



General Assembly

February Session, 2002

**Raised Bill No. 313**

LCO No. 1385

Referred to Committee on Planning and Development

Introduced by:  
(PD)

**AN ACT CONCERNING FUNDING FOR NITROGEN REMOVAL PROJECTS.**

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

1 Section 1. Subsection (c) of section 22a-478 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2002*):

4 (c) The funding of an eligible water quality project shall be pursuant  
5 to a project funding agreement between the state, acting by and  
6 through the commissioner, and the municipality undertaking such  
7 project and shall be evidenced by a project fund obligation or grant  
8 account loan obligation, or both, or an interim funding obligation of  
9 such municipality issued in accordance with section 22a-479. A project  
10 funding agreement shall be in a form prescribed by the commissioner.  
11 A nonpoint source pollution abatement project shall receive a project  
12 grant of seventy-five per cent of the cost of the project determined to  
13 be eligible by the commissioner. A combined sewer project shall  
14 receive (1) a project grant of fifty per cent of the cost of the project,  
15 which cost shall be the cost the federal Environmental Protection  
16 Agency uses in making grants pursuant to Part 35 of the federal

17 Construction Grant Regulations and Titles II and VI of the federal  
18 Water Pollution Control Act, as amended; and (2) a loan for the  
19 remainder of the costs of the project, not exceeding one hundred per  
20 cent of the eligible water quality project costs. A construction contract  
21 eligible for financing awarded by a municipality on or after July 1,  
22 1999, as a project undertaken for nitrogen removal shall receive a  
23 project grant of thirty per cent of the cost of the project associated with  
24 nitrogen removal and a loan for the remainder of the costs of the  
25 project, not exceeding one hundred per cent of the eligible water  
26 quality project costs. Nitrogen removal projects under design or  
27 construction on July 1, 1999, and projects that have been constructed  
28 but have not received permanent, clean water fund financing, on July  
29 1, 1999, shall be eligible to receive a [thirty] fifty per cent grant. Any  
30 other eligible water quality project shall receive (A) a project grant of  
31 twenty per cent of the cost, which cost shall be the cost the federal  
32 Environmental Protection Agency uses for grants pursuant to said Part  
33 35 and said Titles II and VI, and (B) a loan for the remainder of the  
34 costs of the project, not exceeding one hundred per cent of the eligible  
35 project cost. On or after fiscal year 2007, all eligible water quality  
36 projects eligible for funding shall receive a loan of one hundred per  
37 cent of the eligible costs and shall not receive a project grant. All loans  
38 made in accordance with the provisions of this section for an eligible  
39 water quality project shall bear an interest rate of two per cent per  
40 annum. The commissioner may allow any project fund obligation,  
41 grant account loan obligation or interim funding obligation for an  
42 eligible water quality project to be repaid by a borrowing municipality  
43 prior to maturity without penalty.

This act shall take effect as follows:	
Section 1	July 1, 2002

**Statement of Purpose:**

To increase the municipal share of nitrogen removal grants under the Clean Water Fund from thirty to fifty per cent.

*[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.]*