



General Assembly

Substitute Bill No. 7151

January Session, 2025



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 Section 4-66l of the general statutes is repealed and the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	
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] subdivisions (2) and (3) of
147 this subsection, for the fiscal year ending June 30, 2018, and each fiscal
148 year thereafter, the amount of the grant payable to a municipality in any
149 year in accordance with subsection (d) of this section shall be reduced if
150 such municipality increases its adopted budget expenditures for such
151 fiscal year above a cap equal to the amount of adopted budget
152 expenditures authorized for the previous fiscal year by 2.5 per cent or
153 more or the rate of inflation, whichever is greater. Such reduction shall
154 be in an amount equal to fifty cents for every dollar expended over the
155 cap set forth in this subsection. [For the purposes of this section, (A)
156 "municipal spending" does not include expenditures for debt service,
157 special education, implementation of court orders or arbitration awards,
158 expenditures associated with a major disaster or emergency declaration
159 by the President of the United States, a disaster emergency declaration
160 issued by the Governor pursuant to chapter 517 or any disbursement
161 made to a district pursuant to subsection (c) or (e) of this section,
162 budgeting for an audited deficit, nonrecurring grants, capital
163 expenditures or payments on unfunded pension liabilities, (B) "adopted
164 budget expenditures" includes expenditures from a municipality's
165 general fund and expenditures from any nonbudgeted funds, and (C)
166 "capital expenditure" means a nonrecurring capital expenditure of one
167 hundred thousand dollars or more.] Each municipality shall annually
168 certify to the secretary, on a form prescribed by [said] the secretary,
169 whether such municipality has exceeded the cap set forth in this
170 subsection, and if so, the amount by which the cap was exceeded by

171 such municipality, except that in any fiscal year for which the secretary
 172 publishes a list of payments made to municipalities by state agencies on
 173 the Internet web site of the Office of Policy and Management, such
 174 certification shall not 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 (3) For the fiscal year ending June 30, 2026, the amount of the grant
 183 payable to a municipality in accordance with subsection (d) of this
 184 section shall not be reduced in the case of a municipality whose adopted
 185 budget expenditures exceed the cap set forth in subdivision (1) of this
 186 subsection.

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

193 (h) For the fiscal year ending June 30, 2025, and each fiscal year
 194 thereafter, the secretary shall provide technical assistance upon request
 195 to any municipality that receives a grant pursuant to subsection (c) of
 196 this section for the purpose of assisting such municipality in
 197 determining such municipality's eligibility for such grant in subsequent
 198 fiscal years.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	October 1, 2025	4-66l
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PD *Joint Favorable Subst.*