

# Legislative History of the Community Investment Account

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## Issue

Summarize the (1) legislative history of the Community Investment Account (CIA) statute, [CGS § 4-66aa](#), and (2) statutory changes since its passage.

## Summary

[CGS § 4-66aa](#), established by [PA 05-228](#), § 6, provides funding for milk producers and projects related to open space, farmland preservation, historic preservation, affordable housing, and agriculture promotion. For a full summary of the current CIA statute, including its (1) funding source and distribution requirements and (2) funding distribution for 2016 to 2021, inclusive, see OLR Report [2022-R-0044](#).

[PA 05-228](#) established the “land protection, affordable housing, and historic preservation account” (the CIA’s precursor). It required this account to provide funding to the Connecticut Commission on Culture and Tourism for historic preservation; the Connecticut Housing Finance Authority (CHFA) for affordable housing programs; the Department of Environmental Protection for municipal open space grants; and the Department of Agriculture (DoAg) for agricultural programs (i.e., agricultural viability grant program, Farm Transition Program, Connecticut Grown program, Farm Link program, and farmland preservation programs). The law required each designated agency to quarterly receive 25% of the account funds.

The legislature’s Planning and Development Committee held a public hearing on SB 410 (2005), which became [PA 05-228](#), and favorably voted out substitute language on a 15-3 vote. The Senate sent the substitute bill, amended, to various committees, each of which favorably voted it out with

no further changes. The Senate subsequently amended the bill again and approved it on a 34-0 vote, with two absent and not voting. The House approved the amended bill on a 109-39 vote, with three absent and not voting. The governor signed the act into law on July 11, 2005.

The legislature has amended [CGS § 4-66aa](#) many times since its enactment, as summarized in Table 1 below. Changes include, among other things, renaming the account to the CIA ([PA 09-229](#)) and adding agriculture funding recipients (e.g., Seafood Advisory Council, Connecticut Farm Wine Development Council, and Connecticut Food Policy Council) ([PA 09-3, June Sp. Sess.](#)). In 2011, the legislature added a provision to direct a portion of the real estate transaction recording fees that fund the CIA to the agricultural sustainability account established under [CGS § 4-66cc](#), which provides grants to milk producers ([PA 11-48](#)). The legislature also temporarily diverted some of the CIA revenue to the General Fund in 2016 and 2017 ([PA 15-244](#)).

## **Brief Legislative History of PA 05-228, § 6**

Senator Coleman brought out the bill in the Senate on April 27, 2005. He called an amendment, which became Senate “A.” After the chamber adopted the amendment, it sent the bill to various committees (i.e., Environment; Education; Finance, Revenue and Bonding; and Appropriations), each of which voted it out favorably.

On May 26, 2005, the Senate took up the bill again and further amended it with Senate “B.” Senate “A” had changed many provisions of the underlying bill, many of which Senate “B” deleted. (These concerned the Governor’s Council on Agricultural Development and new bonding for the existing farmland preservation programs.) Additionally, Senate “B” created the Connecticut Farm Link Program, further specified how fee revenue must be allocated, and allowed towns to create authorities for preserving land, among other things.

Senator Coleman described Section 6 of the bill as providing a revenue source for historic preservation, affordable housing, and land protection by establishing a fee per document recorded upon the land records of any municipality. Many senators spoke in favor of the bill. The Senate passed it unanimously, on a 34-0 vote, with two absent and not voting.

The House took up the amended bill on June 7, 2005. Representative Wallace described it as having four key goals (i.e., affordable housing, historic preservation, open space preservation, and farmland preservation) and establishing a recording fee on land-use documents. Much of the House debate centered on the recording fee. Some representatives voiced the opinion that the recording fee was an undeclared tax on property buyers and gets around the state spending cap, while others questioned if the funds in the newly established account would be redirected in the future. The House ultimately passed the bill as amended by Senate “A” and “B” on a 109-39 vote, with three absent and not voting.

The governor signed [PA 05-228](#) into law on July 11, 2005.

