



General Assembly

Amendment

February Session, 2002

LCO No. 5662

HB0567305662HD0

Offered by:

REP. PAWELKIEWICZ, 49th Dist.

To: Subst. House Bill No. 5673

File No. 534

Cal. No. 348

**"AN ACT CONCERNING MUNICIPAL POWERS TO CORRECT
ERRORS RELATED TO DELINQUENT PROPERTY TAXES."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 8-134 of the general statutes, as amended by
4 section 2 of public act 01-179, is repealed and the following is
5 substituted in lieu thereof (*Effective July 1, 2002*):

6 For the purpose of carrying out or administering a redevelopment
7 plan or other functions authorized under this chapter, a municipality,
8 acting by and through its redevelopment agency, is hereby authorized,
9 subject only to the limitations and procedures set forth in this section,
10 to issue from time to time bonds of the municipality which are payable
11 solely from and secured by: (a) A pledge of and lien upon any or all of
12 the income, proceeds, revenues and property of redevelopment
13 projects, including the proceeds of grants, loans, advances or
14 contributions from the federal government, the state or other source,
15 including financial assistance furnished by the municipality or any
16 other public body pursuant to section 8-135; (b) taxes or payments in

17 lieu of taxes, or both, in whole or in part, allocated to and paid into a
18 special fund of the municipality pursuant to the provisions of section
19 8-134a; or (c) any combination of the methods in subsections (a) and (b)
20 of this section. For the purposes of a specified project only, the
21 Connecticut Development Authority may, upon a resolution with
22 respect to such project adopted by the legislative body of the
23 municipality, issue and administer bonds which are payable solely or
24 in part from and secured by the pledge and security provided for in
25 this section subject to the general terms and provisions of law
26 applicable to the issuance of bonds by the Connecticut Development
27 Authority, except that the provisions of subsection (b) of section 32-23j
28 shall not apply. Any bonds payable and secured as provided in this
29 section shall be authorized by a resolution adopted by the legislative
30 body of the municipality, notwithstanding the provisions of any other
31 statute, local law or charter governing the authorization and issuance
32 of bonds generally by the municipality. No such resolution shall be
33 adopted until after a public hearing has been held upon such
34 authorization. Notice of such hearing shall be published not less than
35 five days prior to such hearing in a newspaper having a general
36 circulation in the municipality. Such bonds shall be issued and sold in
37 such manner; bear interest at such rate or rates, including variable
38 rates to be determined in such manner as set forth in the proceedings
39 authorizing the issuance of the bonds; provide for the payment of
40 interest on such dates, whether before or at maturity; be issued at,
41 above or below par; mature at such time or times not exceeding forty
42 years from their date in the case of bonds issued to finance housing
43 and facilities related thereto or thirty years from their date in all other
44 cases; have such rank or priority; be payable in such medium of
45 payment; be issued in such form, including, without limitation,
46 registered or book-entry form, carry such registration and transfer
47 privileges and be made subject to purchase or redemption before
48 maturity at such price or prices and under such terms and conditions,
49 including the condition that such bonds be subject to purchase or
50 redemption on the demand of the owner thereof; and contain such
51 other terms and particulars as the legislative body of the municipality

