



Senate Bill No. 2001

June Special Session, Public Act No. 05-5

AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS, CONCERNING THE COLLECTION OF COSTS BY THE PROBATE COURT AND CONCERNING A HOUSING TRUST FUND.

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

Section 1. Subsections (a) and (b) of section 4-66c of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) For the purposes of subsection (b) of this section, the State Bond Commission shall have power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate [nine hundred eighty-two million four hundred eighty-seven thousand five hundred forty-four] one billion one hundred thirty-two million four hundred eighty-seven thousand five hundred forty-four dollars, provided [seventy-five million five hundred thousand] sixty-five million dollars of said authorization shall be effective July 1, [2004] 2006. All provisions of section 3-20, or the exercise of any right or power granted thereby, which are not inconsistent with the provisions of this section, are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in

Senate Bill No. 2001

anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission in its discretion may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

(b) (1) The proceeds of the sale of said bonds, to the extent hereinafter stated, shall be used, subject to the provisions of subsections (c) and (d) of this section, for the purpose of redirecting, improving and expanding state activities which promote community conservation and development and improve the quality of life for urban residents of the state as hereinafter stated: ~~[(1)]~~ (A) For the Department of Economic and Community Development: Economic and community development projects, including administrative costs incurred by the Department of Economic and Community Development, not exceeding sixty-seven million five hundred ninety-one thousand six hundred forty-two dollars, one million dollars of which shall be used for a grant to the development center program and the nonprofit business consortium deployment center approved

Senate Bill No. 2001

pursuant to section 32-411; [(2)] (B) for the Department of Transportation: Urban mass transit, not exceeding two million dollars; [(3)] (C) for the Department of Environmental Protection: Recreation development and solid waste disposal projects, not exceeding one million nine hundred ninety-five thousand nine hundred two dollars; [(4)] (D) for the Department of Social Services: Child day care projects, elderly centers, shelter facilities for victims of domestic violence, emergency shelters and related facilities for the homeless, multipurpose human resource centers and food distribution facilities, not exceeding thirty-nine million one hundred thousand dollars, provided four million dollars of said authorization shall be effective July 1, 1994; [(5)] (E) for the Department of Economic and Community Development: Housing projects, not exceeding three million dollars; [(6)] (F) for the Office of Policy and Management: [(A)] (i) Grants-in-aid to municipalities for a pilot demonstration program to leverage private contributions for redevelopment of designated historic preservation areas, not exceeding one million dollars; [(B)] (ii) grants-in-aid for urban development projects including economic and community development, transportation, environmental protection, public safety, children and families and social services projects and programs, including, in the case of economic and community development projects administered on behalf of the Office of Policy and Management by the Department of Economic and Community Development, administrative costs incurred by the Department of Economic and Community Development, not exceeding [eight hundred sixty-seven million eight hundred thousand] one billion seventeen million eight hundred thousand dollars, provided [eighty-two million five hundred thousand] sixty-five million dollars of said authorization shall be effective July 1, [2004] 2006.

(2) (A) Five million dollars of the grants-in-aid authorized in subparagraph [(B)] (F)(ii) of subdivision [(6)] (1) of this subsection may be made available to private nonprofit organizations for the purposes

Senate Bill No. 2001

described in said subparagraph [(B)] (F)(ii). (B) Twelve million dollars of the grants-in-aid authorized in subparagraph [(B)] (F)(ii) of subdivision [(6)] (1) of this subsection may be made available for necessary renovations and improvements of libraries. (C) Five million dollars of the grants-in-aid authorized in subparagraph [(B)] (F)(ii) of subdivision [(6)] (1) of this subsection shall be made available for small business gap financing. (D) Ten million dollars of the grants-in-aid authorized in subparagraph [(B)] (F)(ii) of subdivision [(6)] (1) of this subsection may be made available for regional economic development revolving loan funds. (E) One million four hundred thousand dollars of the grants-in-aid authorized in subparagraph (F)(ii) of subdivision (1) of this subsection shall be made available for rehabilitation and renovation of the Black Rock Library in Bridgeport. (F) Two million five hundred thousand dollars of the grants-in-aid authorized in subparagraph (F)(ii) of subdivision (1) of this subsection shall be made available for site acquisition, renovation and rehabilitation for the Institute for the Hispanic Family in Hartford.

Sec. 2. Subsections (a) and (b) of section 4-66g of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate [sixty] one hundred million dollars, provided twenty million dollars of said authorization shall be effective July 1, [2004] 2006.

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Office of Policy and Management for a Small Town Economic Assistance Program the purpose of which shall be to provide grants-in-aid to any municipality [which (1)] that is not economically

Senate Bill No. 2001

distressed within the meaning of subsection (b) of section 32-9p, does not have an urban center in any plan adopted by the General Assembly pursuant to section 16a-30 and is not a public investment community within the meaning of subdivision (9) of subsection (a) of section 7-545. [, and (2) has a population, as defined in subdivision (27) of section 10-262f, under thirty thousand.] Such grants shall be used for purposes for which funds would be available under section 4-66c, as amended by this act. No municipality may receive more than five hundred thousand dollars in any one fiscal year under said program.

Sec. 3. Subsection (a) of section 4a-10 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate [two hundred forty-eight million] three hundred million five hundred fifty thousand dollars, provided [eighteen million] twenty-five million fifty thousand dollars of said authorization shall be effective July 1, [2004] 2006.

Sec. 4. Subsection (a) of section 7-538 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate [four hundred sixty-five million dollars] five hundred twenty-five million dollars, provided thirty million dollars of said authorization shall be effective July 1, 2006.

Senate Bill No. 2001

Sec. 5. Section 10-287d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

For the purposes of funding (1) grants to projects that have received approval of the State Board of Education pursuant to sections 10-287 and 10-287a, subsection (a) of section 10-65 and section 10-76e, (2) grants to assist school building projects to remedy safety and health violations and damage from fire and catastrophe, and (3) regional vocational-technical school projects pursuant to section 10-283b, the State Treasurer is authorized and directed, subject to and in accordance with the provisions of section 3-20, to issue bonds of the state from time to time in one or more series in an aggregate amount not exceeding [four billion one hundred seventy-one million eight hundred sixty thousand dollars, provided six hundred twenty-five million five hundred thousand] five billion four hundred one million eight hundred sixty thousand dollars, provided six hundred fifty million dollars of said authorization shall be effective July 1, [2004] 2006. Bonds of each series shall bear such date or dates and mature at such time or times not exceeding thirty years from their respective dates and be subject to such redemption privileges, with or without premium, as may be fixed by the State Bond Commission. They shall be sold at not less than par and accrued interest and the full faith and credit of the state is pledged for the payment of the interest thereon and the principal thereof as the same shall become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due. The State Treasurer is authorized to invest temporarily in direct obligations of the United States, United States agency obligations, certificates of deposit, commercial paper or bank acceptances such portion of the proceeds of such bonds or of any notes issued in anticipation thereof as may be deemed available for such purpose.

