



Senate

General Assembly

File No. 82

January Session, 2021

Senate Bill No. 869

Senate, March 17, 2021

The Committee on Planning and Development reported through SEN. CASSANO of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING COMMUNITY INVESTMENT BOARDS AND NEIGHBORHOOD ASSISTANCE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2021*) (a) Except as provided in
2 subsection (b) of this section, in each municipality with a population of
3 more than sixty thousand, as enumerated in the 2010 federal decennial
4 census, and having a total area of not more than thirty square miles, the
5 chief executive officer of such municipality shall establish and appoint
6 members to one community investment board for each neighborhood in
7 the municipality. Each community investment board may be comprised
8 of, but need not be limited to, residents, business owners, religious
9 leaders, community development corporation representatives and
10 community group representatives. Such boards shall identify priorities
11 for the use of municipal revenue sharing grants awarded pursuant to
12 section 4-66l of the general statutes, as amended by this act, and select
13 grants for payment in lieu of taxes awarded pursuant to section 12-18c
14 of the general statutes, as amended by this act.

15 (b) If any municipality described in subsection (a) of this section has
16 established a neighborhood revitalization zone for a neighborhood
17 pursuant to section 7-600 of the general statutes, the chief executive
18 officer of such municipality shall designate the neighborhood
19 revitalization zone committee of such neighborhood, as described in
20 section 7-602 of the general statutes, as the community investment board
21 for such neighborhood for the purposes of carrying out the provisions
22 of said subsection.

23 Sec. 2. Section 4-66l of the general statutes is amended by adding
24 subsection (j) as follows (*Effective October 1, 2024*):

25 (NEW) (j) On and after October 1, 2024, any municipal revenue
26 sharing grant awarded pursuant to this section to a municipality whose
27 chief executive officer has established or designated community
28 investment boards pursuant to section 1 of this act may be expended by
29 such municipality as follows: (1) Thirty-five per cent of such grant shall
30 be expended on priorities identified by such community investment
31 boards, (2) thirty-five per cent of such grant shall be expended on
32 priorities identified by the legislative body of the municipality, and (3)
33 thirty per cent of such grant shall be expended on priorities jointly
34 agreed upon by such community investment boards and the legislative
35 body of the municipality.

36 Sec. 3. Section 12-18c of the general statutes is repealed and the
37 following is substituted in lieu thereof (*Effective October 1, 2021*):

38 (a) There is established an account to be known as the "select payment
39 in lieu of taxes account" which shall be a separate, nonlapsing account
40 within the General Fund. The account shall contain any moneys
41 required by law to be deposited in the account. Moneys in the account
42 shall be expended by the Office of Policy and Management for the
43 purposes of making select grants to municipalities and districts for
44 payments in lieu of taxes as provided for in subdivision (1) of subsection
45 (e) of section 12-18b, subparagraphs (B) and (C) of subdivision (2) of
46 subsection (e) of section 12-18b, subdivision (3) of subsection (e) of
47 section 12-18b and for any other purpose expressly provided by law.

48 (b) Any select grant for payment in lieu of taxes awarded to a
49 municipality whose chief executive officer has established or designated
50 community investment boards pursuant to section 1 of this act may be
51 expended by such municipality as provided in subsection (j) of section
52 4-66l, as amended by this act.

53 Sec. 4. (NEW) (*Effective July 1, 2021*) (a) Not later than January 1, 2023,
54 the Office of Policy and Management shall, within available
55 appropriations, create and maintain an Internet web site to allow
56 residents and organizations to submit proposals for solutions to
57 problems specific to urban areas to the Office of Policy and
58 Management.

59 (b) If the Secretary of the Office of Policy and Management, or the
60 secretary's designee, determines that a proposal submitted through the
61 Internet web site created pursuant to subsection (a) of this subsection is
62 viable, the secretary shall (1) identify a municipality or neighborhood in
63 which to establish a pilot program to implement the proposal, (2)
64 establish the pilot program in such municipality or neighborhood, (3)
65 monitor the implementation of the pilot program, and (4) assess the
66 results of the pilot program.

