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sHB-7179
AN ACT CONCERNING CRUMBLING CONCRETE FOUNDATIONS.

AMENDMENT

LCO No.: 10500
File Copy No.: 349
House Calendar No.: 227

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact and results in the following fiscal impact.

Section 2 expands the definition of "residential building" for several statutes related to crumbling foundations, with no expected fiscal impact to the state. The change increases the number of property owners eligible for financial assistance from CFSIC but not the total amount of funds. To the extent that the expanded eligibility accelerates the rate of bond expenditures, debt service repayment will be similarly accelerated; however, current eligibility for the program is already projected to exceed available funds, so a noticeable acceleration of debt service is unlikely. There is no fiscal impact from extending the income tax deduction for financial assistance received from CFSIC to include the buildings made eligible for such assistance under the bill.

Section 2, also, by expanding the definition of "residential building" 1) allows municipalities to use their own bond funding to finance the rehabilitation of a greater number of buildings with crumbling foundations and 2) allows more property owners with crumbling foundations access to various sources of financing for building rehabilitation. A municipality that chooses to authorize additional bond funding as a result of the bill will experience an increase in annual debt service costs. To the extent that the bill results in more property owners repairing or replacing crumbing foundations, the bill precludes a grand list reduction that may otherwise result as these homes lose value.

Section 3 makes modifications to the Heathy Homes surcharge that are not anticipated to materially alter the amount of revenue collected each year by the Insurance Department to be deposited in to the Healthy Homes Fund.

Section 4 limits the $1 million dedicated from the Health Homes Fund to the Department of Economic and Community Development (DECD) for homeowners in New Haven and Woodbridge to the 2019 calendar year. This is not anticipated to result in a fiscal impact, since it is assumed the fund will have sufficient resources to make the maximum transfer to DECD to provide assistance to impacted homeowners

Sections 7-12 result in a potential cost to the General Fund of up $2 million associated with guaranteeing loans made by eligible financial institutions to qualified borrowers that receive assistance from the captive insurance company established under 38-91vv of the general statutes. The amendment requires the State Comptroller to pay out claims from the rouses of the General Fund to honor loan guarantees up to an aggregate of $2 million.

The other sections of the amendment are not anticipated to have a fiscal impact.