Senate Bill No. 2001

Sec. 6. Section 10-292k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

For purposes of funding interest subsidy grants, except for interest subsidy grants made pursuant to subsection (b) of section 10-292m, the State Treasurer is authorized and directed, subject to and in accordance with the provisions of section 3-20, to issue bonds of the state from time to time in one or more series in an aggregate amount not exceeding [two hundred thirty-one million one hundred thousand] two hundred eighty-one million one hundred thousand dollars, provided [thirty-three] twenty-five million dollars of said authorization shall be effective July 1, [2004] 2006. Bonds of each series shall bear such date or dates and mature at such time or times not exceeding thirty years from their respective dates and be subject to such redemption privileges, with or without premium, as may be fixed by the State Bond Commission. They shall be sold at not less than par and accrued interest and the full faith and credit of the state is pledged for the payment of the interest thereon and the principal thereof as the same shall become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due. The State Treasurer is authorized to invest temporarily in direct obligations of the United States, United States agency obligations, certificates of deposit, commercial paper or bank acceptances, such portion of the proceeds of such bonds or of any notes issued in anticipation thereof as may be deemed available for such purpose.

Sec. 7. Subsection (a) of section 12-242uu of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) The State Bond Commission shall have power, in accordance

Senate Bill No. 2001

with the provisions of this section from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts in the aggregate, not exceeding [thirty-five million five hundred thousand] thirty-three million two hundred sixty thousand dollars.

Sec. 8. Subsection (a) of section 17b-735 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) For the purposes described in section 17b-734 and for the payment of any administrative expenses of the Department of Social Services related thereto the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and principal amounts not exceeding in the aggregate [seven million seven hundred seventy-five thousand] six million twenty-four thousand seven hundred ninety-eight dollars, provided one million dollars of said authorization shall be effective July 1, 2000.

Sec. 9. Section 22-26hh of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

The State Bond Commission shall have power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate [eighty-nine million seven hundred fifty thousand] one hundred seven million seven hundred fifty thousand dollars, the proceeds of which shall be used for the purposes of section 22-26cc, provided not more than [two] ten million dollars of said authorization shall be effective July 1, [2004] 2006, and further provided not more than two million dollars shall be used for the purposes of section 22-26jj. All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and

Senate Bill No. 2001

shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 10. Subsection (a) of section 22a-483 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) For the purposes of sections 22a-475 to 22a-483, inclusive, as amended by this act, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts, not exceeding in the aggregate [seven hundred forty-one million thirty thousand dollars] seven hundred eighty-one million thirty thousand dollars, provided twenty million dollars of said authorization shall be effective July 1,

Senate Bill No. 2001

2006.

Sec. 11. Subsection (d) of section 22a-483 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(d) Notwithstanding the foregoing, nothing herein shall preclude the State Bond Commission from authorizing the issuance of revenue bonds, in principal amounts not exceeding in the aggregate [one billion two hundred thirty-eight million four hundred thousand] one billion three hundred thirty-eight million four hundred thousand dollars, provided one hundred [fifty-eight] million dollars of said authorization shall be effective July 1, [2002] 2006, that are not general obligations of the state of Connecticut to which the full faith and credit of the state of Connecticut are pledged for the payment of the principal and interest. Such revenue bonds shall mature at such time or times not exceeding thirty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such revenue bonds. The revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes authorized to be issued under sections 22a-475 to 22a-483, inclusive, as amended by this act, shall be special obligations of the state and shall not be payable from nor charged upon any funds other than the revenues or other receipts, funds or moneys pledged therefor as provided in said sections 22a-475 to 22a-483, inclusive, including the repayment of municipal loan obligations; nor shall the state or any political subdivision thereof be subject to any liability thereon except to the extent of such pledged revenues or the receipts, funds or moneys pledged therefor as provided in said sections 22a-475 to 22a-483, inclusive. The issuance of revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes under the provisions of said sections 22a-475 to 22a-483, inclusive, shall not directly or indirectly or contingently obligate the state or any

Senate Bill No. 2001

political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state or of any political subdivision thereof, except the property mortgaged or otherwise encumbered under the provisions and for the purposes of said sections 22a-475 to 22a-483, inclusive. The substance of such limitation shall be plainly stated on the face of each revenue bond, revenue state bond anticipation note and revenue state grant anticipation note issued pursuant to said sections 22a-475 to 22a-483, inclusive, shall not be subject to any statutory limitation on the indebtedness of the state and such revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes, when issued, shall not be included in computing the aggregate indebtedness of the state in respect to and to the extent of any such limitation. As part of the contract of the state with the owners of such revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes, all amounts necessary for the punctual payment of the debt service requirements with respect to such revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes shall be deemed appropriated, but only from the sources pledged pursuant to said sections 22a-475 to 22a-483, inclusive. The proceeds of such revenue bonds or notes may be deposited in the Clean Water Fund for use in accordance with the permitted uses of such fund. Any expense incurred in connection with the carrying out of the provisions of this section, including the costs of issuance of revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes may be paid from the accrued interest and premiums or from any other proceeds of the sale of such revenue bonds, revenue state bond anticipation notes or revenue state grant anticipation notes and in the same manner as other obligations of the state. All provisions of subsections (g), (k), (l), (s) and (u) of section

Senate Bill No. 2001

3-20 or the exercise of any right or power granted thereby which are not inconsistent with the provisions of said sections 22a-475 to 22a-483, inclusive, are hereby adopted and shall apply to all revenue bonds, state revenue bond anticipation notes and state revenue grant anticipation notes authorized by the State Bond Commission pursuant to said sections 22a-475 to 22a-483, inclusive. For the purposes of subsection (o) of section 3-20, "bond act" shall be construed to include said sections 22a-475 to 22a-483, inclusive.

Sec. 12. Subsection (a) of section 32-235 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate [four hundred ninety-five million three hundred thousand dollars] five hundred five million three hundred thousand dollars, provided five million dollars of said authorization shall be effective July 1, 2006.

Sec. 13. Subsection (a) of section 3 of public act 96-250, as amended by section 15 of public act 04-1 of the May special session, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate [three] four million dollars, provided one million dollars of said authorization shall be effective July 1, 2006.

