



General Assembly

January Session, 2025

***Raised Bill No. 7151***

LCO No. 5671



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:  
(PD)

***AN ACT REQUIRING THE OFFICE OF POLICY AND MANAGEMENT  
TO PROVIDE TECHNICAL ASSISTANCE TO CERTAIN  
MUNICIPALITIES.***

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

1 Section 1. Section 4-66l of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) For the purposes of this section:

4 (1) "FY 15 mill rate" means the mill rate a municipality used during  
5 the fiscal year ending June 30, 2015;

6 (2) "Mill rate" means, unless otherwise specified, the mill rate a  
7 municipality uses to calculate tax bills for motor vehicles;

8 (3) "Municipality" means any town, city, consolidated town and city  
9 or consolidated town and borough;

10 (4) "Municipal spending" means:

T1           Municipal                      Municipal

T2            spending for            spending for  
T3            the fiscal year       -       the fiscal year  
T4            prior to the            two years  
T5            current fiscal           prior to the  
T6            year                    current year  
T7            \_\_\_\_\_ X 100 = Municipal spending;  
T8            Municipal spending for the fiscal  
T9            year two years prior to the  
T10          current year

11    "Municipal spending" does not include expenditures for debt service,  
12    special education, implementation of court orders or arbitration awards,  
13    expenditures associated with a major disaster or emergency declaration  
14    by the President of the United States, a disaster emergency declaration  
15    issued by the Governor pursuant to chapter 517 or any disbursement  
16    made to a district pursuant to subsection (c) or (e) of this section,  
17    budgeting for an audited deficit, nonrecurring grants, capital  
18    expenditures or payments on unfunded pension liabilities.

19        (5) "Per capita distribution" means:

T11          Municipal population  
T12          \_\_\_\_\_ X Sales tax revenue = Per capita distribution;  
T13          Total state population

20        (6) "Pro rata distribution" means:

T14          Municipal weighted  
T15          mill rate  
T16          calculation  
T17          \_\_\_\_\_ X Sales tax revenue = Pro rata distribution;  
T18          Sum of all municipal  
T19          weighted mill rate

T20        calculations combined

21        (7) "Regional council of governments" means any such council  
22        organized under the provisions of sections 4-124i to 4-124p, inclusive;

23        (8) "Municipal population" means the number of persons in a  
24        municipality according to the most recent estimate of the Department of  
25        Public Health;

26        (9) "Total state population" means the number of persons in this state  
27        according to the most recent estimate published by the Department of  
28        Public Health;

29        (10) "Weighted mill rate" means a municipality's FY 15 mill rate  
30        divided by the average of all municipalities' FY 15 mill rate;

31        (11) "Weighted mill rate calculation" means per capita distribution  
32        multiplied by a municipality's weighted mill rate;

33        (12) "Sales tax revenue" means the moneys in the account remaining  
34        for distribution pursuant to subdivision (3) of subsection (b) of this  
35        section;

36        (13) "District" means any district, as defined in section 7-324; [and]

37        (14) "Secretary" means the Secretary of the Office of Policy and  
38        Management;

39        (15) "Adopted budget expenditures" means any expenditure from a  
40        municipality's general fund or any nonbudgeted funds; and

41        (16) "Capital expenditure" means a nonrecurring capital expenditure  
42        of one hundred thousand dollars or more.

43        (b) There is established an account to be known as the "municipal  
44        revenue sharing account" which shall be a separate, nonlapsing account  
45        within the General Fund. The account shall contain any moneys

46 required by law to be deposited in the account. The secretary shall set  
47 aside and ensure availability of moneys in the account in the following  
48 order of priority and shall transfer or disburse such moneys as follows:

49 (1) For the fiscal years ending June 30, 2022, and June 30, 2023,  
50 moneys sufficient to make motor vehicle property tax grants payable to  
51 municipalities pursuant to subsection (c) of this section shall be  
52 expended not later than August first annually by the secretary;

53 (2) For the fiscal years ending June 30, 2022, and June 30, 2023,  
54 moneys sufficient to make the grants payable pursuant to subsection (d)  
55 of section 12-18b, subdivisions (1) and (3) of subsection (e) of section 12-  
56 18b, subsection (b) of section 12-19b and subsections (b) and (c) of  
57 section 12-20b shall be expended by the secretary; and