For a full transcript of the proceedings, see the Connecticut State Library website [here](#). (Note that this record is over 400 pages.)

## Changes to CGS § 4-66aa

The legislature has made various changes to the CIA statute since its enactment in 2005. Table 1 identifies each related public act and provides a brief description of the changes.

**Table 1: Changes to CGS § 4-66aa**

Public Act	Effective Date	Brief Description
<a href="#">PA 05-3, June Sp. Sess., § 113</a>	June 30, 2005	Changed <a href="#">PA 05-228's</a> effective date from July 1, 2005, to October 1, 2005
<a href="#">PA 09-229, § 28</a>	July 1, 2009	<ul style="list-style-type: none"> <li>• Changed the account name to the “Community Investment Account”</li> <li>• Added temporary provisions for distributing funds from July 1, 2009, to July 1, 2011, that changed the distribution to each recipient agency from 25% each to 20% each for Connecticut Commission on Culture and Tourism, CHFA, and Department of Environmental Protection, and 40% for DoAg</li> </ul>
<a href="#">PA 09-3, June Sp. Sess., § 69</a>	September 8, 2009	<ul style="list-style-type: none"> <li>• Allocated, during the period DoAg is receiving the 40% funding share, funds to additional organizations (i.e., Urban Oaks Organic Farm, Seafood Advisory Council, Connecticut Farm Wine Development Council, and Connecticut Food Policy Council)</li> <li>• Required, during this time period, DoAg to make all its required CIA distributions to programs quarterly</li> </ul>
<a href="#">PA 11-48, § 133</a>	July 1, 2011	<ul style="list-style-type: none"> <li>• Directed \$10 of each fee paid into the CIA to the agricultural sustainability account, which helps dairy farmers when milk prices fall below the level needed to sustain dairy operations</li> <li>• Made permanent funding for the Seafood Advisory Council, Connecticut Wine Development Council, and the Connecticut Food Policy Council (but not Urban Oaks Organic Farm) with increased funding</li> <li>• Replaced “Connecticut Commission on Culture and Tourism” with “Department of Economic and Community Development” (DECD)</li> </ul>

**Table 1 (continued)**

Public Act	Effective Date	Brief Description
<a href="#">PA 11-80</a> , § 1	July 1, 2011	Renamed “Department of Environmental Protection” as “Department of Energy and Environmental Protection” (DEEP)
<a href="#">PA 12-2, June 12 Sp. Sess.</a> , § 44	October 1, 2012	Made technical changes
<a href="#">PA 14-45</a> , § 1	May 28, 2014	<ul style="list-style-type: none"> <li>Replaced CHFA with “Department of Housing” (DOH)</li> <li>Deleted obsolete language from <a href="#">PA 09-229</a> that expired July 1, 2011</li> </ul>
<a href="#">PA 15-244</a> , § 93	January 1, 2016	From January 1, 2016, to June 30, 2017, quarterly diverted to the General Fund 50% of the funds deposited in the CIA and required any funds remaining in the CIA to be distributed according to existing law
<a href="#">PA 15-5, June Sp. Sess.</a> , § 41	January 1, 2016	Increased, from \$200,000 to \$380,000, the amount of CIA funds that DECD had to distribute annually to supplement the technical assistance and preservation activities of the Connecticut Trust for Historic Preservation

Additionally, [PA 22-118](#), § 55, transferred \$20 million in FY 23 from the CIA for the agencies and purposes shown in the following table.

**Table 2: FY 23 Transfers From the CIA**

Agency	Purpose	Amount
DoAg	Implement a farm manure management system program	\$5,000,000
DOH	Eviction prevention: <ul style="list-style-type: none"> <li>Project longevity housing vouchers in Hartford, Waterbury, Bridgeport, and New Haven (\$2,000,000)</li> <li>Rent Bank (\$1,500,000)</li> <li>Coordinated Access Networks (\$1,500,000)</li> </ul>	5,000,000
DECD	Historic preservation	5,000,000
DEEP	Open space	5,000,000

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