Sec. 14. (*Effective from passage*) Notwithstanding the provisions of sections 22a-475 to 22a-483, inclusive, of the general statutes, as

Senate Bill No. 2001

amended by this act, the town of Enfield shall be eligible for a grant-in-aid of not more than two million eight hundred thousand dollars for additional funding of eligible costs under said sections to assist the town in its upgrade of a wastewater treatment plant.

Sec. 15. Subdivision (1) of subsection (b) of section 45a-107 of the general statutes, as amended by section 56 of public act 05-3 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to estates of decedents dying on or after January 1, 2005*):

(1) The basis for costs shall be (A) the gross estate for succession tax purposes, as provided in section 12-349, the inventory, including all supplements thereto, [or] the Connecticut taxable estate, as defined in section 12-391, as amended by section 69 of public act 05-251, or the gross estate for estate tax purposes, as provided in chapters 217 and 218, whichever is greater, plus (B) all damages recovered for injuries resulting in death minus any hospital and medical expenses for treatment of such injuries resulting in death minus any hospital and medical expenses for treatment of such injuries that are not reimbursable by medical insurance and minus the attorney's fees and other costs and expenses of recovering such damages. Any portion of the basis for costs that is determined by property passing to the surviving spouse shall be reduced by fifty per cent. Except as provided in subdivision (3) of this subsection, in no case shall the minimum cost be less than twenty-five dollars.

Sec. 16. (NEW) (*Effective July 1, 2005*) As used in this section the following terms shall have the following meanings, unless the context clearly indicates a different meaning or intent:

- (1) "Authority" means the Connecticut Housing Finance Authority.
- (2) "Commissioner" means the Commissioner of Economic and

Senate Bill No. 2001

Community Development.

(3) "Department" means the Department of Economic and Community Development.

(4) "Eligible applicant" means: (A) A nonprofit entity; (B) a municipality; (C) a housing authority; (D) a business corporation incorporated pursuant to chapter 601 of the general statutes or any predecessor statutes thereto or authorized to do business pursuant to said chapter 601 having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing, and having a certificate or articles of incorporation approved by the commissioner; (E) any partnership, limited partnership, limited liability company, joint venture, sole proprietorship, trust or association having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing; (F) the Connecticut Housing Finance Authority; (G) a municipal developer; (H) any community development financial institution; or (I) any combination thereof.

(5) "Housing", "housing development" or "development" means a work or undertaking having as its primary purpose the provision of safe, well-designed and adequate housing and related facilities for low and moderate income families and persons and includes existing housing for low and moderate income families and persons and housing whose primary purpose is to provide dwelling accommodations for low and moderate income families and persons but has dwelling accommodations for others.

(6) "Housing Trust Fund" or "fund" means the Housing Trust Fund created under section 20 of this act.

(7) "Housing Trust Fund Program" or "program" means the housing trust fund program developed and administered under section 21 of

Senate Bill No. 2001

this act.

(8) "Low and moderate income families and persons" means families and persons whose income falls within the income levels set by the commissioner pursuant to regulations adopted under subsection (a) of section 22 of this act, except that the commissioner may establish income levels up to and including one hundred twenty per cent of the area median income, as determined by the United States Department of Housing and Urban Development.

(9) "Municipal developer" means a municipality acting by and through its legislative body, except that in any town in which a town meeting or representative town meeting is the legislative body, "municipal developer" means the board of selectmen if such board is authorized to act as the municipal developer by the town meeting or representative town meeting.

(10) "Secretary" means the Secretary of the Office of Policy and Management.

(11) "State Bond Commission" means the commission established under section 3-20.

(12) "Treasurer" means the State Treasurer and includes each successor in office or authority.

Sec. 17. (NEW) (*Effective July 1, 2005*) For the purpose of capitalizing the Housing Trust Fund created by section 20 of this act, the State Bond Commission shall have power, in accordance with the provisions of sections 17 to 19, inclusive, of this act, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts in the aggregate, not exceeding one hundred million dollars, provided (1) twenty million dollars shall be effective July 1, 2005, (2) twenty million dollars shall be effective July 1, 2006, (3) twenty million dollars shall be effective July 1, 2007, (4) twenty million dollars shall be

Senate Bill No. 2001

effective July 1, 2008, and (5) twenty million dollars shall be effective July 1, 2009. The proceeds of the sale of bonds pursuant to said sections 17 to 19, inclusive, of this act shall be deposited in the Housing Trust Fund.

Sec. 18. (NEW) (*Effective July 1, 2005*) None of the bonds authorized under section 17 of this act shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by the Secretary of the Office of Policy and Management and stating such terms and conditions as said commission, in its discretion may require.

Sec. 19. (NEW) (*Effective July 1, 2005*) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of sections 17 to 19, inclusive, of this act, are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to said sections 17 to 19, inclusive, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. Such bonds shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 20. (NEW) (*Effective July 1, 2005*) (a) There is established the "Housing Trust Fund" which shall be a nonlapsing fund held by the

Senate Bill No. 2001

Treasurer separate and apart from all other moneys, funds and accounts. The following funds shall be deposited in the fund: (1) Proceeds of bonds authorized by sections 17 to 19, inclusive, of this act; (2) all moneys received in return for financial assistance awarded from the Housing Trust Fund pursuant to the Housing Trust Fund Program established under section 21 of this act; and (3) all private contributions received pursuant to section 21 of this act. Investment earnings credited to the assets of said fund shall become part of the assets of said fund. The Treasurer shall invest the moneys held by the Housing Trust Fund subject to use for financial assistance under the Housing Trust Fund Program.

(b) Any moneys held in the Housing Trust Fund may, pending the use or application of the proceeds thereof for an authorized purpose, be (1) invested and reinvested in such obligations, securities and investments as are set forth in subsection (f) of section 3-20 of the general statutes, in participation certificates in the Short Term Investment Fund created under sections 3-27a and 3-27f of the general statutes and in participation certificates or securities of the Tax-Exempt Proceeds Fund created under section 3-24a of the general statutes, (2) deposited or redeposited in such bank or banks at the direction of the Treasurer, or (3) invested in participation units in the combined investment funds, as defined in section 3-31b of the general statutes. Unless otherwise provided pursuant to subsection (c) of this section, proceeds from investments authorized by this subsection shall be credited to the Housing Trust Fund.

(c) The moneys of the Housing Trust Fund shall be used to fund the Housing Trust Fund Program established under section 21 of this act and are in addition to any other resources available from state, federal or other entities that support the program goals established in said section 21.

