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FISCAL NOTE (Form 3)
(Office of Fiscal Analysis)
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tk
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BILL NUMBER: SB 2016
FILE NUMBER:
AMENDMENTS: Senate "A" and "B"
and House "C"

Passed

TITLE: "AN ACT CONCERNING GRANTS IN LIEU OF TAXES ON STATE-OWNED REAL PROPERTY"

FAVORABLY REPORTED BY Emergency Certification

EFFECTIVE DATE: Various

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 2016

STATE IMPACT Implements a Provision in the Budget (General Fund and Bradley Enterprise Fund), see below; and Revenue Gain, Temporary and Permanent Loss of Asset Value, Minimal Cost, see explanation below

MUNICIPAL IMPACT Revenue Loss, see below; and Gain in Asset Value, see explanation below

STATE AGENCY(S) State Comptroller, Department of Housing, Office of Policy and Management, Various State Agencies

	Current FY	1992-93	1993-94
State Cost (savings)	:	:(2,227,631)	:
St Revenue (loss)	:	:	:
Net St Cost (savings)	:	:	:
Municipal Revenue	:	:(2,227,631)	:

EXPLANATION OF ESTIMATES:

STATE IMPACT: The bill as amended results in a State savings in the amount of \$2,227,631 reflected in SA 92-13, (the Appropriations Act) for fiscal year 1992-93. This savings results from limiting the PILOT grant payments to the amount appropriated rather than the statutory formula. The bill as amended requires the Bradley Enterprise Fund to reimburse the General Fund

for its portion of the PILOT grant (\$1,137,258) before September 15th. This allows the PILOT account to be net funded because it will receive the Bradley Enterprise Fund reimbursement prior to the disbursement of the grant on September 30th. Currently, the General Fund is reimbursed after the grant payment is made. In addition, funds in the amount of \$1,015,000 have been included within SA 93-13 (the Appropriations Act) for FY 1992-93 to be used by the Department of Housing for the administration of the Housing Partnership Program.

Senate "A" strikes the original bill and enacts the provisions mentioned above which implement a provision in the budget.

The passage of this bill as amended would also result in a variety of fiscal impacts on the State and municipalities that are described below. It authorizes 12 transactions involving the conveyance or exchange of State properties. All these transactions are subject to the review and approval of the State Properties Review Board, which can perform these reviews within existing appropriations.

House Amendment "C" makes these changes.

Section 6 requires the Secretary of Policy and Management to report to the Finance Committee on the total reduction in State grants in lieu of taxes resulting from the following property conveyances. This would result in minimal, absorbable costs.

Section 7 allows the Commissioner of Mental Retardation to lease lands at the Southbury Training School for agricultural purposes. Beginning June 1991, 354.5 acres has been leased to a farmer for agricultural purposes at a fee of \$225,000 to be paid in 40 installments over 10 years.

Section 8 authorizes the exchange of an 8-10 acre parcel of State land, under the care and control of the Commissioner of Environmental Protection, for a 17.73 acre parcel of land owned by the Town of Haddam. The Town of Haddam is required to pay all administrative costs incurred in the exchange, about \$1,000. It is assumed that the value of the properties would be similar.

Section 9 authorizes the Commissioner of Housing to convey the property at 82-102 Smith Street, Bridgeport to the Connecticut Housing Authority at a cost equal to the administrative costs of making the conveyance (about \$1,000). The property must be used for housing or it will revert to the State. The land is owned by the City of Bridgeport and the Connecticut Housing Authority currently manages the housing units.

Section 10 authorizes the Commissioner of Transportation to convey a 0.87 acre parcel of State land in Windsor to the Archer Memorial Evangelical Zion Church at a cost of \$65,000. This is the approximate fair market value of the land.

Section 11 authorizes the Commissioner of Public Works to convey a 4.1 acre parcel of State land in Middletown to the Shiloh Baptist Church at a cost equal to the administrative costs of making the conveyance (about \$1,000). The land must be used for the development of elderly housing, must conform to federal nondiscrimination requirements, and shall not be used for the teaching or practicing of religion by the Shiloh Baptist Church. If these provisions are violated, the property will continue to be leased to the Church per a 99 year lease signed July 27, 1973.