52 or the officers delegated such authority by the legislative body of the
53 municipality body shall determine. Notwithstanding the provisions of
54 the general statutes or any special act, charter or home rule ordinance,
55 a municipality may authorize deferment of the principal for not more
56 than five years and a repayment schedule based on the occupancy of
57 the project. The proceedings under which bonds are authorized to be
58 issued may, subject to the provisions of the general statutes, contain
59 any or all of the following: (1) Provisions respecting custody of the
60 proceeds from the sale of the bonds and any bond anticipation notes,
61 including any requirements that such proceeds be held separate from
62 or not be commingled with other funds of the municipality; (2)
63 provisions for the investment and reinvestment of bond proceeds until
64 such proceeds are used to pay project costs and for the disposition of
65 any excess bond proceeds or investment earnings thereon; (3)
66 provisions for the execution of reimbursement agreements, or similar
67 agreements, in connection with credit facilities, including, but not
68 limited to, letters of credit or policies of bond insurance, remarketing
69 agreements and agreements for the purpose of moderating interest
70 rate fluctuations; (4) provisions for the collection, custody, investment,
71 reinvestment and use of the pledged revenues or other receipts, funds
72 or moneys pledged for payment of bonds as provided in this section;
73 (5) provisions regarding the establishment and maintenance of
74 reserves, sinking funds and any other funds and accounts as shall be
75 approved by the legislative body of the municipality in such amounts
76 as may be established by the legislative body of the municipality and
77 the regulation and disposition thereof, including requirements that any
78 such funds and accounts be held separate from or not be commingled
79 with other funds of the municipality; (6) covenants for the
80 establishment of maintenance requirements with respect to facilities
81 and properties; (7) provisions for the issuance of additional bonds on a
82 parity with bonds issued prior to the issuance of such additional
83 bonds, including establishment of coverage requirements with respect
84 to such bonds as herein provided; (8) provisions regarding the rights
85 and remedies available to the bond owners, note owners or any trustee
86 under any contract, loan agreement, document, instrument or trust

87 indenture in case of a default, including the right to appoint a trustee
88 to represent their interests upon occurrence of any event of default, as
89 defined in any such default proceedings, provided that if any bonds or
90 bond anticipation notes are secured by a trust indenture, the respective
91 owners of such bonds or notes shall have no authority except as set
92 forth in such trust indenture to appoint a separate trustee to represent
93 them; and (9) other provisions or covenants of like or different
94 character from the foregoing which are consistent with this section and
95 which the legislative body of the municipality determines in such
96 proceedings are necessary, convenient or desirable in order to better
97 secure the bonds or bond anticipation notes, or will tend to make the
98 bonds or bond anticipation notes more marketable, and which are in
99 the best interests of the municipality. Any provisions which may be
100 included in proceedings authorizing the issuance of bonds under this
101 section may be included in an indenture of trust duly approved in
102 accordance with this section which secures the bonds and any notes
103 issued in anticipation thereof, and in such case the provisions of such
104 indenture shall be deemed to be a part of such proceedings as though
105 they were expressly included therein. Any pledge made by the
106 municipality shall be valid and binding from the time when the pledge
107 is made, and any revenues or other receipts, funds or moneys so
108 pledged and thereafter received by the municipality shall be subject
109 immediately to the lien of such pledge without any physical delivery
110 thereof or further act. The lien of any such pledge shall be valid and
111 binding as against all parties having claims of any kind in tort, contract
112 or otherwise against the municipality, irrespective of whether such
113 parties have notice of such lien. Neither the resolution nor any other
114 instrument by which a pledge is created need be recorded. The
115 legislative body of the municipality may enter into a trust indenture by
116 and between the municipality and a corporate trustee, which may be
117 any trust company or bank having the powers of a trust company
118 within or without the municipality. Such trust indenture may contain
119 such provisions for protecting and enforcing the rights and remedies
120 of the bond owners and note owners as may be reasonable and proper
121 and not in violation of law, including covenants setting forth the duties

122 of the municipality in relation to the exercise of its powers pursuant to
123 this section and the custody, safeguarding and application of all
124 moneys. The municipality may provide by such trust indenture for the
125 payment of the pledged revenues or other receipts, funds or moneys to
126 the trustee under such trust indenture or to any other depository, and
127 for the method of disbursement thereof, with such safeguards and
128 restrictions as it may determine. All expenses incurred in carrying out
129 such trust indenture may be treated as project costs. Such bonds shall
130 not be included in computing the aggregate indebtedness of the
131 municipality, provided, if such bonds are made payable, in whole or in
132 part, from funds contracted to be advanced by the municipality, the
133 aggregate amount of such funds not yet appropriated to such purpose
134 shall be included in computing the aggregate indebtedness of the
135 municipality. As used in this section, "bonds" means any bonds,
136 including refunding bonds, notes, interim certificates, debentures or
137 other obligations. For purposes of this section and section 8-134a,
138 references to the Connecticut Development Authority shall include
139 any subsidiary of the Connecticut Development Authority established
140 pursuant to subsection (l) of section 32-11a.