Sec. 21. (NEW) (*Effective July 1, 2005*) (a) There is established the

Senate Bill No. 2001

Housing Trust Fund Program which shall be developed and administered by the Department of Economic and Community Development. The purpose of the program is to: (1) Encourage the creation of housing for homeownership at a cost that will enable low and moderate income families to afford quality housing while paying no more than thirty per cent of gross household income on housing, (2) promote the rehabilitation, preservation and production of quality, well-designed rental and homeownership housing affordable to low and moderate income families or persons, (3) maximize the leveraging of state and federal funds by encouraging private sector investment in housing developments receiving assistance, (4) encourage housing that maximizes housing choices of residents, (5) enhance economic opportunity for low and moderate income individuals and their families, (6) promote the application of efficient land use that utilizes existing infrastructure and the conservation of open spaces, and (7) encourage the development of housing which aids the revitalization of communities.

(b) Financial assistance shall be provided under subsection (a) of this section to eligible applicants, as defined in section 16 of this act, for development of quality rental housing and homeownership for low and moderate income families or persons. The financial assistance made under the Housing Trust Fund Program shall be paid from the Housing Trust Fund established under section 20 of this act, and may be in the form of no interest and low interest loans, loan guarantees, grants and appraisal gap financings and other similar financings necessary to make rents or home prices affordable. Financial assistance provided under this section shall supplement (1) existing loan and tax credits programs available under state and federal law, and (2) grants, loans or financial assistance from any nonprofit or for-profit entity.

(c) The resources of the program shall be made available, at least semiannually, on a competitive basis in accordance with the written

Senate Bill No. 2001

program guidelines and criteria adopted pursuant to subsection (a) of section 22 of this act.

(d) The Commissioner of Economic and Community Development may, with the approval of the Secretary of the Office of Policy and Management, solicit and accept contributions from private entities, nonprofit and for-profit corporations, philanthropic organizations and financial institutions, to support and expand the resources available through the Housing Trust Fund. All such funds shall be deposited in the Housing Trust Fund.

(e) (1) Any contribution to the Housing Trust Fund made pursuant to subsection (d) of this section shall be distributed as designated by its contributor, except that not more than fifty per cent of the contribution may be designated. If no designation is specified, such funds shall be used by the commissioner to further the purposes of sections 16 to 22, inclusive, of this act.

(2) In each fiscal year that the Housing Trust Fund has funds available for distribution, the commissioner shall allocate from said fund three hundred thousand dollars for funding matching grants to be dedicated to funding purchases of primary residences pursuant to the provisions of sections 31-51ww to 31-51eee, inclusive, of the general statutes.

(3) Any unexpended or unallocated amounts in the Housing Trust Fund for any fiscal year may be carried over to the succeeding fiscal year and adjustments may be made for short fiscal periods.

(f) The commissioner shall prepare and submit an annual report to the Governor and the General Assembly concerning the activities for the prior fiscal year of the Housing Trust Fund and the Housing Trust Fund Program and the efforts of the department to obtain private support for the Housing Trust Fund and the Housing Trust Fund

Senate Bill No. 2001

Program. A copy of such report shall be filed with the clerks of each house of the General Assembly and the chairpersons and ranking members of the select committee of the General Assembly having cognizance of matters relating to housing.

Sec. 22. (NEW) (*Effective from passage*) (a) The commissioner, in consultation with the Treasurer, the Secretary of the Office of Policy and Management and the Connecticut Housing Finance Authority and after consideration of the recommendations of the committee established by subsection (b) of this section, shall establish regulations and criteria for rating various proposals for funds under the Housing Trust Fund Program. The regulations shall be adopted pursuant to chapter 54 of the general statutes and posted on the department's web site.

(b) There shall be a Housing Trust Fund Program Advisory Committee. Said committee shall meet at least semiannually and shall advise the commissioner on (1) the administration, management and objectives of the Housing Trust Fund Program; and (2) the development of regulations, procedures and rating criteria for the program. The committee shall be appointed by the commissioner, in consultation with the Treasurer and the secretary and shall include the chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to planning and development, and the select committee of the General Assembly having cognizance of matters relating to housing and representatives from each of the following: (A) The nonprofit housing development community; (B) the for-profit housing development community; (C) a housing authority; (D) a community development financial institution; (E) the Connecticut Housing Finance Authority; (F) a state-wide housing organization; (G) an elected or appointed official of a municipality with a population of less than fifty thousand; (H) an elected or appointed official of a municipality with a population

Senate Bill No. 2001

between fifty thousand and one hundred thousand; (I) an elected or appointed official of a municipality with a population in excess of one hundred thousand; and (J) the employers of the state, which may be satisfied by the appointment of a representative from a state business and industry association or regional chambers of commerce.

(c) The commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to carry out the provisions of sections 16 to 22, inclusive, of this act.

(d) The commissioner may request, inspect and audit reports, books and records and any other financial or project-related information with respect to eligible applicants that receive financial assistance, including, without limitation, resident or employment information, financial and operating statements and audits. The commissioner may investigate the accuracy and completeness of such reports, books and records.

(e) Whenever financial assistance is provided pursuant to section 21 of this act, the commissioner may take all reasonable steps and exercise all available remedies necessary or desirable to protect the obligations or interests of the state, including, but not limited to, amending any term or condition of a contract or agreement, provided such amendment is allowed or agreed to pursuant to such contract or agreement, or purchasing or redeeming, pursuant to foreclosure proceedings, bankruptcy proceedings or in other judicial proceedings, any property on which such commissioner or the department holds a mortgage or other lien, or in which the commissioner or the department has an interest.

Sec. 23. (*Effective from passage*) (a) As used in sections 23 to 35, inclusive, of this act:

(1) "Authority" means a municipal water authority created under

Senate Bill No. 2001

the provisions of sections 23 to 35, inclusive, of this act;

(2) "Bonds" means any bonds, notes or other obligations or indebtedness issued by an authority pursuant to the provisions of sections 23 to 35, inclusive, of this act and any bonds the proceeds of which are used to refund or defease such bonds;

(3) "Cost" or "costs", as applied to any system, means any and all fees, costs and expenses of an authority directly or indirectly related in any manner to the business of the authority, including the acquisition, ownership, lease, operation, management, repair, maintenance, expansion, alteration, conveyance or other disposition of a system, or any other property of an authority, whether real or personal, tangible or intangible;

(4) "Constituent municipality" means an eligible municipality that has created an authority pursuant to the provisions of sections 23 to 35, inclusive, of this act;

(5) "Eligible municipality" means any consolidated town and city that has a population of more than one hundred thousand people;

(6) "Municipality" means any town, city, borough, consolidated town and city or consolidated town and borough; and

(7) "System" means plants, structures and any interests in any other property, real or personal, tangible or intangible, acquired, constructed, operated or used in connection with accumulating, supplying or distributing water, including land, reservoirs, basins, dams, canals, aqueducts, standpipes, conduits, pipelines, mains, pumping stations, water distribution systems, compensating reservoirs, waterworks or sources of water supply, wells, purification or filtration plants or other plants and works, connections, rights of flowage or diversion and other plants, structures, conveyances, property, real or personal, tangible or intangible, or rights therein and

Senate Bill No. 2001

appurtenances necessary or useful and convenient for the accumulation, supply or distribution of water.

