



General Assembly

**Substitute Bill No. 315**

February Session, 2002

**AN ACT CONCERNING SHORT TERM BORROWING BY MUNICIPALITIES.**

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

1 Section 1. Section 7-378a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 Notwithstanding the provisions of sections 7-264 and 7-378, and any  
4 other public or special act or charter which limits the renewal of  
5 temporary notes issued in anticipation of the receipt of the proceeds of  
6 bond issues to two years or any lesser period of time from the date of  
7 the original notes, any municipality, as defined in section 7-369, may  
8 renew any temporary notes for a period of not more than [four] eight  
9 years from the date of the original issue of such temporary notes if the  
10 municipality promptly applies all project grant payments toward  
11 project costs or toward payment of such temporary notes as the same  
12 shall become due and payable or deposits such grants in trust for such  
13 purposes and if the legislative body of such municipality (1) authorizes  
14 the inclusion in the annual budget for each year or otherwise  
15 appropriates sufficient sums, from funds other than project grants or  
16 note proceeds, to retire notes equal to at least one-twentieth of the  
17 town's estimated net cost of the project no later than three years from  
18 the date of the original issue of such temporary notes and again [no  
19 later than four years from the date of the original issue of such  
20 temporary notes] for each subsequent year during which such

