

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

SB-134

AN ACT ESTABLISHING AN AIRPORT DEVELOPMENT ZONE IN  
THE TOWN OF PLAINVILLE.

## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Policy & Mgmt., Off.	GF - Potential Cost	None	See Below

Note: GF=General Fund

### ***Municipal Impact:***

Municipalities	Effect	FY 27 \$	FY 28 \$
Plainville	Potential Revenue Gain	None	See Below
Plainville	Grand List Reduction	None	See Below

## ***Explanation***

The bill establishes an airport development zone in Plainville. This may result in a grand list reduction to Plainville beginning in FY 28 associated with additional property tax exemptions for which this zone will become eligible.<sup>1</sup>

Any revenue loss to Plainville resulting from these exemptions may be partially offset by the Distressed Municipalities grant program, which reimburses municipalities for 50% of the tax loss resulting from these exemptions, for a five-year period.

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<sup>1</sup> A grand list reduction results in a revenue loss, given a constant mill rate. It is expected that a municipality will adjust its mill rate to offset any revenue loss.

The bill may also result in an increased cost to the Office of Policy and Management to the extent additional funds are paid out of the Distressed Municipalities grant. This amount will be dependent on the revenue loss claims by Plainville.<sup>2</sup>

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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<sup>2</sup> While the grant may be proportionately reduced when the appropriation or bond authorization is insufficient for full funding, the grant is currently fully funded.