Section 12 amends the language in a State land conveyance authorized in SA 90-37. Land conveyed to Hartford for a "combined fire and police department headquarters" may also be used for a separate fire or police department headquarters.

Section 13 authorizes the Commissioner of Public Safety to convey a small parcel of State land in Bethany (less than one acre) to Sherman P. Woodward Jr. at a cost equal to the administrative costs of making the conveyance (about \$1,000). The parcel to be conveyed is part of a larger tract of land originally given to the State by Sherman P. Woodward Sr. for the construction of a State Police radio tower.

Section 14 authorizes the Commissioner of Education to convey the land and buildings of the Shoreline Technical School to the Town of Essex at a cost of \$1 (one dollar). The State would incur the administrative transfer costs of about \$1,000 and would lose the asset value of this property. Its value is estimated from \$2,000,000 to \$4,000,000. This would be the loss of asset value to the State. This is the gain in asset value to the Town of Essex.

Section 15 authorizes the Commissioner of Human Resources to convey the land (one third acre) and building at 374 Grand Avenue, New Haven to the Fair Haven Community Health Center at a cost equal to the administrative costs of making the conveyance (about \$1,000). The property must be used for health care services or it will revert to the State. Currently, Fair Haven leases the property from the State for \$1 (one dollar) per year. The fair market value of the property is not known.

Section 16 authorizes the Commissioner of Health Services to issue a permit to the Town of Portland for the sale of several tracts of land to the State of Connecticut, Commissioner of Environmental Protection. The lands are to be used as part of a State forest.

The cost to the State and the revenue gain to the Town of Portland cannot be determined at this time.

Section 17 authorizes the Commissioner of Transportation to convey a 4.45 acre parcel of State-owned land to the City of Hartford at a cost equal to the administrative costs of making such conveyance (about \$1,000). This site is better known as the Sisson Avenue parking lot, a paved, secured parking lot costing \$1,145,000 to construct in 1984 that was purchased by the Department of Public Works for \$2,000,000, circa 1988. This is the estimated fair market value. The lot is not currently being used, but is being considered for use in the near future due to a planned increase in the number of State employees in Hartford and due to efforts to reduce motor vehicle traffic in the Capitol area. The transaction is subject to the approval of the State Properties Review Board which will do this at minimal, absorbable cost. The land must be used for athletic facilities for Hartford Public High School, for recreational use or other municipal purposes or it shall revert to the State.

Sections 18 and 19 require the State to make two property transfers to the City of Meriden. The asset value cannot be determined at this time, but is not anticipated to be significant due to the size of tracts to be transferred. Section 16 requires the Commissioner of Public Safety to convey to the City of Meriden 3 parcels of State-owned land having a total area of less than one-quarter acre, at a cost equal to the administrative costs of making such conveyance (about \$1,000). Section 17 requires the Commissioner of Transportation to convey to the City of Meriden 2 parcels of State-owned land having a total area of less than one-quarter acre, at a cost equal to the administrative costs of making such conveyance (about \$1,000). Both of these transfers are subject to the review and approval of the State Properties Review Board. The parcels must be used for the purpose of widening the existing Lewis Avenue for they shall revert to the State.

MUNICIPAL IMPACT: This bill as amended results in a municipal revenue loss of \$2,227,631 by limiting the PILOT grant payment to the amount appropriated.

In addition, since the amount of Housing Partnership funds which eligible municipalities would receive will not change, the passage of this bill is not expected to have a fiscal impact on those municipalities.

Senate "A" strikes the original bill and implements the provisions mentioned above.

Senate "B" allows municipalities to fix property tax assessments for a period of up to 3 years to the extent of 50% of the increased assessment if the cost of the improvements to be constructed is not less than

\$100,000. The amendment also extends municipalities options to fix assessments of personal property located in manufacturing facilities. Since the legislation is enabling a fiscal impact cannot be determined.

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