

OFFICE OF FISCAL ANALYSIS

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

sSB-999

AN ACT CONCERNING A JUST TRANSITION TO CLIMATE-
PROTECTIVE ENERGY PRODUCTION AND COMMUNITY
INVESTMENT.

As Amended by Senate "A" (LCO 8860), House "A" (LCO 9659)
House Calendar No.: 538
Senate Calendar No.: 248

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Resources of the General Fund	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Potential Cost	See Below	See Below

Explanation

The bill requires certain renewable energy and efficiency construction projects to meet prevailing wage standards and requires developers to enter into community host agreements.

There is a potential cost to municipalities resulting from the bill, which may increase the costs of certain covered projects that are funded by towns. To the extent that the bill increases the total cost of covered projects by requiring that workers be paid the prevailing wage, there is a cost equal to the differential in labor-related costs between such wages and those that would otherwise apply. This does not impact projects that currently must comply with prevailing wage

laws or are covered by a project labor agreement.

There is also a potential General Fund revenue gain from penalties for noncompliance with the bill's provisions. The amendment specifies that violations result in penalties and sanctions but does not specify further details. As such, any potential revenue is anticipated to be minimal, and enforcement by the Department of Labor is not anticipated to result in any costs to the agency.

Senate "A" redefined covered projects in the underlying bill and established penalties for false statements.

House "A" removed the penalties established in Senate "A" and eliminates any potential revenue gain and costs resulting from increased penalties and incarceration related to Class D felony charges.

The Out Years

The potential cost to municipalities outlined above will continue into the future subject to the number of covered projects performed that are not already subject to prevailing wage laws.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.