, the [board] Municipal Accountability
 791 Review Board shall have the same opportunity and authority to
 792 approve or reject, on not more than two occasions, collective
 793 bargaining agreements or amendments as [is] are provided to the
 794 legislative body of such municipality in said respective sections, except
 795 that (A) any such agreement negotiated by a board of education shall
 796 be submitted to the Municipal Accountability Review Board by the
 797 bargaining representative of such board of education not later than
 798 fourteen days after any such agreement is reached, and (B) the
 799 Municipal Accountability Review Board shall act upon such
 800 agreement, pursuant to this subdivision, not later than thirty days after
 801 submission by such bargaining representative.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	7-395
Sec. 2	<i>July 1, 2019</i>	2-79a
Sec. 3	<i>July 1, 2019</i>	2-32c

Sec. 4	<i>July 1, 2019</i>	4-66k
Sec. 5	<i>July 1, 2019</i>	4-66r
Sec. 6	<i>July 1, 2019</i>	4-124s(b) to (e)
Sec. 7	<i>July 1, 2019</i>	32-665(a)
Sec. 8	<i>July 1, 2019</i>	4-66n(b)
Sec. 9	<i>July 1, 2019</i>	12-62
Sec. 10	<i>July 1, 2019</i>	New section
Sec. 11	<i>July 1, 2019</i>	7-148cc
Sec. 12	<i>July 1, 2019</i>	7-576d(b)(6)

PS *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: See Below

Municipal Impact: See Below

Explanation

The bill makes several changes concerning: 1) funding for regional Councils of Government, and 2) municipal revaluations and assessment. The fiscal impact of these changes is summarized below.

Funding for Councils of Government

The bill adjusts the formula for grants in aid to regional Councils of Government (COGs) funded via the non-appropriated Regional Performance Incentive Account (RPIA). This adjustment results in a reduction in this grant funding of an estimated \$1.1 million.

The bill allows OPM to distribute unspecified additional funding to COGs from the RPIA. To the extent OPM chooses to do this, the revenue loss resulting from the bill is at least partially offset. The bill also adjusts the formula for an appropriated grant in aid to COGs established by PA 17-2, the FY 18 and FY 19 budget.

The bill also: 1) requires that \$250,000 of funding from the Municipal Reimbursement and Revenue Account (MRRA) be used for shared governmental services and 2) allows OPM to use additional funding from the RPIA for certain regional initiatives. The current balance of the RPIA is about \$3.0 million, while the current fund balance of MRRA is about \$267,900.

Municipal Assessment and Revaluation

The bill establishes five revaluation zones and requires municipalities in each zone to conduct their revaluation in the same year as other municipalities in the same zone. The impact to each municipality will vary based on its current revaluation schedule and the revaluation schedule of its zone.

The bill requires Councils of Government to establish regional assessment divisions and requires certain municipalities to report property parcel data to those regional divisions. There is a potential cost to the COGs to collect parcel data and administer regional assessment divisions, to the extent that they do not currently have the expertise to fulfill these responsibilities.

The bill subjects municipalities that do not report this data to 1) loss of Local Capital Improvement Program (LoCIP) funding and 2) a 50% reduction in Pequot funding. In FY 19, LoCIP funding to towns totaled about \$35.0 million; Pequot funding totaled about \$49.9 million.

The bill makes a variety of other changes that have no fiscal impact. These changes relate to 1) reporting requirements of the Advisory Commission on Intergovernmental Relations, 2) municipal audit reports, and 3) the Municipal Accountability Review Board.

The Out Years***State Impact:*** See Above***Municipal Impact:*** See Above

OLR Bill Analysis

sHB 7192

AN ACT CONCERNING MUNICIPAL AND REGIONAL OPPORTUNITIES AND EFFICIENCIES.

