

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

---

sHB-5277

AN ACT AMENDING THE CHARTER OF THE SOUTH CENTRAL  
CONNECTICUT WATER AUTHORITY.

---

## ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 25 \$</b>	<b>FY 26 \$</b>
Various Municipalities	Potential Cost	Minimal	Minimal
Various Municipalities	Grand List Reduction	None	Minimal

## ***Explanation***

The bill expands property tax exemptions granted to the South-Central Connecticut Water Authority (the Authority) to include affiliated business entities and establishes interest rates for delinquent charges.

This results in a potential grand list reduction to various municipalities beginning in FY 26 to the extent these properties were otherwise taxable. Water authorities currently make payments in lieu of taxes (PILOTs) for tax-exempt water supply property. To the extent the Authority makes additional PILOTs on the exempt property it may offset any anticipated fiscal impact.

There is also a potential cost to municipalities beginning in FY 25 for the interest on delinquent charges as municipalities are subject to rates and charges as users of the water supply or wastewater system.

The bill makes other various changes to the Authority's enabling

Primary Analyst: LG  
Contributing Analyst(s):  
Reviewer: RW

4/1/24

legislation. This has no fiscal impact on the state or municipalities as the Authority is a non-profit public corporation and political subdivision of the State of Connecticut.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to interest on delinquent charges.