



AN ACT CREATING AN ECONOMIC DEVELOPMENT PROGRAM FOR SMALL TOWNS.

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

- 1 Section 1. (NEW) (a) As used in this section :
- 2 (1) "Economic development project" means a business development
3 project, as defined in section 32-222 of the general statutes, cultural
4 heritage projects and downtown improvements; and
- 5 (2) "Small town" means a municipality that is not classified as a
6 public investment community pursuant to section 7-545 of the general
7 statutes and does not qualify for financial assistance under section 4-
8 66c of the general statutes.
- 9 (b) There is established within the Department of Economic and
10 Community Development a program providing grants for economic
11 development projects in small towns that are identified in a plan of
12 economic development that has been approved by the resolution of the
13 legislative body of the small town.
- 14 (c) During the six-month period beginning July 1, 2001, small towns
15 may submit an application in the form and manner prescribed by the
16 Commissioner of Economic and Community Development. Each
17 application shall include a plan of economic development for the small
18 town that has been approved by resolution of the legislative body of

19 such small town and that identifies specific economic development
20 projects.

21 (d) On or before January 1, 2002, the commissioner shall review all
22 applications timely received pursuant to this section, may approve
23 such applications and provide grants to small towns for economic
24 development projects. Grants may be used for strategic economic
25 development planning, downtown revitalization, infrastructure
26 improvements critical to economic development and historic or
27 cultural assets linked to economic development. In approving grants
28 under this section the commissioner may take into account the
29 differing needs of small towns, the need for consistency and equity in
30 the distribution of grant awards and the extent to which particular
31 economic development projects may advance the purposes of this
32 section.

33 (e) A small town may use grants awarded under this section for
34 grants, loans or micro-loans for economic development projects
35 identified in the plan submitted under this section.

36 Sec. 2. (a) For the purposes described in subsection (b) of this
37 section, the State Bond Commission shall have the power, from time to
38 time, to authorize the issuance of bonds of the state in one or more
39 series and in principal amounts not exceeding in the aggregate fifty
40 million dollars.

41 (b) The proceeds of the sale of said bonds, to the extent of the
42 amount stated in subsection (a) of this section, shall be used by the
43 Department of Economic and Community Development for the
44 purpose of financial assistance to small towns pursuant to section 1 of
45 this act.

46 (c) All provisions of section 3-20 of the general statutes, or the
47 exercise of any right or power granted thereby, which are not
48 inconsistent with the provisions of this section are hereby adopted and
49 shall apply to all bonds authorized by the State Bond Commission
50 pursuant to this section, and temporary notes in anticipation of the

51 money to be derived from the sale of any such bonds so authorized
52 may be issued in accordance with said section 3-20 and from time to
53 time renewed. Such bonds shall mature at such time or times not
54 exceeding twenty years from their respective dates as may be provided
55 in or pursuant to the resolution or resolutions of the State Bond
56 Commission authorizing such bonds. None of said bonds shall be
57 authorized except upon a finding by the State Bond Commission that
58 there has been filed with it a request for such authorization which is
59 signed by or on behalf of the Secretary of the Office of Policy and
60 Management and states such terms and conditions as said commission,
61 in its discretion, may require. Said bonds issued pursuant to this
62 section shall be general obligations of the state and the full faith and
63 credit of the state of Connecticut are pledged for the payment of the
64 principal of and interest on said bonds as the same become due, and
65 accordingly and as part of the contract of the state with the holders of
66 said bonds, appropriation of all amounts necessary for punctual
67 payment of such principal and interest is hereby made, and the State
68 Treasurer shall pay such principal and interest as the same become
69 due.

70 Sec. 3. This act shall take effect July 1, 2001.

PD **JOINT FAVORABLE SUBST.**