



General Assembly

**Bill No. 2001**

*June Special Session,  
2005*

LCO No. **8372**

\*08372 \_\_\_\_\_ \*

Referred to Committee on No Committee

Introduced by:

SEN. WILLIAMS, 29<sup>th</sup> Dist.

REP. AMANN, 118<sup>th</sup> Dist.

***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:

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2 statutes are repealed and the following is substituted in lieu thereof  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

4 (a) For the purposes of subsection (b) of this section, the State Bond  
5 Commission shall have power, from time to time to authorize the  
6 issuance of bonds of the state in one or more series and in principal  
7 amounts not exceeding in the aggregate [nine hundred eighty-two  
8 million four hundred eighty-seven thousand five hundred forty-four]  
9 one billion one hundred thirty-two million four hundred eighty-seven  
10 thousand five hundred forty-four dollars, provided [seventy-five  
11 million five hundred thousand] sixty-five million dollars of said  
12 authorization shall be effective July 1, [2004] 2006. All provisions of

13 section 3-20, or the exercise of any right or power granted thereby,  
14 which are not inconsistent with the provisions of this section, are  
15 hereby adopted and shall apply to all bonds authorized by the State  
16 Bond Commission pursuant to this section, and temporary notes in  
17 anticipation of the money to be derived from the sale of any such  
18 bonds so authorized may be issued in accordance with said section 3-  
19 20 and from time to time renewed. Such bonds shall mature at such  
20 time or times not exceeding twenty years from their respective dates as  
21 may be provided in or pursuant to the resolution or resolutions of the  
22 State Bond Commission authorizing such bonds. None of said bonds  
23 shall be authorized except upon a finding by the State Bond  
24 Commission that there has been filed with it a request for such  
25 authorization, which is signed by or on behalf of the Secretary of the  
26 Office of Policy and Management and states such terms and conditions  
27 as said commission in its discretion may require. Said bonds issued  
28 pursuant to this section shall be general obligations of the state and the  
29 full faith and credit of the state of Connecticut are pledged for the  
30 payment of the principal of and interest on said bonds as the same  
31 become due, and accordingly as part of the contract of the state with  
32 the holders of said bonds, appropriation of all amounts necessary for  
33 punctual payment of such principal and interest is hereby made, and  
34 the Treasurer shall pay such principal and interest as the same become  
35 due.

36 (b) (1) The proceeds of the sale of said bonds, to the extent  
37 hereinafter stated, shall be used, subject to the provisions of  
38 subsections (c) and (d) of this section, for the purpose of redirecting,  
39 improving and expanding state activities which promote community  
40 conservation and development and improve the quality of life for  
41 urban residents of the state as hereinafter stated: [(1)] (A) For the  
42 Department of Economic and Community Development: Economic  
43 and community development projects, including administrative costs  
44 incurred by the Department of Economic and Community  
45 Development, not exceeding sixty-seven million five hundred ninety-  
46 one thousand six hundred forty-two dollars, one million dollars of

47 which shall be used for a grant to the development center program and  
48 the nonprofit business consortium deployment center approved  
49 pursuant to section 32-411; [(2)] (B) for the Department of  
50 Transportation: Urban mass transit, not exceeding two million dollars;  
51 [(3)] (C) for the Department of Environmental Protection: Recreation  
52 development and solid waste disposal projects, not exceeding one  
53 million nine hundred ninety-five thousand nine hundred two dollars;  
54 [(4)] (D) for the Department of Social Services: Child day care projects,  
55 elderly centers, shelter facilities for victims of domestic violence,  
56 emergency shelters and related facilities for the homeless,  
57 multipurpose human resource centers and food distribution facilities,  
58 not exceeding thirty-nine million one hundred thousand dollars,  
59 provided four million dollars of said authorization shall be effective  
60 July 1, 1994; [(5)] (E) for the Department of Economic and Community  
61 Development: Housing projects, not exceeding three million dollars;  
62 [(6)] (F) for the Office of Policy and Management: [(A)] (i) Grants-in-  
63 aid to municipalities for a pilot demonstration program to leverage  
64 private contributions for redevelopment of designated historic  
65 preservation areas, not exceeding one million dollars; [(B)] (ii) grants-  
66 in-aid for urban development projects including economic and  
67 community development, transportation, environmental protection,  
68 public safety, children and families and social services projects and  
69 programs, including, in the case of economic and community  
70 development projects administered on behalf of the Office of Policy  
71 and Management by the Department of Economic and Community  
72 Development, administrative costs incurred by the Department of  
73 Economic and Community Development, not exceeding [eight  
74 hundred sixty-seven million eight hundred thousand] one billion  
75 seventeen million eight hundred thousand dollars, provided [eighty-  
76 two million five hundred thousand] sixty-five million dollars of said  
77 authorization shall be effective July 1, [2004] 2006.

