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FISCAL NOTE(Form 1)  
(Office of Fiscal Analysis)  
Analyst: J 4292  
tc  
Version: 1

BILL NUMBER: HB 5933  
FILE NUMBER:  
AMENDMENTS: House "A" &  
"B"

TITLE: "AN ACT CONCERNING THE GUARANTEE BY THE STATE OF CERTAIN OBLIGATIONS OF THE TOWN AND CITY OF WEST HAVEN"

FAVORABLY REPORTED BY Emergency Certification

EFFECTIVE DATE: Upon Passage

\* \* \* \* \*

FISCAL IMPACT STATEMENT - BILL NUMBER HB 5933

STATE IMPACT See explanation below  
MUNICIPAL IMPACT Significant Impact on West Haven, see explanation below  
STATE AGENCY(S) Office of Policy and Management

EXPLANATION OF ESTIMATES:

STATE IMPACT: The bill as amended could result in a potential cost to the state if the city of West Haven defaults on the obligations issued pursuant to the act.

There are no administrative costs to the Office of Policy and Management for the West Haven Finance Planning and Assistance Board as the city will fully reimburse the state for all expenses incurred by its activities.

House "A" and "B" are technical in nature and have no fiscal impact.

MUNICIPAL IMPACT: The bill as amended imposes constraints on the city's budget practices. The fiscal impact of this provision cannot be determined as it may result in a combination of lower spending and higher taxes.

The bill would result in a cost of approximately \$185,000 for personnel and related expenses to the City of West Haven for expenditures incurred by the West Haven Finance Planning and Assistance Board, established in the Office of Policy and Management.

Without the Legislation, the city would be unable to meet its obligations and this could result in bankruptcy for the city as well as a reduction in the ability of all other municipalities to access the financial markets.

COMPARISON OF REVIEW BOARD POWERS - BRIDGEPORT AND WEST HAVEN

BRIDGEPORT

- o 11 members, including Mayor and representative of organized labor
- o Property Tax Intercept
- o Approve or reject borrowings during Board's existence
- o Approve or reject Annual Budget; if necessary, adopt interim budget, with City Council to set the related tax rate
- o Review and approve modifications to adopted budgets, or, if necessary, make such modifications
- o Approve all budget transfers
- o Approve, disapprove and modify 3-Year Financial Plans
- o Review and analyze, for compliance with financial plans, all capital contracts over \$250,000 and all general fund contracts over \$100,000
- o Review and analyze collective bargaining agreements. At the request of either party, present testimony at binding arbitration hearings
  
- o No language

WEST HAVEN

- o 7 members, including Mayor and representative of organized labor
- o Property Tax Intercept
- o Same as Bridgeport
- o Approve or reject Annual Budget; if necessary, adopt interim budget and establish tax rate
- o Same as Bridgeport
- o Approve all Budget Transfers including Board of Education
- o Same as Bridgeport
- o Approve or reject all contracts over \$50,000
- o Approve or reject collective bargaining agreements. If the Board rejects the proposed contract, the parties will have ten days to reach an agreement acceptable to the Board. If the parties are unable to reach an agreement, either prior to or following any Board rejection, the Board will be able to make final decisions regarding the agreements. For labor contracts in binding arbitration at the time of the Board's creation, the Board will serve as the arbitration panel
  
- o Bankruptcy prohibited without written consent of Governor

- o No language
- o No language
- o Board, acting through Secretary of OPM, may apply for Writ of Mandamus to direct implementation of Board's orders
- o Board's existence terminates six months after two consecutive years of surplus and if city has access to credit market. Board comes back into existence in case of deficits or a loss of access to credit markets
- o Appoint an Emergency Financial Manager to manage city's financial affairs if Board deems it necessary or appropriate
- o City would be able to levy additional taxes during a fiscal year if it deems necessary
- o Attorney General may apply on behalf of Board for a Writ of Mandamus to direct implementation of Board's orders
- o Board's existence terminates when there are two consecutive balanced budgets and projected surpluses for the following 3 years; Board comes back into existence in the case of a deficit exceeding a specified size