SUMMARY

Among other things, this bill:

1. adds to the circumstances under which the Office of Policy and Management (OPM) secretary must refer entities subject to the Municipal Auditing Act to the Municipal Finance Advisory Commission (MFAC) (§ 1);
2. modifies the Advisory Commission on Intergovernmental Relations' (ACIR) charge and membership and expands ACIR's reporting requirements (§§ 2, 3 & 7);
3. beginning in FY 20, changes how OPM funds regional councils of governments (COGs) (§§ 4 & 5);
4. appears to give the OPM secretary broader authority to determine how to distribute Regional Performance Incentive Program (RPIP) grants (§ 6);
5. requires OPM to spend \$250,000 from the municipal reimbursement and revenue account to promote and facilitate implementing shared or regional government services (§ 8);
6. requires municipalities to (a) conduct revaluations pursuant to an OPM-designated regional revaluation schedule and (b) submit revaluation-related parcel data to OPM (§ 9);
7. requires COGs to collect and process municipalities' regional geographical information system, personal property declaration,

income and expense statement, property transfer, motor vehicle valuation, and building permit data (§ 10);

8. allows municipalities and associated bodies to enter into interlocal agreements regardless of conflicting provisions in state or local law (§ 11); and
9. specifies deadlines by which boards of education in Tier III municipalities must provide collective bargaining agreements and amendments to the Municipal Accountability Review Board (MARB) for its approval or rejection (§ 15).

The bill also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2019

§ 1 — MFAC REFERRALS

By law, (1) regional school districts, (2) municipalities, and (3) other related entities with annual receipts exceeding \$1 million (e.g., municipal utilities, special taxing districts, and COGs) must annually submit to OPM an audit that complies with the Municipal Auditing Act. If upon reviewing these audits, the OPM secretary finds that they are incorrectly prepared or there is evidence of unsound or irregular financial practices, the secretary must report such problems to MFAC (i.e., “refer” to MFAC). (MFAC is responsible for helping to improve the fiscal condition of any audited entity the secretary refers to it.)

Required Referrals of Audited Entities

The bill additionally requires such a referral in situations where the OPM secretary finds (1) the audit was incorrectly prepared and the audited entity did not request from OPM a waiver from the Municipal Auditing Act’s provisions or (2) management letter comments or lack of internal controls in relation to commonly accepted municipal finance standards.

As is the case with referrals under existing law, OPM must send a copy of the referral report to the state auditors and the chief executive

officer (CEO) of the audited entity (the superintendent in the case of school districts). If the audited entity is a municipality, OPM must also send the town clerk a copy of the referral report. Under the bill, upon receipt of the report, the CEO or superintendent must submit to the secretary in writing an explanation and attestation of the secretary's findings and a corrective action plan.

Required Referral of Municipalities

The bill also requires the secretary to refer to MFAC municipalities that have not already been referred if an audit review shows that the municipality has:

1. a negative fund balance percentage;
2. in the three preceding fiscal years, (a) reported a fund balance percentage of less than 5% or (b) issued tax or bond anticipation notes to meet cash liquidity;
3. in the two preceding fiscal years, (a) reported a declining fund balance trend or (b) a general fund annual operating budget deficit of 2% or more of its average general fund revenues;
4. in the preceding fiscal year, a general fund annual operating budget deficit of 1.5% or more of its average general fund revenues; or
5. received a bond rating below A from a bond rating agency.

Optional Referrals

The bill gives the OPM secretary, following an audit review, broad authority to refer a municipality to MFAC, if the municipality has not already been referred to it.

§§ 2, 3 & 7 — ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The bill modifies ACIR's charge and membership. It also expands ACIR's reporting requirements and modifies reporting deadlines.

Broadened Charge

By law, ACIR studies the relationship between state and local governments and recommends solutions to issues it identifies. The bill specifies its research on intergovernmental issues and must include (1) information on sharing and consolidating government services and (2) the direct and indirect impact of changes in the provision of services at different levels of government. Under the bill, ACIR also must develop models for sustainable, recurring savings and revenue growth.

