



General Assembly

**Amendment**

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LCO No. 5589

\*SB0016405589SD0\*

Offered by:

SEN. LEBEAU, 3<sup>rd</sup> Dist.

REP. GRAZIANI, 57<sup>th</sup> Dist.

To: Subst. Senate Bill No. 164

File No. 145

Cal. No. 118

**"AN ACT CONCERNING EVALUATION OF THE EFFECTIVENESS OF ECONOMIC DEVELOPMENT PROGRAMS ADMINISTERED BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT AND THE CONNECTICUT DEVELOPMENT AUTHORITY."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Section 32-23zz of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective from passage*):

5 (a) For the purpose of assisting (1) any information technology  
6 project, as defined in subsection (ee) of section 32-23d, which is located  
7 in an eligible municipality, as defined in subdivision (12) of subsection  
8 (a) of section 32-9t, or (2) any remediation project, as defined in  
9 subsection (ii) of section 32-23d, as amended by this act, the  
10 Connecticut Development Authority may, upon a resolution of the  
11 legislative body of a municipality, issue and administer bonds which

12 are payable solely or in part from and secured by: (A) A pledge of and  
13 lien upon any and all of the income, proceeds, revenues and property  
14 of such a project, including the proceeds of grants, loans, advances or  
15 contributions from the federal government, the state or any other  
16 source, including financial assistance furnished by the municipality or  
17 any other public body, (B) taxes or payments or grants in lieu of taxes  
18 allocated to and payable into a special fund of the Connecticut  
19 Development Authority pursuant to the provisions of subsection (b) of  
20 this section, or (C) any combination of the foregoing. Any such bonds  
21 of the Connecticut Development Authority shall mature at such time  
22 or times not exceeding thirty years from their date of issuance and  
23 shall be subject to the general terms and provisions of law applicable  
24 to the issuance of bonds by the Connecticut Development Authority,  
25 except that such bonds shall be issued without a special capital reserve  
26 fund as provided in subsection (b) of section 32-23j and, for purposes  
27 of section 32-23f, only the approval of the board of directors of the  
28 authority shall be required for the issuance and sale of such bonds.  
29 Any pledge made by the municipality or the Connecticut Development  
30 Authority for bonds issued as provided in this section shall be valid  
31 and binding from the time when the pledge is made, and revenues and  
32 other receipts, funds or moneys so pledged and thereafter received by  
33 the municipality or the Connecticut Development Authority shall be  
34 subject to the lien of such pledge without any physical delivery thereof  
35 or further act. The lien of such pledge shall be valid and binding  
36 against all parties having claims of any kind in tort, contract or  
37 otherwise against the municipality or the Connecticut Development  
38 Authority, even if the parties have no notice of such lien. Recording of  
39 the resolution or any other instrument by which such a pledge is  
40 created shall not be required. In connection with any such assignment  
41 of taxes or payments in lieu of taxes, the Connecticut Development  
42 Authority may, if the resolution so provides, exercise the rights  
43 provided for in section 12-195h of an assignee for consideration of any  
44 lien filed to secure the payment of such taxes or payments in lieu of  
45 taxes. All expenses incurred in providing such assistance may be  
46 treated as project costs.

47 (b) Any proceedings authorizing the issuance of bonds under this  
48 section may contain a provision that taxes or a specified portion  
49 thereof, if any, identified in such authorizing proceedings and levied  
50 upon taxable real or personal property, or both, in a project each year,  
51 or payments or grants in lieu of such taxes or a specified portion  
52 thereof, by or for the benefit of any one or more municipalities,  
53 districts or other public taxing agencies, as the case may be, shall be  
54 divided as follows: (1) In each fiscal year that portion of the taxes or  
55 payments or grants in lieu of taxes which would be produced by  
56 applying the then current tax rate of each of the taxing agencies to the  
57 total sum of the assessed value of the taxable property in the project on  
58 the date of such authorizing proceedings, adjusted in the case of grants  
59 in lieu of taxes to reflect the applicable statutory rate of  
60 reimbursement, shall be allocated to and when collected shall be paid  
61 into the funds of the respective taxing agencies in the same manner as  
62 taxes by or for said taxing agencies on all other property are paid; and  
63 (2) that portion of the assessed taxes or the payments or grants in lieu  
64 of taxes, or both, each fiscal year in excess of the amount referred to in  
65 subdivision (1) of this subsection shall be allocated to and when  
66 collected shall be paid into a special fund of the Connecticut  
67 Development Authority to be used in each fiscal year, in the discretion  
68 of the Connecticut Development Authority, to pay the principal of and  
69 interest due in such fiscal year on bonds issued by the Connecticut  
70 Development Authority to finance, refinance or otherwise assist such  
71 project, to purchase bonds issued for such project, or to reimburse the  
72 provider of or reimbursement party with respect to any guarantee,  
73 letter of credit, policy of bond insurance, funds deposited in a debt  
74 service reserve fund, funds deposited as capitalized interest or other  
75 credit enhancement device used to secure payment of debt service on  
76 any bonds issued by the Connecticut Development Authority to  
77 finance, refinance or otherwise assist such project, to the extent of any  
78 payments of debt service made therefrom. Unless and until the total  
79 assessed valuation of the taxable property in a project exceeds the total  
80 assessed value of the taxable property in such project as shown by the  
81 last assessment list referred to in subdivision (1) of this subsection, all

