

OFFICE OF FISCAL ANALYSIS

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sSB-9

AN ACT CONCERNING THE ENVIRONMENT, CLIMATE AND SUSTAINABLE MUNICIPAL AND STATE PLANNING, AND THE USE OF NEONICOTINOIDS AND SECOND-GENERATION ANTICOAGULANT RODENTICIDES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Energy and Environmental Protection	GF - Cost	75,000	75,000
State Comptroller - Fringe Benefits ¹	GF - Cost	26,462	26,462
Department of Energy and Environmental Protection	GF - Revenue Gain	Potential	Potential
Various State Agencies	GF - Potential Savings	See Below	See Below

Note: GF=General Fund

Municipal Impact: See below

Explanation

The bill results in various impacts that are described below.

Sections 6 and 7 expands a requirement for municipalities to apply coastal site review requirements to certain new construction. This may result in a potential cost to municipalities beginning in FY 26 associated with more reviews.

Section 8 prohibits any state entity from using state funds to

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

subsidize certain residential structures when the structure is located on a repetitive-loss property or within the floodway or coastal high-hazard area. This may result in a potential savings to various state agencies beginning in FY 26 to the extent less construction is subsidized.

Section 10 requires each municipality to submit a report of the culverts and bridges located within the municipality and outlines what must be included in the report, including geospatial data and any other information required by the Office of Policy and Management (OPM). This may result in a cost to various municipalities, likely beginning in FY 27 that is dependent on what information must be included in the report.

Section 11 expands allowable uses of municipal reserve funds. This may result in a municipality using its reserve funds more quickly beginning in FY 26.

Section 12 expands allowable uses of Town Aid Road (TAR) grants to include building, improving, and maintaining resiliency for roads, bridges, and related structures that may be impacted by increased precipitation, flooding, sea level rise, and extreme heat. This may result in a municipality using its TAR grant more quickly beginning in FY 26.

Sections 13 and 14 make changes to the requirements that must be included in municipalities' Plans of Conservation and Development (POCDs), including a climate change vulnerability assessment and use of geospatial (GIS) data, among others. These sections require any POCDs adopted after October 1, 2026, to include these new requirements.²

Beginning in FY 26, this may result in costs of up to \$20,000 for various municipalities to include the new requirements in their POCDs. Costs to municipalities will depend on what is needed to meet these requirements and may include technology, programs for GIS data, or

² Under current law, municipalities are required to update their plan of conservation and development at least once every ten years.

consultants.

These provisions may also result in a revenue loss to various municipalities to the extent they are unable to adopt the POCDs with the new requirements. Failure to do so, consistent with current law, results in a municipality becoming ineligible for discretionary state funding.³

Section 17, which requires the Department of Emergency Services and Public Protection (DESPP) to make several updates to the state civil preparedness plan, results in a cost of \$88,000 to DESPP and \$35,825 to the State Comptroller - Fringe Benefits beginning in FY 29. DESPP will need to hire one Emergency Management Program Specialist with a starting salary of \$88,000.

Sections 18 - 20, and 35 permit and outline the requirements for municipal zoning regulations to allow for a regional transfer of development rights system. Any fiscal impact is dependent on how land is used as a result.

Sections 23 - 32 establish and outline the powers of resiliency improvement districts that are similar to increment financing districts. The sections permit municipalities to establish these resiliency improvement districts and provide guidelines for how they can be used. The impact of these sections is dependent on how municipalities use the districts.

The sections require municipalities that establish a resiliency improvement district to first develop a district master plan and financial plan. This results in a potential cost to municipalities to develop these plans. There is an additional, minimal cost to municipalities that choose to establish these districts associated with holding a public hearing. A municipality may also incur costs by issuing bonds for various

³ Discretionary state funding includes, but is not limited to, any source of funding that a state agency administers through a competitive process. This may include: the Urban Action Program and Small-Town Economic Assistance Program.

economic development projects.

The sections also allow municipalities to fix the assessment of certain properties within a resiliency improvement district. This would preclude any grand list growth resulting from an increase in the assessment of the property.

Municipalities may also impose benefits assessments on real property in the district that benefits from public improvements. This may result in a potential revenue gain to municipalities that is dependent on what the change in assessed value is as a result of the improvements.

The sections require municipalities to: (1) replace any affordable housing units within the district that are demolished or reduced as a result of a resiliency improvement project, or (2) replace two units for each affordable unit that was demolished or reduced if they have to be relocated outside of the district boundary. This results in a potential cost to municipalities to the extent that affordable housing units are demolished.

Sections 33 and 34 require, by January 1, 2026, the Department of Energy and Environmental Protection (DEEP) commissioner to classify all second-generation anticoagulant rodenticides for restricted use and bans (with certain exceptions) selling, possessing, or using a pesticide that has any neonicotinoid. DEEP does not currently have the staff available to complete and enforce the provisions contained within the bill and would require one new full-time Environmental Analyst 2. The additional full-time position would result in an annual salary of \$65,000 (corresponding fringe benefits of \$26,462) and approximately \$10,000 in other expenses (including a computer, cellphone, and supplies for monitoring and reporting).

Additionally, these sections make a violation of the ban on neonicotinoids subject to a civil penalty of up to \$2,500 per violation, resulting in a potential revenue gain to the General Fund beginning in FY 26. The extent of the revenue gain depends on the number of

violations and the amount of each fine collected.

The bill includes various other requirements that do not result in a fiscal impact to the state or municipalities.

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, how municipalities choose to use the resiliency improvement districts, and the terms of any bonds issued.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, how municipalities choose to use the resiliency improvement districts, and the terms of any bonds issued.

The impact to DESPP is expected to begin in FY 29 and will result in an annual cost of \$88,000 and corresponding fringe benefit costs.