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

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

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

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

107 (b) The proceeds of the sale of said bonds, to the extent of the  
108 amount stated in subsection (a) of this section, shall be used by the  
109 Office of Policy and Management for a Small Town Economic  
110 Assistance Program the purpose of which shall be to provide grants-  
111 in-aid to any municipality [which (1)] that is not economically  
112 distressed within the meaning of subsection (b) of section 32-9p, does

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

121 Sec. 3. Subsection (a) of section 4a-10 of the general statutes is  
122 repealed and the following is substituted in lieu thereof (*Effective July*  
123 *1, 2005*):

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

131 Sec. 4. Subsection (a) of section 7-538 of the general statutes is  
132 repealed and the following is substituted in lieu thereof (*Effective July*  
133 *1, 2005*):

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

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

143 For the purposes of funding (1) grants to projects that have received  
144 approval of the State Board of Education pursuant to sections 10-287  
145 and 10-287a, subsection (a) of section 10-65 and section 10-76e, (2)  
146 grants to assist school building projects to remedy safety and health  
147 violations and damage from fire and catastrophe, and (3) regional  
148 vocational-technical school projects pursuant to section 10-283b, the  
149 State Treasurer is authorized and directed, subject to and in  
150 accordance with the provisions of section 3-20, to issue bonds of the  
151 state from time to time in one or more series in an aggregate amount  
152 not exceeding [four billion one hundred seventy-one million eight  
153 hundred sixty thousand dollars, provided six hundred twenty-five  
154 million five hundred thousand] five billion four hundred one million  
155 eight hundred sixty thousand dollars, provided six hundred fifty  
156 million dollars of said authorization shall be effective July 1, [2004]  
157 2006. Bonds of each series shall bear such date or dates and mature at  
158 such time or times not exceeding thirty years from their respective  
159 dates and be subject to such redemption privileges, with or without  
160 premium, as may be fixed by the State Bond Commission. They shall  
161 be sold at not less than par and accrued interest and the full faith and  
162 credit of the state is pledged for the payment of the interest thereon  
163 and the principal thereof as the same shall become due, and  
164 accordingly and as part of the contract of the state with the holders of  
165 said bonds, appropriation of all amounts necessary for punctual  
166 payment of such principal and interest is hereby made, and the State  
167 Treasurer shall pay such principal and interest as the same become  
168 due. The State Treasurer is authorized to invest temporarily in direct  
169 obligations of the United States, United States agency obligations,  
170 certificates of deposit, commercial paper or bank acceptances such  
171 portion of the proceeds of such bonds or of any notes issued in  
172 anticipation thereof as may be deemed available for such purpose.

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

175 For purposes of funding interest subsidy grants, except for interest

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

200 Sec. 7. Subsection (a) of section 12-242uu of the general statutes is  
201 repealed and the following is substituted in lieu thereof (*Effective July*  
202 *1, 2005*):

203 (a) The State Bond Commission shall have power, in accordance  
204 with the provisions of this section from time to time to authorize the  
205 issuance of bonds of the state in one or more series and in principal  
206 amounts in the aggregate, not exceeding [thirty-five million five  
207 hundred thousand] thirty-three million two hundred sixty thousand  
208 dollars.

