OFFICE OF FISCAL ANALYSIS

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sHB-7192
AN ACT CONCERNING MUNICIPAL AND REGIONAL OPPORTUNITIES AND EFFICIENCIES.

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, 2) municipal revaluations and assessment, 3) and regional public safety answering points. 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 Governor's budget eliminates this appropriation in FY 20 and FY 21.

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 the 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.

Enhanced 9-1-1- Program

The bill requires the Department of Emergency Services and Public Protection (DESPP) to administer a transition grant program to incentivize a reduction in the number of public safety answering points (PSAPs) statewide. The bill provides grants in an amount between $250,000 and $500,000 to municipalities that join existing PSAPS (presumably other than retaining their own). This section also requires DESPP to replace telecommunications equipment at PSAPs.

These provisions result in a potential cost to the E-911 fund. DESPP already provides PSAPs with similar grants. To the extent that the total transition grants provided under the bill are more than existing grants, there is a cost to the fund equal to the difference and an equal revenue gain to receiving municipalities. There is also a potential savings to the fund to the extent that the bill reduces the number of PSAPs statewide. The E-911 fund currently has a balance of approximately $40 million.

The bill makes municipalities ineligible for E-911 funding if they do not join a PSAP serving at least 40,000 residents by 2025.

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) inspection requirements for local fire marshalls, 3) municipal audit reports, and 4) the Municipal Accountability Review Board.

The Out Years

State Impact: See Above

Municipal Impact: See Above