

# OFFICE OF FISCAL ANALYSIS

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HB-5227

AN ACT CONCERNING THE RELEASE OF CERTAIN LIENS OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 24	FY 25	FY 26
Department of Energy and Environmental Protection	GF - Potential Revenue Loss	Potential	Potential	Potential

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The bill requires the Department of Energy and Environmental Protection (DEEP) to release a lien within 60 days after final payment or disposition. This requirement may result in a General Fund revenue loss beginning in FY 24, to the extent that "final payment" is allowed to exclude interest. In such a situation, interest otherwise due might not be paid before the lien must be released within the bill's timeframe. The magnitude of the potential fiscal impact depends on the number of times this situation occurs, and the interest accumulated on each such lien.

The department issues liens for cost recovery (e.g., spill clean-up). DEEP currently holds approximately 30 active liens, all of which are at least five years old. Lien interest may be significant over a long period of time. The department has released two liens to date in FY 24.

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***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the value of liens and lien interest rates.