

House of Representatives, April 14, 1998. The Committee on Appropriations reported through REP. DYSON, 94th DIST., Chairman of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT ADMINISTRATIVE OVERSIGHT CHARGES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-37tt of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:

4 (a) As used in this section, "administrative
5 oversight charge" means any fee payable to the
6 Department of Economic and Community Development
7 from sources other than (1) the proceeds from the
8 sale of the state's general obligation bonds or
9 (2) the housing repayment and revolving loan
10 program established pursuant to subsection (e) of
11 section 8-37qq, that is imposed to pay all or a
12 portion of the costs and expenses of the
13 Department of Economic and Community Development
14 in monitoring facilities developed with financial
15 assistance pursuant to any bond-financed state
16 housing program as defined in subsection (a) of
17 said section 8-37qq, and ensuring compliance with
18 requirements and restrictions applicable to such
19 facilities.

20 (b) The commissioner shall adopt regulations
21 in accordance with the provisions of chapter 54

22 describing procedures to be employed in
23 calculating administrative oversight charges and
24 establishing the amount of such charges.

25 (c) Notwithstanding the provisions of this
26 section or any regulations adopted thereunder, the
27 amount of the administrative oversight charge per
28 unit shall be as follows: (1) For the period from
29 July 1, 1997, to June 30, 1998, not more than
30 twelve dollars, [(2) for the period from July 1,
31 1998, to June 30, 1999, not more than seven
32 dollars and (3) on and after July 1, 1999, there
33 shall be no charge] AND (2) ON AND AFTER JULY 1,
34 1998, NOT MORE THAN FIVE DOLLARS.

35 Sec. 2. This act shall take effect July 1,
36 1998.

37 APP COMMITTEE VOTE: YEA 49 NAY 0 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER HB 5025

STATE IMPACT Implements a Provision in the Budget, see explanation below

MUNICIPAL IMPACT None

STATE AGENCY(S) Department of Economic and Community Development

EXPLANATION OF ESTIMATES:

STATE IMPACT: Funds, in the amount of \$565,884, have been included in sHB 5021 (the Appropriations Act, as favorably reported from the Appropriations Committee) for FY 1998-99 for the Department of Economic and Community Development. These funds will cover the shortfall for the 29 positions and associated expenses used in conducting audits on municipal housing projects. The total shortfall (\$773,132) also includes \$207,248 in fringe benefit costs. These costs represent the change in reducing the rate from \$12 to \$5. However, the actual cost for reducing the oversight charge from \$7 to \$5 in FY 1998-99 and maintaining the oversight program is approximately \$360,000. The savings to the state for potentially keeping the \$5 charge in FY 1999-00 instead of no charge is approximately \$1,000,000.

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OFA BILL ANALYSIS

HB 5025

**AN ACT CONCERNING DEPARTMENT OF ECONOMIC AND COMMUNITY
DEVELOPMENT ADMINISTRATIVE OVERSIGHT CHARGES**

SUMMARY: This bill would eliminate the July 1, 1999 phase-out of the administrative oversight fee. Current law sets the fee at not more than seven dollars per housing unit, per month from July 1, 1998 until June 30, 1999, the fee would be eliminated, July 1, 1999. As of July 1, 1998, the bill sets the fee at not more than five dollars per unit, per month.

EFFECTIVE DATE: July 1, 1998

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Report
Yea 49 Nay 0