OLR Bill Analysis
sHB 6356

AN ACT CONCERNING PAYMENTS IN LIEU OF TAXES FOR STATE HOUSING AUTHORITY PROPERTIES.

SUMMARY

This bill requires, rather than allows, the Department of Housing (DOH) to enter into a contract to reimburse each municipality under the Moderate Rental Payment in Lieu of Taxes (PILOT) Program. (It does not set a deadline by which DOH must enter into these contracts.) The bill also extends indefinitely a requirement that certain municipalities waive payments due from certain housing authorities if DOH does not make a payment on the authorities’ behalf.

Lastly, the bill makes technical changes, including changes to an inoperative statute (§ 2).

EFFECTIVE DATE: October 1, 2019, except that the indefinite waiver provision is effective upon passage.

MODERATE RENTAL PILOT PROGRAM

The bill requires DOH to enter into a contract to reimburse each municipality under the Moderate Rental PILOT Program. Currently, DOH has discretion about whether to enter into these contracts.

By law, under the Moderate Rental PILOT Program, DOH enters into a contract with a municipality and the municipal housing authority or with the Connecticut Housing Finance Authority (CHFA) (or a subsidiary or successor owner) to make payments in lieu of taxes to the municipality for moderate rental housing owned or leased by the housing authority, CHFA, subsidiary, or successor owner. DOH’s payment must equal the property taxes that would have been due, had the property not been tax exempt.

In exchange, for the duration of the contract, the municipality must
waive the payments in lieu of property taxes, special benefit assessments, and sewer system use charges due from the housing authority, CHFA, subsidiary, or successor owner pursuant to CGS § 8-71 (see § 3).

**WAIVERS FOR CERTAIN HOUSING AUTHORITIES**

Existing law requires housing authorities for moderate rental housing projects to make payments to the municipality in which the project is located instead of paying property taxes, special benefit assessments, and sewer system use charges. Currently, DOH may make these payments on a housing authority’s behalf under the Moderate Rental PILOT Program (see § 1).

Under current law, municipalities to which DOH made a Moderate Rental PILOT Program payment on a housing authority's behalf in FY 15 must waive the above payments in FYs 16 to 19. For these same municipalities, the bill instead requires the waiver in any year when a Moderate Rental PILOT Program payment is not made on an authority’s behalf. (Presumably, this provision applies if DOH does not make the PILOT payment required by the bill (see § 1).)

Both existing law and the bill specify that no waiver is required if federal funds are made available for the payment.

**COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute
Yea 14  Nay 0  (03/07/2019)