58 (3) For the fiscal years ending June 30, 2022, and June 30, 2023,  
59 moneys in the account remaining shall be expended annually by the  
60 secretary for the purposes of the municipal revenue sharing grants  
61 established pursuant to subsection (d) of this section. Any such moneys  
62 deposited in the account for municipal revenue sharing grants,  
63 including moneys accrued to the account during each fiscal year but  
64 received after the end of such fiscal year, shall be distributed to  
65 municipalities not later than October first following the end of each  
66 fiscal year. Any municipality may apply to the Office of Policy and  
67 Management on or after July first for early disbursement of a portion of  
68 such grant. The Office of Policy and Management may approve such an  
69 application if it finds that early disbursement is required in order for a  
70 municipality to meet its cash flow needs. No early disbursement  
71 approved by said office may be issued later than September thirtieth.

72 (c) (1) For the fiscal year ending June 30, 2022, motor vehicle property  
73 tax grants to municipalities that impose mill rates on real property and  
74 personal property other than motor vehicles greater than 45 mills or  
75 that, when combined with the mill rate of any district located within the  
76 municipality, impose mill rates greater than 45 mills, shall be made in

77 an amount equal to the difference between the amount of property taxes  
78 levied by the municipality and any district located within the  
79 municipality on motor vehicles for the assessment year commencing  
80 October 1, 2017, and the amount such levy would have been if the mill  
81 rate on motor vehicles for said assessment year was equal to the mill  
82 rate imposed by such municipality and any district located within the  
83 municipality on real property and personal property other than motor  
84 vehicles.

85 (2) Not later than fifteen calendar days after receiving a property tax  
86 grant pursuant to this section, the municipality shall disburse to any  
87 district located within the municipality the amount of any such property  
88 tax grant that is attributable to the district.

89 (3) For the fiscal year ending June 30, 2023, and each fiscal year  
90 thereafter, motor vehicle property tax grants shall be made to:

91 (A) Municipalities that imposed mill rates greater than 32.46 mills on  
92 real property and personal property other than motor vehicles for the  
93 preceding fiscal year, in an amount equal to the difference between (i)  
94 the amount of property taxes the municipality would have levied on  
95 motor vehicles for the preceding fiscal year if the mill rate imposed on  
96 motor vehicles for such year was 32.46 mills, and (ii) the amount of  
97 property taxes the municipality would have levied on motor vehicles  
98 for the preceding fiscal year if the mill rate imposed on motor vehicles  
99 for such year was equal to the mill rate imposed on real property and  
100 personal property other than motor vehicles for such year; and

101 (B) Districts that imposed mill rates that, when combined with the  
102 mill rate of the municipality in which the district is located, were greater  
103 than 32.46 mills on real property and personal property other than  
104 motor vehicles for the preceding fiscal year, in an amount equal to the  
105 difference between (i) the amount of property taxes the district would  
106 have levied on motor vehicles for the preceding fiscal year if the mill  
107 rate imposed on motor vehicles for such year, when combined with the

108 mill rate imposed on motor vehicles for such year by the municipality  
109 in which the district is located, was 32.46 mills, and (ii) the amount of  
110 property taxes the district would have levied on motor vehicles for the  
111 preceding fiscal year if the mill rate imposed on motor vehicles for such  
112 year, when combined with the mill rate imposed on motor vehicles for  
113 such year by the municipality in which the district is located, was equal  
114 to the mill rate imposed by the district on real property and personal  
115 property other than motor vehicles for such year.

116 (d) For the fiscal year ending June 30, 2020, and each fiscal year  
117 thereafter, each municipality shall receive a municipal revenue sharing  
118 grant as follows:

119 (1) (A) A municipality having a mill rate at or above twenty-five shall  
120 receive the per capita distribution or pro rata distribution, whichever is  
121 higher for such municipality.

122 (B) Such grants shall be increased by a percentage calculated as  
123 follows:

T21	Sum of per capita distribution amount
T22	for all municipalities having a mill rate
T23	below twenty-five – pro rata distribution
T24	amount for all municipalities
T25	having a mill rate below twenty-five
T26	<hr/>
T27	Sum of all grants to municipalities
T28	calculated pursuant to subparagraph (A)
T29	of subdivision (1) of this subsection.