141 Sec. 2. Subsection (a) of section 8-192 of the general statutes is
142 repealed and the following is substituted in lieu thereof (*Effective July*
143 *1, 2002*):

144 (a) For the purpose of carrying out or administering a development
145 plan or other functions authorized under this chapter, a municipality,
146 acting by and through its development agency, is authorized, subject
147 only to the limitations and procedures set forth in this section, to issue
148 from time to time bonds of the municipality which are payable solely
149 from and secured by: (1) A pledge of and lien upon any or all of the
150 income, proceeds, revenues and property of development projects,
151 including the proceeds of grants, loans, advances or contributions from
152 the federal government, the state or other source, including financial
153 assistance furnished by the municipality or any other public body
154 pursuant to this chapter; (2) taxes or payments in lieu of taxes, or both,
155 in whole or in part, allocated to and paid into a special fund of the

156 municipality pursuant to the provisions of section 8-192a; or (3) any
157 combination of the methods in subdivisions (1) and (2) of this section.
158 Any bonds payable and secured as provided in this subsection shall be
159 authorized and the appropriation of the proceeds thereof approved by
160 a resolution adopted by the legislative body of the municipality,
161 notwithstanding the provisions of any other statute, local law or
162 charter governing the authorization and issuance of bonds and the
163 appropriation of the proceeds thereof generally by the municipality.
164 No such resolution shall be adopted until after a public hearing has
165 been held upon such authorization. Notice of such hearing shall be
166 published not less than five days prior to such hearing in a newspaper
167 having a general circulation in the municipality. Such bonds shall be
168 issued and sold in such manner; bear interest at such rate or rates,
169 including variable rates to be determined in such manner as set forth
170 in the proceedings authorizing the issuance of the bonds; provide for
171 the payment of interest on such dates, whether before or at maturity;
172 be issued at, above or below par; mature at such time or times not
173 exceeding forty years from their date in the case of bonds issued to
174 finance housing and facilities related thereto or thirty years from their
175 date in all other cases; have such rank or priority; be payable in such
176 medium of payment; be issued in such form, including, without
177 limitation, registered or book-entry form; carry such registration and
178 transfer privileges and be made subject to purchase or redemption
179 before maturity at such price or prices and under such terms and
180 conditions, including the condition that such bonds be subject to
181 purchase or redemption on the demand of the owner thereof; and
182 contain such other terms and particulars as the legislative body of the
183 municipality or the officers delegated such authority by the legislative
184 body of the municipality shall determine. Notwithstanding the
185 provisions of the general statutes or any special act, charter or home
186 rule ordinance, a municipality may authorize deferment of the
187 principal for not more than five years and a repayment schedule based
188 on the occupancy of the project. The proceedings under which bonds
189 are authorized to be issued may, subject to the provisions of the
190 general statutes, contain any or all of the following: (A) Provisions