Revised Membership

Starting July 1, 2019, the bill adds to the commission (1) the Planning and Development Committee's chairpersons and ranking members, or their designees, and (2) an organized labor representative selected by the governor from a list of nominees submitted by the Connecticut AFL-CIO.

It removes from the commission the (1) Senate president pro tempore; (2) House speaker; (3) Senate and House minority leaders; and (4) commissioners of the Education, Energy and Environmental Protection, and Economic and Community Development departments.

As under existing law, members appointed as legislators serve for the duration of their terms in office. The term length for other members remains two years but the bill allows these members to continue to serve until a successor is appointed and has qualified to serve.

Reporting Requirements

Annual Public Report and Work Plan. The bill requires ACIR to publish a work plan beginning July 1, 2019, and annually thereafter. As under existing law, ACIR also must publish an annual public report on its activities. The bill specifies that it must publish the report on its activities and work plan annually and, beginning with the 2020 report, describe the status of items included in the prior year's work plan, including statistical measures of progress made toward them.

Semiannual Recommendations. The bill requires ACIR to make semiannual recommendations regarding the accomplishment of all aspects of sharing services among state, regional, and local governments to the OPM secretary. It must, in consultation with other commissions established to address consolidation and sharing of government services, make recommendations every six months, beginning October 15, 2019 and ending October 15, 2021.

The recommendations may address, but are not limited to:

1. standardization and alignment of various regions;
2. consolidation of government services, such as joint purchasing between municipalities and school districts;
3. consolidation and sharing of government services, such as joint purchasing among municipalities;
4. types of government services that may be provided in a more efficient, high-quality, or cost-effective manner by another level of government or COG, regional education service center (RESC), or other regional bodies;
5. standardization of government services, such as permit issuance;
6. report standardization, enhancement, or streamlining;
7. data collection and sharing standardization, enhancement, and streamlining;
8. opportunities for the use of e-government solutions to deliver services and conduct programs;
9. alternative revenue sources for municipal governments, COGs, and RESCs;
10. regional revenue sharing;
11. coalition bargaining and other changes to the relations between

municipalities and their employees;

12. reducing municipalities' long-term liabilities; and

13. timelines for planning and implementing ACIR's recommendations.

The first recommendations are due by October 15, 2019, and every six months thereafter until October 15, 2021. The bill requires that ACIR provide the recommendations as part of its work plan development process, but the first work plan is due July 1, 2019.

Reports on State Mandates. By law, ACIR must submit to the General Assembly (1) a quadrennial report that lists all existing state mandates (i.e., legislative or executive actions that require a local government spend additional local revenue to effectuate them); (2) a supplement to the quadrennial report for each intervening year; and (3) an annual list of mandates enacted during the preceding session.

The bill requires that ACIR include in its quadrennial report a description of the mandates' potential impacts on municipalities. It eliminates the requirement that the report include a history of the mandates and costs municipalities incurred to implement them.

Under the bill, the next quadrennial report is due by the second Wednesday following the start of the regular 2020 session (February 19, 2020) and every four years thereafter.

By law, ACIR also must annually compile a list of state mandates enacted during the preceding session and share it with various state officials. Under the bill, ACIR must additionally submit the list to each municipal chief elected officer. Under current law, the OPM secretary provides notice of the list to them. The bill eliminates the requirement that the legislative leaders send the list to the OPM secretary.

For each list due on or after July 1, 2019, the bill makes the list due not more than 90 days after adjournment of regular or special session or November 15 after a regular session adjourns, whichever is later.

§§ 4 & 5 — CHANGE TO COG FUNDING***Regional Planning Incentive Account Grants***

Beginning FY 20, the bill decreases the amount of funding COGs receive from the regional planning incentive account. Currently, COGs receive \$125,000 each, plus 50 cents per capita. If a COG was formed following the voluntary consolidation of multiple planning organizations before 2014, the COG receives an additional \$125,000 for each merged organization.

Under the bill, OPM must instead distribute to each COG a \$75,000 grant plus 30 cents per capita. Consolidated COGs are not entitled to additional funding as they are under current law.