(b) Notwithstanding the provision of any general statute, special act, municipal charter or ordinance, any eligible municipality may, by ordinance of its legislative body, adopt and exercise the powers granted to an eligible municipality pursuant to the provisions of sections 23 to 35, inclusive, of this act and create an authority, which shall be a public corporation, created for the purposes, charged with the duties and granted the powers provided in sections 23 to 35, inclusive, of this act, and transfer to an authority, by sale, lease, gift or otherwise, all or any portion of a system in accordance with applicable provisions of sections 23 to 35, inclusive, of this act, and applicable provisions of the constituent municipality's charter and ordinances, including any referendum requirements concerning such transfer by sale, lease, gift or otherwise and excluding charter or ordinance provisions concerning or related to bidding or proposals for sale or lease of the constituent municipality's property. The ordinance creating such authority shall contain a brief statement of the purpose of such authority and shall set forth the articles of incorporation of such authority, as follows: (1) The name of the authority and the initial address of its principal office; (2) a statement that the authority is created as an authority under sections 23 to 35, inclusive, of this act; (3) the number, method of appointment and removal, terms of office and method of determining compensation, if any, of the directors of such authority; (4) provisions for the termination of such authority; and (5) such other information as the constituent municipality elects to include in the ordinance creating such authority.

(c) By ordinance of its legislative body, the constituent municipality shall prepare and submit a preliminary plan of operation for the proposed authority to the Commissioners of Environmental Protection and Public Health for their review and approval in accordance with

Senate Bill No. 2001

sections 23 to 35, inclusive, of this act. The Commissioner of Environmental Protection shall review the authority's preliminary plan of operation and approve it, if, after consultation with the Secretary of the Office of Policy and Management, said commissioner finds that such preliminary plan of operation is not contrary to the environmental protection laws of the state. The Commissioner of Public Health shall review the authority's preliminary plan of operation and approve it, if, after consultation with the Secretary of the Office of Policy and Management, said commissioner finds that such preliminary plan of operation is not contrary to the public health laws of the state. The Commissioners of Environmental Protection and Public Health shall either approve or reject a preliminary plan of operation not later than sixty days after the date such plan is submitted to the respective commissioner. Any rejection of a preliminary plan of operation shall not preclude the submission of a revised preliminary plan of operation.

(d) Upon the adoption of such ordinance or ordinances by the legislative body of the constituent municipality creating an authority, the approval of a preliminary plan of operation for such authority by the Commissioners of Environmental Protection and Public Health, and the filing of the articles of incorporation of such authority with the Secretary of State, the authority created thereby shall constitute a public body politic and corporate of the state, and a political subdivision of the state established and created for the performance of an essential public and governmental function. Notwithstanding the provisions of any general statute, special act, charter or ordinance, the approval of the preliminary plan of operation by the Commissioners of Environmental Protection and the Public Health shall constitute the sole approvals required from the state for the creation of an authority and the transfer of a system, by sale, lease, gift or otherwise, from a constituent municipality to an authority, under sections 23 to 35, inclusive, of this act.

Senate Bill No. 2001

(e) Notwithstanding the provisions of any general statute, special act, charter or ordinance, the amount of consideration to be paid by an authority to its constituent municipality for the sale or lease of a system shall equal the fair market value determined pursuant to a valuation analysis based upon an income approach to value and accepted by ordinance of the constituent municipality's legislative body.

(f) In connection with the transfer of any system from a constituent municipality to an authority by sale, lease, gift or otherwise:

(1) All employees of the constituent municipality whose employment relates to the transferred system and who are necessary for the operation of the transferred system, shall either remain employees of the constituent municipality or become employees of such authority.

(A) Such employees who remain employees of the constituent municipality shall provide services to such authority under an agreement between the constituent municipality and such authority, provided the terms of such agreement shall not be inconsistent with the provisions of sections 23 to 35, inclusive, of this act.

(B) Such employees of the constituent municipality who become employees of such authority shall be credited by such authority with all rights that have accrued as of the date of such acquisition with respect to seniority, sick leave, vacation, insurance and pension benefits in accordance with the records, personnel policies and labor agreements of the constituent municipality.

(2) Such authority shall directly or indirectly assume and observe all accrued pension, retirement and other employee benefit obligations of the constituent municipality to current and former employees of the constituent municipality whose employment related or relates to the

Senate Bill No. 2001

transferred system, and members and beneficiaries of any such pension, retirement or other employee benefit system established by the constituent municipality shall continue to have such rights, privileges, benefits, obligations and status with respect to such established systems as have accrued as of the date of transfer of any system from a constituent municipality to such authority. Such authority may enter into agreements with representatives of its employees relative to the inclusion of its employees in any applicable state or municipal employees' retirement plan or plans, and such authority shall constitute a municipality eligible to participate in such retirement plans. Such authority may enter into agreements with representatives of its employees relative to the transfer to or the establishment of pension trust funds under the joint control of such authority and representatives of its employees and shall have all powers necessary to maintain and administer such trust funds jointly with representatives of its employees.

(3) Such authority shall directly or indirectly assume and observe all collective bargaining agreements of the constituent municipality in existence at the date of transfer of any system from such constituent municipality to such authority for current employees of the constituent municipality whose employment relates to the transferred system, and all obligations incurred by such agreements regarding wages, salaries, hours, sick leave and other leave, working conditions, grievance procedures, collective bargaining and pension or retirement.

(4) Such authority shall directly or indirectly assume and observe personnel policies of the constituent municipality pertaining to current employees whose employment relates to the transferred system in existence at the time of transfer and is not covered by collective bargaining agreements, and all obligations incurred through such personnel policies regarding wages, salaries, hours, sick leave, vacation, pension and retirement, subject to such modifications therein

Senate Bill No. 2001

as such authority may subsequently adopt for such employees who become employees of such authority, provided any such modification shall not affect any rights of such employees that have vested prior to such modification.

