

OFFICE OF FISCAL ANALYSIS

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SB-999

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

AMENDMENT

LCO No.: 8860

File Copy No.: 404

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 amendment strikes the underlying bill and its associated fiscal impact.

The amendment 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 amendment, which may increase the costs of certain covered projects that are funded by towns. To the extent that the amendment increases

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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 amendment'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.

Lastly, the amendment adds to the crime of false statement and results in a potential cost for incarceration or probation and a potential revenue gain from fines. On average, the marginal cost to the state for incarcerating an offender for the year is \$2,200¹ while the average marginal cost for supervision in the community is less than \$700² each year.

¹ Inmate marginal cost is based on increased consumables (e.g. food, clothing, water, sewage, living supplies, etc.) This does not include a change in staffing costs or utility expenses because these would only be realized if a unit or facility opened.

² Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.