67 (c) The Office of Policy and Management shall, within available
68 appropriations, provide a monetary award to each resident or
69 organization that submits a proposal through the Internet web site
70 created pursuant to subsection (a) of this section, if the secretary, or the
71 secretary's designee, determines that a pilot program established to
72 implement the proposal was successful after assessing the results of the
73 pilot program pursuant to subsection (b) of this section.

74 Sec. 5. (*Effective July 1, 2021*) (a) There is established a task force to
75 study the (1) programs for which state funding is utilized by nonprofit
76 providers, and (2) requirements imposed on nonprofit providers by
77 state agencies and compliance with those requirements by nonprofit
78 providers.

79 (b) The task force shall consist of the following members:

- 80 (1) Two appointed by the speaker of the House of Representatives;
- 81 (2) Two appointed by the president pro tempore of the Senate;
- 82 (3) Two appointed by the majority leader of the House of
83 Representatives;
- 84 (4) Two appointed by the majority leader of the Senate;
- 85 (5) Two appointed by the minority leader of the House of
86 Representatives; and
- 87 (6) Two appointed by the minority leader of the Senate.
- 88 (c) Any member of the task force appointed under subdivision (1),
89 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
90 of the General Assembly.
- 91 (d) All appointments to the task force shall be made not later than
92 thirty days after the effective date of this section. Any vacancy shall be
93 filled by the appointing authority.
- 94 (e) The speaker of the House of Representatives and the president pro
95 tempore of the Senate shall select the chairpersons of the task force from
96 among the members of the task force. Such chairpersons shall schedule
97 the first meeting of the task force, which shall be held not later than sixty
98 days after the effective date of this section.
- 99 (f) The administrative staff of the joint standing committee of the
100 General Assembly having cognizance of matters relating to planning
101 and development shall serve as administrative staff of the task force.
- 102 (g) Not later than January 1, 2022, the task force shall submit a report
103 on its findings and any recommendations to the joint standing
104 committee of the General Assembly having cognizance of matters
105 relating to planning and development, in accordance with the
106 provisions of section 11-4a of the general statutes. The task force shall
107 terminate on the date that it submits such report or January 1, 2022,
108 whichever is later.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021</i>	New section
Sec. 2	<i>October 1, 2024</i>	4-66l
Sec. 3	<i>October 1, 2021</i>	12-18c
Sec. 4	<i>July 1, 2021</i>	New section
Sec. 5	<i>July 1, 2021</i>	New section

PD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$	Out Years
State Comptroller - Fringe Benefits ¹	GF - Cost	None	Up to 16,400	Up to 16,400
Policy & Mgmt., Off.	GF - Cost	None	Up to 40,000	Up to 40,000
Policy & Mgmt., Off.	GF - Cost	None	None	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires certain large municipalities to establish community investment boards and requires those boards to identify priorities for the use of certain grants funded from the Municipal Revenue Sharing Account (MRSA). Beginning in FY 25, the bill allows such municipalities to spend a portion of their MRSA funding on the priorities of those boards.

These provisions have no fiscal impact, as the bill does not change the allocation or amount of MRSA funding in any year, nor does it restrict a municipality's use of such funding. Under current law, an estimated \$377.2 million is estimated to be deposited into MRSA in FY 22.

It should be noted that PA 21-3 1) eliminates the select payment in

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

lieu of taxes account, and 2) specifies MRSA as the funding source for a new tiered PILOT grant system established by the act.

The bill also requires the Office of Policy and Management (OPM) to create and maintain a website allowing residents and organizations to submit proposed solutions to specific urban area problems, and to offer financial awards to residents and organizations that submit ideas that become the basis for successful pilot programs. There is a cost of up to \$56,400 (salary plus fringe) annually for a permanent, part time employee to maintain the Web site.

There is an additional cost to OPM to offer financial awards to residents. This cost will vary based on the awards offered.

The bill also establishes a task force to study the (1) programs for which state funding is utilized by nonprofit providers, and (2) requirements imposed on nonprofit providers by state agencies and compliance with those requirements by nonprofit providers. The task force shall submit a report on its findings and recommendations to the Planning and Development Committee by January 1, 2022. This has no fiscal impact as PA 17-236 prohibits transportation allowances for task force members.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in the General Fund revenue diversion to the Municipal Revenue Sharing Account.

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)