(g) Nothing in sections 23 to 35, inclusive, of this act shall be construed to prohibit an authority from exercising the normal prerogatives of management with respect to such matters as the promotion, demotion, assignment, transfer or discharge of its employees, nor shall an authority be bound by any terms of any personnel policy entered into by the constituent municipality in anticipation of its transfer of any system to the authority.

(h) The relations between an authority and its employees with respect to collective bargaining and the arbitration of labor disputes shall be governed by sections 7-467 to 7-478, inclusive, of the general statutes.

(i) Upon the transfer of a system from a constituent municipality to an authority by sale, lease, gift or otherwise, pursuant to the provisions of sections 23 to 35, inclusive, of this act, such authority shall promptly reimburse the constituent municipality for all fees, costs and expenses, including professional fees, paid or incurred by the constituent municipality related to the creation of such authority and related to the transfer of any system, by sale, lease, gift or otherwise, from the constituent municipality to such authority.

(j) An authority and its corporate existence shall continue until terminated by law or by requisite action prescribed by the legislative body of its constituent municipality in the authority's articles of incorporation, provided no such law or action shall take effect so long as such authority has bonds or other obligations outstanding, unless adequate provision has been made for the payment or satisfaction of such bonds or other obligations in accordance with the terms of such

Senate Bill No. 2001

authority's financing agreements and bond resolutions.

(k) Notwithstanding any provision of the general statutes, special act or municipal charter or ordinance, the approvals required under sections 23 to 35, inclusive, of this act shall be the only state and local approvals required in connection with the creation of an authority, the transfer, by sale, lease, gift or otherwise, of a system by a constituent municipality to an authority and the initial ownership, lease or operation of a system by an authority. Nothing in sections 23 to 35, inclusive, of this act shall relieve an authority from thereafter complying with applicable laws and regulations related to ownership, lease or operation of a system, except as provided otherwise in sections 23 to 35, inclusive, of this act. Any transfer of a system, by sale, lease, gift or otherwise, by a constituent municipality to an authority shall be subject to any and all contractual obligations of the constituent municipality related to the system.

Sec. 24. (*Effective from passage*) (a) An authority created pursuant to sections 23 to 35, inclusive, of this act may:

(1) Sue and be sued and institute, prosecute, maintain and defend any action or proceeding in any court or before any agency or tribunal of competent jurisdiction;

(2) Have a seal and alter the same at its pleasure;

(3) Purchase, receive by gift, lease, condemn for public purposes or otherwise acquire an interest in, or the right to use, hold and dispose of any property, real or personal, tangible or intangible, including any existing system or parts thereof, and any interest in such property as it may deem necessary, desirable or convenient;

(4) Sell, lease, grant options to purchase or to renew a lease for any interest in all or any portion of property of such authority, real or personal, tangible or intangible, determined by such authority to be no

Senate Bill No. 2001

longer used by or useful to such authority, on such terms as such authority may determine to be necessary, desirable or convenient, subject to the provisions of applicable law concerning such sale, lease or options, except that such authority may not sell, lease or otherwise convey any interest in land classified under subsection (c) of section 25-37 of the general statutes as class I or class II water-company owned land unless specifically authorized in subdivision (5) or (17) of this subsection;

(5) Mortgage or otherwise encumber all or any portion of the property of such authority, real or personal, tangible or intangible, or assume all of any portion of any obligations incurred by a constituent municipality in connection with the acquisition, construction or operation of any system transferred to or operated by such authority, or any person operating a system on behalf of such authority whenever, in the opinion of such authority, such action is deemed to be in furtherance of the purposes of sections 23 to 35 inclusive, of this act;

(6) Own, operate and maintain any system of such authority and make provision for its management;

(7) Determine the location and character of any system to be developed by such authority and construct, reconstruct, replace, enlarge and extend any system of such authority, including provision for the inspection and supervision thereof and the engineering, architectural, legal, fiscal and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and any other actions incidental thereto;

(8) Contract for architectural, engineering and design, and construction supervision, system management and facility management services, and for such other professional or technical services as may require either the prequalification of a contractor or the

Senate Bill No. 2001

submission by any person or consortium or association of persons of a proposal in response to an official request for proposal or similar written communication of such authority, deemed necessary, desirable or convenient in carrying out the purposes of such authority;

(9) Contract for the construction, operation or management of systems of such authority with private persons, or consortia of such persons, as such authority may deem necessary, desirable or convenient;

(10) Contract with special districts, municipalities, municipal, state or regional water authorities, municipal, state, regional or federal agencies or private persons to provide water and related services, and to plan, design, construct, manage, operate and maintain systems and facilities on their behalf;

(11) Purchase water approved by the Commissioner of Public Health from any private person, special district or municipal, state, regional or federal agency, when necessary or convenient for the operation of any system owned, leased or operated by such authority;

(12) Adopt and amend bylaws, rules and regulations consistent with its articles of incorporation governing the administration of its property and the conduct of its affairs and revise its plan of operation to better fulfill the purposes of sections 23 to 35, inclusive, of this act. A copy of such bylaws, rules and regulations and all amendments thereto, duly certified, shall be filed in the office of the city clerk of the constituent municipality. Any superior court located within the judicial district in which the constituent municipality is located shall have jurisdiction over any violation of such bylaws, rules or regulations and such authority may prosecute actions before the superior court to enforce such bylaws, rules and regulations;

(13) Make investments and contracts and execute all necessary or

Senate Bill No. 2001

convenient instruments, including evidences of indebtedness, negotiable or nonnegotiable;

(14) Appoint such advisory councils as it may deem advisable to benefit the individuals of a constituent municipality or any other users of the system;

(15) Borrow money, issue bonds, fund and refund the same and provide for the rights of the holders of such authority's obligations;

(16) Receive funds from the sale of such authority's bonds and of the sale, lease or other disposition of any interest in its properties, real or personal, tangible or intangible, in accordance with the provisions of subdivision (4) of this subsection;

(17) Make a loan of the proceeds of its bonds or other funds to any special district, any municipality, including any constituent municipality, or any municipal, state or regional authority or any private person for the planning, design, acquisition, construction, reconstruction, improvement, equipping and furnishing of a system of such authority, which loans may be evidenced and secured by loan agreements, contracts or any other instruments or agreements containing such terms and conditions as such authority shall determine necessary, desirable or convenient, including provisions for the establishment and maintenance of reserve funds, and for the construction, use, operation and maintenance and the payment of operating and other costs of a system. In connection with the making of any such loan, such authority may: (A) Purchase, acquire and take assignments of any note or bond of any special district municipality, including any constituent municipality, any municipal, state or regional authority and any private person, and (B) receive other forms of security and evidence of indebtedness, and, in furtherance of the purposes of sections 23 to 35, inclusive, of this act, and in order to assure the payment of the principal of and interest on bonds of such

