

OFFICE OF FISCAL ANALYSIS

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

sHB-5337

AN ACT CONCERNING AFFORDABLE HOUSING DEVELOPMENT PRACTICES.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
All Municipalities	Potential Revenue Gain	See Below	See Below

Explanation

The bill (1) requires applicants for certain proposed affordable housing developments to provide a \$100,000 surety bond with their application, and (2) expands the use of district master plan funds from tax increment financing districts. This results in a potential revenue gain for municipalities beginning in FY 25 to the extent that municipalities take action to collect the surety bond if and when developers withdraw an application.

The bill may also result in municipalities using funds from district master plan funds more quickly. This will only impact municipalities that have established tax increment financing districts.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of surety bonds that are collected.

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

3/18/24