The bill also authorizes the OPM secretary to distribute additional funding from the regional planning incentive account to COGs. (The bill does not specify a formula for distributing this additional funding.)

Regional Services Grant

Under current law, within available appropriations, the OPM secretary distributes regional services grants to COGs pursuant to a formula she sets. To be eligible for such a grant, COGs must submit a spending plan to OPM. (COGs must use the grants for planning purposes and to achieve municipal service efficiencies.)

Under the bill, beginning in FY 20, the secretary must distribute regional services grants using the same formula that applies to grants from the regional planning incentive account (i.e., per COG, \$75,000 plus 30 cents per capita). Under the bill, COGs receive the grant (1) regardless of available appropriations and (2) without having to submit a spending plan.

The bill also appears to eliminate a reporting requirement for COGs for 2019. Under current law, COGs must annually report to the legislature on regionalism initiatives, including how they spend their regional services grant. Under the bill, the next report is not due until October 1, 2020.

§ 6 — REGIONAL PERFORMANCE INCENTIVE PROGRAM (RPIP)
Changes to RPIP Eligibility Requirements

The bill appears to broaden OPM's discretion to award RPIP grants by eliminating many of current law's eligibility and application requirements.

Eligible Entities and Purposes. Under current law, OPM awards RPIP grants to municipalities, COGs, economic development districts, and regional education service centers for (1) the joint provision of a service that is currently provided, but not on a regional basis; (2) planning studies regarding the joint provision of a service on a regional basis; and (3) shared information technology services. The bill instead allows the OPM secretary to provide RPIP grants for (1) the joint provision of a government service or (2) a planning study for the joint provisions of any service on a regional basis. (Under existing law and the bill, OPM may also provide RPIP grants for a regional special education initiative to local or regional boards of education or regional education service centers serving at least 100,000 people.)

It appears that under the bill, any entity is eligible to apply to OPM for these grants. (The bill eliminates specific authorization for entities to apply to OPM for such grants.)

Application Content and Priority. Current law requires OPM to prioritize certain grant proposals (e.g., proposals submitted by local and regional boards of education). The bill eliminates these statutory priorities.

Current law requires applicants to provide certain information to OPM, including an explanation of the need for the proposal's implementation and a cost-benefit analysis of it. The bill eliminates provisions in current law specifying what an application must contain.

ACIR Proposals

The bill authorizes ACIR to annually recommend to the OPM secretary by December 1, specific proposals for achieving cost savings through regional efficiencies. ACIR must submit the proposals in the

form and manner the secretary specifies.

Under the bill, the OPM secretary, within available resources, may provide RPIP grants to COGs, economic development districts, regional education service centers, or a combination thereof to administer an ACIR proposal. The bill gives the OPM secretary broad authority to award grants to applicants whose proposals best meet the program's requirements.

Annual RPIP Report

The bill requires the OPM secretary to additionally submit her annual RPIP report to the Planning and Development Committee. Under current law, the report must be submitted to the Finance, Revenue and Bonding Committee and contain information on (1) each grant distributed and (2) how the program is reducing property taxes. The bill eliminates the requirement that the report include information on how the program impacts property taxes.

§ 8 — FUNDING FOR PROMOTING SHARED SERVICES

The bill reallocates municipal reimbursement and revenue account funds provided to OPM. The bill reduces the amount allocated for (1) the Nutmeg Network by \$70,000 and (2) the universal chart of accounts by \$180,000. Under the bill, OPM must instead use \$250,000 to promote and facilitate implementing shared or regional government services.

§ 9 — REGIONAL REVALUATIONS AND DATA SUBMISSION REQUIREMENT

Regional Revaluation Schedule

Under the bill, the OPM secretary must use the state's nine planning region boundaries (i.e., the COGs' boundaries) to designate five revaluation zones. Municipalities in each zone will conduct their revaluations in the same year as other municipalities in the zone. Beginning with the October 1, 2020, assessment year, municipalities must conduct their revaluations pursuant to this OPM-designated revaluation schedule. The bill requires certain municipalities that

delayed implementing a revaluation during the 2003, 2004, or 2005 assessment year to implement future revaluations pursuant to OPM's regional revaluation schedule.

