
OLR Bill Analysis

sHB 5493

AN ACT ESTABLISHING A YOUTH SPORTS GRANT PROGRAM.

SUMMARY

This bill creates a youth sports grant program to give grants to distressed municipalities to support nonprofit youth sports organizations providing sports programs and activities primarily for distressed municipality residents under age 18 (i.e., “eligible organizations”). It funds the program with 2% of the state’s monthly revenue from sports wagering.

Beginning with FY 27, the bill allows distressed municipalities to apply to the Office of Policy and Management (OPM) for the grants, and municipalities awarded grants must disburse them to eligible organizations. OPM must give priority for grants to sports programs and activities that (1) provide adaptive sports for children and young adults with disabilities or (2) seek to improve outcomes in mental health (by developing social and emotional skills), educational achievement (by increasing attendance and attainment), or community cohesion (by strengthening cooperation, teamwork, and leadership).

Under the bill, eligible organizations must use the grant funds they receive from a distressed municipality for expenses to operate sports programs and activities in the municipality. Qualifying expenses include those for personnel, equipment, insurance, permits, training and facility fees, sports facility renovation, playing field refurbishment, and defraying or eliminating participant fees.

The bill also establishes an application process and requires municipalities and OPM to report certain information on the grants awarded under the bill.

EFFECTIVE DATE: July 1, 2025, except that the provision directing

sports wagering revenue to the account is effective October 1, 2024.

APPLICATION PROCESS

Beginning with FY 27, OPM must annually notify each distressed municipality's chief executive official about the application period for grants for that fiscal year. Applications may be submitted by any of these officials and must be in the form and manner OPM prescribes, with enough information for OPM to consider the priority criteria the bill establishes. Municipalities must submit a new application each year they wish to apply.

PROGRAM FUNDING

Starting July 1, 2025, the bill requires the consumer protection commissioner to deposit 2% of the state's sports wagering revenue each month into the youth sports grant account the bill establishes. The account is a separate, nonlapsing account in the General Fund, must contain any money the law requires to be deposited in it, and may accept gifts, grants, and donations. The OPM secretary must spend account funds to provide grants under the bill.

REPORTING

At the end of the fiscal year in which they received a grant, the bill requires distressed municipalities to submit a report to OPM with a summary of each organization that received funds and a description of the sports programs or activities and related expenses for which they used the money.

Starting by January 1, 2029, OPM must biennially report on the program's prior two fiscal years to the Committee on Children and the Education and Finance, Revenue and Bonding committees. The report must include, for each fiscal year, the:

1. amount of sports wagering revenue deposited into the program account;
2. municipalities that applied for grants, those that were awarded, and the total amount of grants awarded; and

3. summaries from municipalities described above.

BACKGROUND

Distressed Municipalities

“Distressed municipality” is a designation under state law used to target funds to fiscally and economically distressed municipalities. The Department of Economic and Community Development annually designates distressed municipalities, generally based on high unemployment and poverty, aging housing stock, and low or declining rates of job, population, and per capita income growth. Municipalities that were once deemed distressed, but no longer meet the criteria, receive a grace period of five years after they no longer meet criteria during which they are still considered a distressed municipality under the law (CGS § 32-9p).

The current (2023) distressed municipalities are Ansonia, Bridgeport, Chaplin, Derby, East Hartford, East Haven, Griswold, Hartford, Lisbon, Mansfield, Meriden, Montville, New Britain, New London, Norwich, Plymouth, Putnam, Sprague, Sterling, Torrington, Voluntown, Waterbury, West Haven, Winchester, and Windham. Municipalities currently in the grace period are Bristol, Enfield, Groton, Killingly, Naugatuck, New Haven, North Stonington, Plainfield, Preston, and Stratford.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 44 Nay 7 (04/03/2024)