
OLR Bill Analysis

SB 869

AN ACT CONCERNING COMMUNITY INVESTMENT BOARDS AND NEIGHBORHOOD ASSISTANCE.

SUMMARY

This bill requires the chief executive officers (CEO) of certain large municipalities to establish neighborhood community investment boards to identify funding priorities for certain state grants. The CEOs must establish a board for each neighborhood in the municipality and appoint the board members who may include residents, business owners, and civic leaders. Beginning in FY 25, the bill authorizes these municipalities to spend a portion of their municipal revenue sharing grant on priorities identified by these boards. It also extends this authorization to payment in lieu of taxes (PILOT) grants funded through the select PILOT account, which was repealed by PA 21-3, effective July 1, 2021 (see BACKGROUND).

By January 1, 2023, the bill requires the Office of Policy and Management (OPM), within available appropriations, to create and maintain a website that allows residents and organizations to submit proposed solutions to problems specific to urban areas (§ 4). If the OPM secretary or her designee deems a submitted proposal viable, she must identify a municipality or neighborhood in which to implement the proposal as a pilot program, monitor its implementation, and assess its results. OPM must provide a financial award, within available appropriations, to each resident or organization whose proposal becomes the basis of a pilot program that the secretary or her designee deems successful.

The bill also establishes a task force to study (1) programs for which nonprofit providers use state funding and (2) state agency requirements applicable to nonprofit providers and compliance with those requirements.

EFFECTIVE DATE: July 1, 2021, except the community investment board provisions are effective October 1, 2021, and the municipal revenue sharing grant provisions are effective October 1, 2024.

§§ 1-3 — COMMUNITY INVESTMENT BOARDS

The bill's requirement to establish community investment boards in each neighborhood applies to any municipality with a population over 60,000 according to the 2010 Census but an area of no more than 30 square miles (i.e., Bridgeport, Bristol, Hartford, Meriden, New Britain, New Haven, Norwalk, Waterbury, and West Hartford). The municipality's CEO must select the board members, who may include residents, business owners, religious leaders, community development corporation representatives, and community group representatives. If a neighborhood revitalization zone (NRZ) has been established in a neighborhood, the CEO must designate the associated NRZ committee to serve as the neighborhood's community investment board (see BACKGROUND).

The bill requires the community investment boards to identify priorities for spending municipal revenue sharing and PILOT grants funded through the select PILOT account. (PA 21-3 repeals the select PILOT account and the associated grants, effective July 1, 2021; thus, this provision appears to have no legal effect.)

Beginning October 1, 2024, municipalities with community investment boards may choose to spend these grants so that:

1. 35% is spent on priorities identified by the community investment boards,
2. 35% is spent on priorities identified by the municipality's legislative body, and
3. 30% is spent on priorities jointly agreed upon by the boards and legislative body.

§ 5 — TASK FORCE ON STATE-FUNDED NONPROFIT PROVIDERS

Under the bill, the task force consists of 12 members, two each appointed by the six legislative leaders. Their appointments may be legislators and must be made by July 31, 2021. The appointing authority fills any vacancy.

The bill requires the Senate president pro tempore and House speaker to select the task force's chairpersons from among its members. The chairpersons must schedule and hold the first meeting by August 30, 2021. The Planning and Development Committee's administrative staff must serve as the task force's staff.

The task force must report its findings and recommendations to the Planning and Development Committee by January 1, 2022. The task force terminates when it submits its report or on that date, whichever is later.

BACKGROUND

Related Act

PA 21-3 (§ 8), which received emergency certification on February 24, 2021, and was signed by the governor on March 4, 2021, eliminates the select PILOT account and requirement that a portion of specified PILOT grants be paid from the account as of July 1, 2021.

Under prior law, this account was a separate, nonlapsing General Fund account funded by disbursements from the municipal revenue sharing account (MRSA). Prior law required the select PILOT account to be used to pay a specified portion of PILOT grants to municipalities and districts according to a statutory formula.

Municipal Revenue Sharing Grants

By law, municipal revenue sharing grants are funded through MRSA by a sales tax revenue diversion. They were last funded in FY 17 through the Municipal Revenue Sharing Fund.

The statutory formula for calculating the grant amounts is based on each municipality's real and personal property mill rate (other than its motor vehicle mill rate). Grant amounts are reduced for municipalities whose spending exceeds a specified municipal spending cap.

NRZs

The state's NRZ program helps neighborhood residents and businesses develop and implement plans to revitalize economically- and socially-distressed neighborhoods. NRZs are municipally designated.

NRZ committees are established after a municipality adopts the NRZ planning committee's strategic plan in order to implement it (CGS § 7-602). NRZ committees must reflect the neighborhood's composition and include tenants and property owners, community organizations, and representatives of neighborhood businesses or businesses that own property in the neighborhood.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 24 Nay 2 (03/02/2021)