Senate Bill No. 2001

authority issued to provide funding for such loans, may attach, seize, purchase, acquire, accept or take title to any system, and may sell, lease, rent or otherwise dispose of any interest in any system in accordance with the powers provided in sections 23 to 35, inclusive, of this act;

(18) Open the grounds in any public street or way or public grounds for the purpose of laying, installing, maintaining or replacing pipes and conduits comprising or related to a system of such authority, provided the grounds are restored to their previous conditions upon the completion of such work;

(19) Apply for and accept grants, loans or contributions from the United States, the state of Connecticut or any agency, instrumentality or subdivision of either of them or from any person, and expend the proceeds for any of its purposes;

(20) Subject to approval by a majority of members of such authority's board of directors and such other requirements as such authority may establish, indemnify and hold harmless any person in connection with the business of such authority, including, indemnification against taxation by the federal and state governments respecting any state or local property taxes and any realization of tax benefits or incentives associated with ownership of a system or of ownership of any interest in property, real or personal, tangible or intangible;

(21) Make plans, surveys, studies and investigations necessary or desirable in conformity with the plan of operation of such authority;

(22) Enter upon public or private lands and waters, as may be necessary, to make surveys, soundings, borings and examinations in order to accomplish the purposes of such authority;

(23) Establish and impose fees, rates, charges and penalties on users

Senate Bill No. 2001

of the system, including the state and any political subdivision thereof, including municipalities and levy assessments on property benefited by the system, including property owned by the state and any political subdivisions thereof, including municipalities, in accordance with sections 23 to 35, inclusive, of this act, for the services it performs and waive, suspend, reduce or otherwise modify such fees, rates, charges, penalties or assessments provided each such fee, rate, charge, penalty or assessment applies uniformly to all users and benefited properties within the constituent municipality with respect to a given type or category of water supply, in accordance with criteria established by such authority, and further provided no change may be made in user fees to users within the constituent municipality without at least sixty days prior notice to the users affected thereby;

(24) Conduct such hearings, examinations and investigations as may be necessary or convenient to the conduct of its operations and the fulfillment of its responsibilities;

(25) Obtain access to public records and apply for the process of subpoena if necessary to produce books, papers, records and other data;

(26) Retain by contract or employ legal counsel, accountants, engineers, private consultants and other professional advisers;

(27) Employ a staff and establish staff duties, compensation and benefits;

(28) Establish offices where necessary or convenient in the constituent municipality and where any of the system is located; and

(29) Otherwise do any and all things necessary or convenient for the exercise of its rights, the performance of its duties, the fulfillment of its obligations, the conduct of its operations and the maintenance of its relationships with the state, municipalities, including, its constituent

Senate Bill No. 2001

municipality, regions and other persons.

Sec. 25. (*Effective from passage*) (a) The exercise by an authority of the powers granted by sections 23 to 35, inclusive, of this act shall constitute the performance of an essential governmental function and an authority shall not be required to pay any taxes or assessments upon or in respect of a system, or any property of an authority, real or personal, tangible or intangible, levied by any municipality or other political subdivision of the state, or special district having taxing powers of the state, nor shall an authority be required to pay state taxes of any kind, and an authority, its system, property and the principal and interest of any bonds, notes and other agreements, instruments and documents evidencing indebtedness of an authority issued under the provisions of sections 23 to 35, inclusive, of this act, their transfer and the income therefrom, including revenues derived from the sale thereof, shall at all times be free from taxation of every kind by the State of Connecticut under its authority, except for estate and gift taxes imposed by the state or any political subdivision thereof, but the interest on such bonds and other indebtedness of an authority shall be included in the computation of any excise or franchise tax. In lieu of such taxes or assessments, with respect to its property, real or personal, tangible or intangible, an authority shall make annual payments to each municipality in which it owns such property equal to taxes that would otherwise be due for such property.

(b) To establish the amount of any such payments in lieu of taxes, property owned by an authority shall be assessed in accordance with section 12-63 of the general statutes. Payments in lieu of taxes for property acquired by the authority during any tax year shall be adjusted for such fractional year in accordance with the customary practice in such municipality for adjusting taxes between the buyer and seller of real property. In addition, an authority shall reimburse each such municipality for such municipality's expenses in providing

Senate Bill No. 2001

municipal services to any improvements made to or constructed on any real property by such authority, or by any person leasing or operating a system on behalf of such authority, within such municipality. As used in this section, "improvements" does not include water pipes or improvements to water pipes.

(c) An authority may contest the assessed valuation of any properties owned by such authority with respect to which any payment in lieu of taxes is determined in the same manner as any owner of property in such municipality. Payments in lieu of taxes payable to any municipality shall be paid by an authority to the municipality upon the date and in the manner provided for the payment of property taxes of the municipality.

(d) In the event an authority in any year does not have sufficient funds to make such payments in lieu of taxes, or any portion of them, as the same become due and payable, such authority shall adjust its rates and charges, so as to provide funds to make such payment. Any municipality aggrieved by the failure of an authority to make any payment in lieu of taxes or portion thereof as the same becomes due and payable may apply to the superior court for the judicial district in which such municipality is situated for an order directing such authority to appropriately increase its rates and charges.

Sec. 26. (*Effective from passage*) An authority shall have an annual audit of its accounts, books and records by a certified public accountant selected by such authority. A copy of the audit shall be filed in the office of the city clerk of the constituent municipality and with the Public Utilities Control Authority, and shall be available for public inspection during the ordinary business hours of such authority at the principal office of such authority.

Sec. 27. (*Effective from passage*) Neither the Public Utilities Control Authority nor any successor board or commissioner shall have

Senate Bill No. 2001

jurisdiction of any kind over an authority, or the rates fixed or charges collected by the authority.

Sec. 28. (*Effective from passage*) An authority shall have all rights, including the right to take and use lands, springs, streams or ponds, or any rights or interests therein, granted to a town, city, borough, municipal corporation or corporation authorized by law to supply the inhabitants of any town, city or borough with pure water for public or domestic use. The procedure for condemning land or any rights or interests therein shall be as provided in section 48-12 of the general statutes.

