
OLR Bill Analysis

sHB 7151

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

SUMMARY

Current law generally requires the Office of Policy and Management (OPM) to reduce a municipality's municipal revenue sharing grant if the municipality's budget expenditures exceed the statutory spending cap (see BACKGROUND). For FY 26, this bill prohibits OPM from doing so.

The bill also requires the OPM secretary, upon a municipality's request, to give the municipality technical assistance to help it determine whether it will continue to be eligible for a motor vehicle property tax grant in subsequent fiscal years. The secretary must provide this assistance for FY 25, as well as future years. (These grants reimburse municipalities for some of the lost revenue attributable to the motor vehicle mill rate cap.)

Lastly, the bill also makes minor and technical changes to reorganize certain defined terms.

EFFECTIVE DATE: October 1, 2025

BACKGROUND

Municipal Spending Cap

The cap is the greater of the inflation rate or 2.5% or more of the prior fiscal year's "adopted budget expenditures" (spending from a municipality's general fund and any nonbudgeted funds). Municipalities that increase their general budget expenditures over the previous fiscal year by an amount that exceeds this cap receive a reduced revenue sharing grant. The reduction is equal to 50 cents for every dollar the municipality spends over the cap (CGS § 4-661(f)).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/28/2025)