

OFFICE OF FISCAL ANALYSIS

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sHB-6854

AN ACT ESTABLISHING THE OFFICE OF THE FOOD ACCESS
ADVOCATE AND TAX INCENTIVES FOR GROCERY STORES IN
FOOD DESERTS.

As Amended by House "A" (LCO 8195)

House Calendar No.: 316

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Commission on Women, Children, Seniors, Equity and Opportunity	GF - Cost	90,000	90,000
State Comptroller - Fringe Benefits ¹	GF - Cost	38,500	38,500
Department of Economic & Community Development	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	Potential Revenue Loss	See Below	See Below

Explanation

Section 2 requires the Commission on Women, Children, Seniors, Equity and Opportunity to recruit and employ a food and nutrition policy analyst resulting in an approximate annual cost to the Commission of \$90,000 per year, along with a fringe benefit cost of

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 42.82% of payroll in FY 24.

approximately \$38,500 per year. The actual cost is dependent on the salary range for the new position.

Section 3 allows a municipality to provide a short-term property tax abatement for any new grocery store established in a food desert during two assessment years. This results in a potential revenue loss to municipalities beginning in FY 24. The extent of the revenue loss is dependent on the amount of the abatement and the number of such grocery stores.

Section 4 allows municipalities to receive state financial assistance, up to the amount of abated property taxes under Section 4, in the form of a state grant-in-aid. This will mitigate, in whole or part, any revenue loss from the property tax abatement for grocery stores in food deserts beginning in FY 24. This section also results in a potential cost to the DECD, as the bill allows DECD discretion in awarding any grant-in-aid. The total potential cost per fiscal year is dependent upon the aggregated amount of property tax abatement approved by municipalities.

Section 5 does not result in a fiscal impact by requiring DECD to develop a strategic plan to provide incentives for grocery store construction in a food desert and file a report on the plan by January 1, 2024. It is anticipated that DECD can develop this plan within existing resources.

House "A" strikes the underlying bill and its associated fiscal impact resulting in the impact described above.

The Out Years

The annualized ongoing fiscal impact identified in section 2 would continue into the future subject to inflation. The ongoing fiscal impact identified in sections 3 - 4 above would continue only through FY 26.