Sec. 29. (*Effective from passage*) An authority may assign, for consideration, any and all liens filed by such authority to secure unpaid assessments or connection or use charges of such authority. The consideration received by such authority shall be negotiated between the authority and the assignee. The assignee or assignees of such liens shall have and possess the same powers and rights at law or in equity as such authority would have had if the lien had not been assigned, with regard to the precedence and priority of such lien, the accrual of interest and the fees and expenses of collection. The assignee shall have the same rights to enforce such liens as any private party holding a lien on real property, including, but not limited to, foreclosure and a suit on the debt. Costs and reasonable attorneys' fees incurred by the assignee as a result of any foreclosure action or other legal proceeding brought pursuant to this section and directly related to the proceeding shall be taxed in any such proceeding against each person having title to any property subject to the proceedings. Such costs and fees may be collected by the assignee at any time after demand for payment has been made by the assignee.

Sec. 30. (*Effective from passage*) Neither an authority while acting in accordance with sections 23 to 35, inclusive, of this act, nor any person acting on its behalf while acting within the scope of his or her

Senate Bill No. 2001

authority shall be subject to any personal liabilities resulting from the erection, construction, reconstruction, maintenance or operation of any system, or resulting from carrying out any of the powers given in sections 23 to 35, inclusive, of this act.

Sec. 31. (*Effective from passage*) The state of Connecticut pledges to and agrees with the holders of the bonds of an authority not to (1) limit or alter the rights vested in such authority to (A) acquire, construct, maintain, operate, reconstruct, alter, improve, enlarge and extend any system of the authority, (B) establish and collect the fees, rates, charges and penalties referred to in section 24 of this act, and (C) fulfill the terms of any agreements made with the holders of the bonds, or (2) in any way impair the rights and remedies of the bondholders until the bonds together with interest thereon, interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders are fully met and discharged.

Sec. 32. (*Effective from passage*) The bonds of an authority shall be securities in which all public officers and bodies of this state and all municipalities, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies and other persons carrying on a banking business and all other persons who are now authorized or may be authorized in the future to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital in their control or belonging to them. The bonds shall also be securities that may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state is now authorized or may be authorized in the future.

Sec. 33. (*Effective from passage*) Without limiting the generality of any

Senate Bill No. 2001

and all rights, privileges and powers granted to an authority under the provisions of sections 23 to 35, inclusive, of this act, and subject to the provision of said sections 23 to 35, inclusive, an authority shall have the same rights, privileges and powers related to the issuance of bonds as are granted to a municipality or town, as such terms are defined in chapter 109 of the general statutes. Where said chapter 109 authorizes or requests action by a municipal or town official, officer or body, the board of directors of an authority shall designate an official, officer or body of such authority to take such action on behalf of such authority, except that the provisions of sections 7-373 to 7-374a, inclusive, 7-347c, 7-378b, 7-378d and 7-378f of the general statutes do not apply to such authority. For purposes of this section, references in said chapter 109 to "taxes" or "taxation" means charges or assessments by an authority.

Sec. 34. (*Effective from passage*) Insofar as the provisions of sections 23 to 35, inclusive, of this act are inconsistent with the provisions of any other general statute or special act or any municipal charter or ordinance, the provisions of sections 23 to 35, inclusive, of this act shall be controlling.

Sec. 35. (*Effective from passage*) (a) A person who is aggrieved by a decision of an authority with respect to the establishment of fees, rates, charges or penalties, the sale, lease or other transfer or change of use of real property, the location of purification or filtration plants, the commencement of any project costing more than five million dollars to repair, improve, construct, reconstruct, enlarge or extend any system of such authority or the acquisition by purchase, lease or otherwise of any existing system or part thereof, is entitled to judicial review under this section.

(b) Proceedings for review shall be instituted by filing a petition in the superior court for the judicial district in which the constituent municipality is located not later than thirty days after publication of the decision of such authority or, if a rehearing is requested, not later

Senate Bill No. 2001

than thirty days after the decision thereon. Copies of the petition shall be served upon such authority and published in a newspaper or newspapers having a general circulation in the constituent municipality.

(c) The filing of the petition shall not of itself stay enforcement of the decision of an authority. Such authority may grant, or the reviewing court may order, a stay upon appropriate terms, provided enforcement of a decision respecting the establishment of fees, rates, charges or penalties may be stayed only after issuance of a judgment for the appellant by the reviewing court.

(d) Not later than thirty days after service of the petition, or such further time as may be allowed by the court, such authority shall transmit to the reviewing court the original or a certified copy of the entire record of the proceeding under review, which shall include the authority's findings of fact and conclusions of law, separately stated. By stipulation of all parties to the review proceedings, the record may be shortened. A party unreasonably refusing to stipulate to limit the record may be taxed by the court for the additional costs. The court may require or permit subsequent corrections or additions to the record.

(e) If, before the date set for hearing, application is made to the court for leave to present additional evidence, and it is shown to the satisfaction of the court that the additional evidence is material and that there were good reasons for failure to present it in the proceeding before such authority, the court may refer the case back to such authority with instructions to take such evidence as the court directs. Such authority may modify its findings and decision by reason of the additional evidence and shall file that evidence and any modifications, new findings, or decisions with the reviewing court.

(f) The review shall be conducted by the court without a jury and

Senate Bill No. 2001

shall be confined to the record. In cases of alleged irregularities in procedure before an authority, not shown in the record, proof thereon may be taken in the court. The court, upon request, shall hear oral argument and receive written briefs.

(g) The court shall not substitute its judgment for that of an authority as to the weight of the evidence on questions of fact. The court may affirm the decision of an authority or remand the case for further proceedings. The court may reverse or modify the decision if substantial rights of the appellant have been prejudiced because the findings, inferences, conclusions or decisions are: (1) In violation of constitutional provisions, or in violation of any provision of the general statutes or any special act; (2) in excess of the powers of an authority; (3) made upon unlawful procedure; (4) affected by other error of law; (5) clearly erroneous in view of the reliable probative and substantial evidence on the whole record; or (6) arbitrary or capricious or characterized by abuse of discretion or clearly constitute an unwarranted exercise of discretion.

(h) In any case in which an aggrieved party claims that he or she is unable to pay the costs of an appeal under this section and will thereby be deprived of a right to which the aggrieved party is entitled, he or she shall, within the time permitted for filing the appeal, file with the clerk of the court to which the appeal is to be taken an application for waiver of payment of such fees, costs and necessary expenses, including the requirements of any bond, if any. The application shall conform to the requirements of section 8-2 of the Connecticut Practice Book. After such hearing as the court determines is necessary, the court shall enter its judgment on the application, which judgment shall contain a statement of facts the court has found, with its conclusions thereon. The filing of the application for the waiver shall toll the time limits for the filing of an appeal until such time as a judgment on such application is entered.

Senate Bill No. 2001

(i) An authority shall not be construed to be an agency within the scope of chapter 54 of the general statutes.

Approved July 1, 2005