

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

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sHB-7192

## AN ACT CONCERNING MUNICIPAL AND REGIONAL OPPORTUNITIES AND EFFICIENCIES.

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### ***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