

Appropriations Committee JOINT FAVORABLE REPORT

Bill No.: SB-1214
AN ACT CONCERNING FULLY FUNDING PAYMENTS IN LIEU OF TAXES TO
Title: MUNICIPALITIES.
Vote Date: 4/20/2023
Vote Action: Joint Favorable Substitute
PH Date: 3/24/2023
File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Appropriations Committee

REASONS FOR BILL:

The bill would create a task force to study the state's payment in lieu of taxes (PILOT) payments to municipalities and the history of the spending cap and its impact on state spending and program funding. With regard to PILOT funding, municipalities have expressed concern that the level of state funding has not been sufficient to assist with the delivery of municipal services and to help mitigate property tax increases. Regarding the spending cap, legislators have expressed an interest in looking at the effects that the spending cap has had on the state's ability to provide services and to support municipalities.

RESPONSE FROM ADMINISTRATION/AGENCY:

None offered.

NATURE AND SOURCES OF SUPPORT:

[SB-01214 Gara, Betsy, Executive Director-CT COUNCIL OF SMALL TOWNS-](#) Ms. Gara submitted testimony in support of the bill. The Connecticut Council of Small Towns (COST) believes this bill is an important step in ensuring that small towns have the resources to provide essential services to their residents. Currently, the state only supports a portion of PILOTs. Ms. Gara wrote that this situation leaves small towns with a shortfall in their budgets. This shortfall can make it difficult for small towns to provide essential services, such as police, fire, and education. COST believes this bill is necessary because small towns struggle to make ends meet. The state's current funding formula for PILOTs needs to revise due to several

factors, including the state's economic downturn and the increasing cost of providing essential services.

[Connecticut Hospital Association](#): The CT Hospital Association (CHA) submitted testimony in support of the bill. CHA supports the establishment of a task force to study the state's practice of making payments in lieu of taxes to municipalities, particularly concerning not-for-profit hospitals. The organization requested the inclusion of a representative from a not-for-profit hospital on the task force.

NATURE AND SOURCES OF OPPOSITION:

None stated.

Reported by: James Angelopoulos

Date: 4/25/2023