82 of the taxes levied and collected and all of the payments or grants in  
83 lieu of taxes due and collected upon the taxable property in such  
84 project shall be paid into the funds of the respective taxing agencies.  
85 When such bonds and interest thereof, and such debt service  
86 reimbursement to the provider of or reimbursement party with respect  
87 to such credit enhancement, have been paid in full, all moneys  
88 thereafter received from taxes or payments or grants in lieu of taxes  
89 upon the taxable property in such development project shall be paid  
90 into the funds of the respective taxing agencies in the same manner as  
91 taxes on all other property are paid. The total amount of bonds issued  
92 pursuant to this section which are payable from grants in lieu of taxes  
93 payable by the state shall not exceed an amount of bonds, the debt  
94 service on which in any state fiscal year is, in total, equal to one million  
95 dollars.

96 (c) The authority may make grants or provide loans or other forms  
97 of financial assistance from the proceeds of special or general  
98 obligation notes or bonds of the authority issued without the security  
99 of a special capital reserve fund within the meaning of subsection (b)  
100 of section 32-23j, which bonds are payable from and secured by, in  
101 whole or in part, the pledge and security provided for in section 8-134,  
102 8-192, 32-227 or this section, all on such terms and conditions,  
103 including such agreements with the municipality and the developer of  
104 the project, as the authority determines to be appropriate in the  
105 circumstances, provided any such project in an area designated as an  
106 enterprise zone pursuant to section 32-70 receiving such financial  
107 assistance shall be ineligible for any fixed assessment pursuant to  
108 section 32-71, and the authority, as a condition of such grant, loan or  
109 other financial assistance, may require the waiver, in whole or in part,  
110 of any property tax exemption with respect to such project otherwise  
111 available under subsection (59) or (60) of section 12-81.

112 (d) As used in this section, "bonds" means any bonds, including  
113 refunding bonds, notes, temporary notes, interim certificates,  
114 debentures or other obligations; "legislative body" has the meaning  
115 provided in subsection (y) of section 32-222; and "municipality" means

116 a town, city, consolidated town or city or consolidated town and  
117 borough.

118 (e) For purposes of this section, references to the Connecticut  
119 Development Authority shall include any subsidiary of the  
120 Connecticut Development Authority established pursuant to  
121 subsection (l) of section 32-11a, and a municipality may act by and  
122 through its implementing agency, as defined in subsection (k) of  
123 section 32-222.

124 (f) No commitments for new projects shall be approved by the  
125 authority under this section on or after July 1, 2005.

126 (g) In the case of a remediation project, as defined in subsection (ii)  
127 of section 32-23d, as amended by this act, that involves buildings that  
128 are vacant, underutilized or in deteriorating condition and as to which  
129 municipal real property taxes are delinquent, in whole or in part, for  
130 more than one fiscal year, the amount determined in accordance with  
131 subdivision (1) of subsection (b) of this section may, if the resolution of  
132 the municipality so provides, be established at an amount less than the  
133 amount so determined, but not less than the amount of municipal  
134 property taxes actually paid during the most recently completed fiscal  
135 year. If the Connecticut Development Authority issues bonds for the  
136 remediation project, the amount established in the resolution shall be  
137 used for all purposes of subsection (a) of this section.

138 Sec. 502. Subsection (ii) of section 32-23d of the general statutes is  
139 repealed and the following is substituted in lieu thereof (*Effective from*  
140 *passage*):

141 (ii) "Remediation project" means any project (1) involving the  
142 development, [or] redevelopment or productive reuse of real property  
143 within this state that (A) has been subject to a spill, as defined in  
144 section 22a-452c, (B) is an establishment, as defined in subdivision (3)  
145 of section 22a-134, (C) is a facility, as defined in 42 USC 9601(9), or (D)  
146 is eligible to be treated as polluted real property for purposes of  
147 section 22a-133m or contaminated real property for purposes of section

148 22a-133aa or section 22a-133bb, provided the development, [or]  
149 redevelopment or productive reuse is undertaken pursuant to a  
150 remediation plan meeting all applicable standards and requirements of  
151 the Department of Environmental Protection, (2) that the authority  
152 determines will add or support significant new economic activity or  
153 employment in the municipality in which such project is located or  
154 will otherwise materially contribute to the economic base of the state  
155 or the municipality, and (3) for which assistance from the authority  
156 will be needed to attract necessary private investment."