191 respecting custody of the proceeds from the sale of the bonds and any
192 bond anticipation notes, including any requirements that such
193 proceeds be held separate from or not be commingled with other funds
194 of the municipality; (B) provisions for the investment and reinvestment
195 of bond proceeds until such proceeds are used to pay project costs and
196 for the disposition of any excess bond proceeds or investment earnings
197 thereon; (C) provisions for the execution of reimbursement
198 agreements, or similar agreements, in connection with credit facilities,
199 including, but not limited to, letters of credit or policies of bond
200 insurance, remarketing agreements and agreements for the purpose of
201 moderating interest rate fluctuations; (D) provisions for the collection,
202 custody, investment, reinvestment and use of the pledged revenues or
203 other receipts, funds or moneys pledged for payment of bonds as
204 provided in this section; (E) provisions regarding the establishment
205 and maintenance of reserves, sinking funds and any other funds and
206 accounts as shall be approved by the legislative body of the
207 municipality in such amounts as may be established by the legislative
208 body of the municipality, and the regulation and disposition thereof,
209 including requirements that any such funds and accounts be held
210 separate from or not be commingled with other funds of the
211 municipality; (F) covenants for the establishment of maintenance
212 requirements with respect to facilities and properties; (G) provisions
213 for the issuance of additional bonds on a parity with bonds issued
214 prior to the issuance of such additional bonds, including establishment
215 of coverage requirements with respect to such bonds as herein
216 provided; (H) provisions regarding the rights and remedies available
217 in case of a default to the bond owners, note owners or any trustee
218 under any contract, loan agreement, document, instrument or trust
219 indenture, including the right to appoint a trustee to represent their
220 interests upon occurrence of any event of default, as defined in any
221 such default proceedings, provided that if any bonds or bond
222 anticipation notes are secured by a trust indenture, the respective
223 owners of such bonds or notes shall have no authority except as set
224 forth in such trust indenture to appoint a separate trustee to represent
225 them; and (I) other provisions or covenants of like or different

226 character from the foregoing which are consistent with this section and
227 which the legislative body of the municipality determines in such
228 proceedings are necessary, convenient or desirable in order to better
229 secure the bonds or bond anticipation notes, or will tend to make the
230 bonds or bond anticipation notes more marketable, and which are in
231 the best interests of the municipality. Any provisions which may be
232 included in proceedings authorizing the issuance of bonds under this
233 section may be included in an indenture of trust duly approved in
234 accordance with this section which secures the bonds and any notes
235 issued in anticipation thereof, and in such case the provisions of such
236 indenture shall be deemed to be a part of such proceedings as though
237 they were expressly included therein. Any pledge made by the
238 municipality shall be valid and binding from the time when the pledge
239 is made, and any revenues or other receipts, funds or moneys so
240 pledged and thereafter received by the municipality shall be subject
241 immediately to the lien of such pledge without any physical delivery
242 thereof or further act. The lien of any such pledge shall be valid and
243 binding as against all parties having claims of any kind in tort, contract
244 or otherwise against the municipality, irrespective of whether such
245 parties have notice of such lien. Neither the resolution nor any other
246 instrument by which a pledge is created need be recorded. The
247 legislative body of the municipality may enter into a trust indenture by
248 and between the municipality and a corporate trustee, which may be
249 any trust company or bank having the powers of a trust company
250 within or without the municipality. Such trust indenture may contain
251 such provisions for protecting and enforcing the rights and remedies
252 of the bond owners and note owners as may be reasonable and proper
253 and not in violation of law, including covenants setting forth the duties
254 of the municipality in relation to the exercise of its powers pursuant to
255 this section and the custody, safeguarding and application of all
256 moneys. The municipality may provide by such trust indenture for the
257 payment of the pledged revenues or other receipts, funds or moneys to
258 the trustee under such trust indenture or to any other depository, and
259 for the method of disbursement thereof, with such safeguards and
260 restrictions as it may determine. All expenses incurred in carrying out

261 such trust indenture may be treated as project costs. Such bonds shall
 262 not be included in computing the aggregate indebtedness of the
 263 municipality, provided, if such bonds are made payable, in whole or in
 264 part, from funds contracted to be advanced by the municipality, the
 265 aggregate amount of such funds not yet appropriated to such purpose
 266 shall be included in computing the aggregate indebtedness of the
 267 municipality. As used in this section, "bonds" means any bonds,
 268 including refunding bonds, notes, temporary notes, interim
 269 certificates, debentures or other obligations. Temporary notes issued in
 270 accordance with this subsection in anticipation of the receipt of the
 271 proceeds of bond issues may be issued for a period of not more than
 272 five years and notes issued for a shorter period of time may be
 273 renewed by the issue of other notes, provided the period from the date
 274 of the original notes to the maturity of the last notes issued in renewal
 275 thereof shall not exceed five years."

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>