124 (C) Notwithstanding the provisions of subparagraphs (A) and (B) of  
125 this subdivision, Hartford shall receive not more than 5.2 per cent of the  
126 municipal revenue sharing grants distributed pursuant to this  
127 subsection; Bridgeport shall receive not more than 4.5 per cent of the  
128 municipal revenue sharing grants distributed pursuant to this

129 subsection; New Haven shall receive not more than 2.0 per cent of the  
130 municipal revenue sharing grants distributed pursuant to this  
131 subsection and Stamford shall receive not more than 2.8 per cent of the  
132 equalization grants distributed pursuant to this subsection. Any excess  
133 funds remaining after such reductions in payments to Hartford,  
134 Bridgeport, New Haven and Stamford shall be distributed to all other  
135 municipalities having a mill rate at or above twenty-five on a pro rata  
136 basis according to the payment they receive pursuant to this  
137 subdivision; and

138       (2) A municipality having a mill rate below twenty-five shall receive  
139 the per capita distribution or pro rata distribution, whichever is less for  
140 such municipality.

141       (3) For the purposes of this subsection, "mill rate" means the mill rate  
142 for real property and personal property other than motor vehicles.

143       (e) Except as provided in subsection (c) of this section, a municipality  
144 may disburse any municipal revenue sharing grant funds to a district  
145 within such municipality.

146       (f) (1) Except as provided in subdivision (2) of this subsection, for the  
147 fiscal year ending June 30, 2018, and each fiscal year thereafter, the  
148 amount of the grant payable to a municipality in any year in accordance  
149 with subsection (d) of this section shall be reduced if such municipality  
150 increases its adopted budget expenditures for such fiscal year above a  
151 cap equal to the amount of adopted budget expenditures authorized for  
152 the previous fiscal year by 2.5 per cent or more or the rate of inflation,  
153 whichever is greater. Such reduction shall be in an amount equal to fifty  
154 cents for every dollar expended over the cap set forth in this subsection.  
155 [For the purposes of this section, (A) "municipal spending" does not  
156 include expenditures for debt service, special education,  
157 implementation of court orders or arbitration awards, expenditures  
158 associated with a major disaster or emergency declaration by the  
159 President of the United States, a disaster emergency declaration issued

160 by the Governor pursuant to chapter 517 or any disbursement made to  
161 a district pursuant to subsection (c) or (e) of this section, budgeting for  
162 an audited deficit, nonrecurring grants, capital expenditures or  
163 payments on unfunded pension liabilities, (B) "adopted budget  
164 expenditures" includes expenditures from a municipality's general fund  
165 and expenditures from any nonbudgeted funds, and (C) "capital  
166 expenditure" means a nonrecurring capital expenditure of one hundred  
167 thousand dollars or more.] Each municipality shall annually certify to  
168 the secretary, on a form prescribed by [said] the secretary, whether such  
169 municipality has exceeded the cap set forth in this subsection, and if so,  
170 the amount by which the cap was exceeded by such municipality, except  
171 that in any fiscal year for which the secretary publishes a list of  
172 payments made to municipalities by state agencies on the Internet web  
173 site of the Office of Policy and Management, such certification shall not  
174 be required.

175 (2) For the fiscal year ending June 30, 2018, and each fiscal year  
176 thereafter, the amount of the grant payable to a municipality in any year  
177 in accordance with subsection (d) of this section shall not be reduced in  
178 the case of a municipality whose adopted budget expenditures exceed  
179 the cap set forth in subdivision (1) of this subsection by an amount  
180 proportionate to any increase to its municipal population from the  
181 previous fiscal year, as determined by the secretary.

182 (g) For the fiscal years ending June 30, 2020, to June 30, 2023,  
183 inclusive, the amount of the grant payable to a municipality in any year  
184 in accordance with subsection (d) of this section shall be reduced  
185 proportionately [in the event that] if the total of such grants in such year  
186 exceeds the amount available for such grants in the municipal revenue  
187 sharing account established pursuant to subsection (b) of this section.

188 (h) For the fiscal year ending June 30, 2025, and each fiscal year  
189 thereafter, the secretary shall provide technical assistance upon request  
190 to any municipality that receives a grant pursuant to subsection (c) of  
191 this section for the purpose of assisting such municipality in



192 determining such municipality's eligibility for such grant in subsequent  
193 fiscal years.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2025</i>	<i>4-66l</i>
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***Statement of Purpose:***

To require the Office of Policy and Management to provide technical assistance to municipalities that receive grants for revenue lost as a result of the motor vehicle mill rate cap.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*