



General Assembly

February Session, 2004

Raised Bill No. 203

LCO No. 995

* SB00203FIN 033004 *

Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING BONDS ISSUED BY THE CONNECTICUT DEVELOPMENT AUTHORITY AND ITS SUBSIDIARIES ON BEHALF OF MUNICIPALITIES FOR REMEDIATION PROJECTS.

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

1 Section 1. Section 32-23zz of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) For the purpose of assisting (1) any information technology
4 project, as defined in subsection (ee) of section 32-23d, which is located
5 in an eligible municipality, as defined in subdivision (12) of subsection
6 (a) of section 32-9t, or (2) any remediation project, as defined in
7 subsection (ii) of section 32-23d, as amended by this act, the
8 Connecticut Development Authority may, upon a resolution of the
9 legislative body of a municipality, issue and administer bonds which
10 are payable solely or in part from and secured by: (A) A pledge of and
11 lien upon any and all of the income, proceeds, revenues and property
12 of such a project, including the proceeds of grants, loans, advances or
13 contributions from the federal government, the state or any other
14 source, including financial assistance furnished by the municipality or
15 any other public body, (B) taxes or payments or grants in lieu of taxes

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

45 (b) Any proceedings authorizing the issuance of bonds under this
46 section may contain a provision that taxes or a specified portion
47 thereof, if any, identified in such authorizing proceedings and levied
48 upon taxable real or personal property, or both, in a project each year,
49 or payments or grants in lieu of such taxes or a specified portion

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

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

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

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

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

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

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

136 Sec. 2. Subsection (ii) of section 32-23d of the general statutes is
137 repealed and the following is substituted in lieu thereof (*Effective from*
138 *passage*):

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