As is the case under existing law, revaluations must be conducted every five years. The bill retains provisions in existing law governing revaluation methods, processes, and other requirements.

Existing law, unchanged by the bill, allows municipalities to enter into agreements to establish regional revaluation schedules, subject to OPM's approval (CGS § 12-62q).

Submission of Parcel Data to OPM

The bill requires assessors to file with the OPM secretary parcel data from each implemented revaluation. (Presumably, this requirement applies to any revaluation implemented after the provision's July 1, 2019, effective date.)

The data must be filed on forms she creates, and she must provide such forms to assessors at least 30 days before they are due.

§ 10 — REGIONAL ASSESSMENT DIVISIONS WITHIN COGS

The bill requires each COG, by July 1, 2020, to establish a regional assessment division to collect and process data for each municipality in its region with 15,000 or fewer real property parcels. COGs must collect and process regional geographical information system, personal property declaration, income and expense statement, property transfer, motor vehicle valuation, and building permit data.

Municipalities with 15,000 or fewer parcels must provide COGs with the above information. Beginning in FY 21, municipalities that fail to do so are subject to the same penalties applicable to municipalities that fail to implement a revaluation on time (i.e., loss of their local capital improvement program grant and half of their Mashantucket Pequot/Mohegan Fund grant). The penalties are imposed in each fiscal year that municipalities fail to provide the required information. Municipalities that have permission to delay

implementing a revaluation are not subject to the penalties that year.

If OPM imposes the penalty, it must notify the municipality's chief executive officer of the forfeited grant amount and the fact that the comptroller's grant payment to the municipality will reflect the penalty imposed.

§ 11 — INTERLOCAL AGREEMENTS

Existing law gives municipalities and associated bodies (e.g., special taxing districts and municipal districts) blanket authority to enter into interlocal agreements to perform jointly any function that any statute, special act, charter, or home rule ordinance allows them to perform individually. The bill allows municipalities and associated bodies to enter such agreements regardless of conflicting statutory, special act, charter, home rule ordinance, or local law provisions.

§ 12 — MARB'S REVIEW OF BOARD OF EDUCATION COLLECTIVE BARGAINING AGREEMENTS

Under existing law, MARB has authority to approve or reject any Tier III municipality's municipal or board of education collective bargaining agreements or amendments. MARB has the same opportunity and authority to act on these agreements and amendments as the municipality's legislative body, but can exercise that authority on no more than two occasions for a particular agreement or amendment. The bill authorizes MARB to also act on board of education collective bargaining agreements that require federal approval but that the municipal legislative body does not have authority to approve or reject.

The bill also requires (1) boards of education to submit any collective bargaining agreement or amendment to MARB within 14 days of reaching it and (2) MARB to approve or reject it within 30 days of submission.

(The law provides two paths for designating a municipality Tier III: (1) the municipality requests the OPM secretary to designate it as Tier III, which she must grant if it meets the law's distress criteria, or (2) the

secretary designates the municipality as Tier III based on its bonding capacity regardless of whether it requested the designation (CGS § 7-576c(a).)

BACKGROUND

Legislative History

The House referred the bill (File 688) to the Public Safety and Security Committee, which reported a substitute that eliminates the prior bill’s provisions (1) ending the state’s existing enhanced emergency 9-1-1 program and replacing it with a similar program that, beginning in FY 25, only funds regional public safety answer points and (2) decreasing the required frequency of local fire marshal’s inspection of three-to-sixteen family dwellings.

Related Bill

sSB 1072 (File 734), favorably reported by the Planning and Development Committee, contains provisions that are identical to §§ 2 and 3.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 12 Nay 9 (03/29/2019)

Public Safety and Security Committee

Joint Favorable Substitute

Yea 14 Nay 11 (04/29/2019)