209 Sec. 8. Subsection (a) of section 17b-735 of the general statutes is  
210 repealed and the following is substituted in lieu thereof (*Effective July*  
211 *1, 2005*):

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

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

223 The State Bond Commission shall have power, from time to time, to  
224 authorize the issuance of bonds of the state in one or more series and  
225 in principal amounts not exceeding in the aggregate [eighty-nine  
226 million seven hundred fifty thousand] one hundred seven million  
227 seven hundred fifty thousand dollars, the proceeds of which shall be  
228 used for the purposes of section 22-26cc, provided not more than [two]  
229 ten million dollars of said authorization shall be effective July 1, [2004]  
230 2006, and further provided not more than two million dollars shall be  
231 used for the purposes of section 22-26jj. All provisions of section 3-20,  
232 or the exercise of any right or power granted thereby which are not  
233 inconsistent with the provisions of this section are hereby adopted and  
234 shall apply to all bonds authorized by the State Bond Commission  
235 pursuant to this section, and temporary notes in anticipation of the  
236 money to be derived from the sale of any such bonds so authorized  
237 may be issued in accordance with said section 3-20 and from time to  
238 time renewed. Such bonds shall mature at such time or times not  
239 exceeding twenty years from their respective dates as may be provided  
240 in or pursuant to the resolution or resolutions of the State Bond

241 Commission authorizing such bonds. None of said bonds shall be  
242 authorized except upon a finding by the State Bond Commission that  
243 there has been filed with it a request for such authorization, which is  
244 signed by or on behalf of the Secretary of the Office of Policy and  
245 Management and states such terms and conditions as said commission,  
246 in its discretion, may require. Said bonds issued pursuant to this  
247 section shall be general obligations of the state and the full faith and  
248 credit of the state of Connecticut are pledged for the payment of the  
249 principal of and interest on said bonds as the same become due, and  
250 accordingly and as part of the contract of the state with the holders of  
251 said bonds, appropriation of all amounts necessary for punctual  
252 payment of such principal and interest is hereby made, and the  
253 Treasurer shall pay such principal and interest as the same become  
254 due.

255 Sec. 10. Subsection (a) of section 22a-483 of the general statutes is  
256 repealed and the following is substituted in lieu thereof (*Effective July*  
257 *1, 2005*):

258 (a) For the purposes of sections 22a-475 to 22a-483, inclusive, as  
259 amended by this act, the State Bond Commission shall have the power,  
260 from time to time to authorize the issuance of bonds of the state in one  
261 or more series and in principal amounts, not exceeding in the  
262 aggregate [seven hundred forty-one million thirty thousand dollars]  
263 seven hundred eighty-one million thirty thousand dollars, provided  
264 twenty million dollars of said authorization shall be effective July 1,  
265 2006.

266 Sec. 11. Subsection (d) of section 22a-483 of the general statutes is  
267 repealed and the following is substituted in lieu thereof (*Effective July*  
268 *1, 2005*):

269 (d) Notwithstanding the foregoing, nothing herein shall preclude  
270 the State Bond Commission from authorizing the issuance of revenue  
271 bonds, in principal amounts not exceeding in the aggregate [one billion  
272 two hundred thirty-eight million four hundred thousand] one billion

273 three hundred thirty-eight million four hundred thousand dollars,  
274 provided one hundred [fifty-eight] million dollars of said  
275 authorization shall be effective July 1, [2002] 2006, that are not general  
276 obligations of the state of Connecticut to which the full faith and credit  
277 of the state of Connecticut are pledged for the payment of the principal  
278 and interest. Such revenue bonds shall mature at such time or times  
279 not exceeding thirty years from their respective dates as may be  
280 provided in or pursuant to the resolution or resolutions of the State  
281 Bond Commission authorizing such revenue bonds. The revenue  
282 bonds, revenue state bond anticipation notes and revenue state grant  
283 anticipation notes authorized to be issued under sections 22a-475 to  
284 22a-483, inclusive, as amended by this act, shall be special obligations  
285 of the state and shall not be payable from nor charged upon any funds  
286 other than the revenues or other receipts, funds or moneys pledged  
287 therefor as provided in said sections 22a-475 to 22a-483, inclusive,  
288 including the repayment of municipal loan obligations; nor shall the  
289 state or any political subdivision thereof be subject to any liability  
290 thereon except to the extent of such pledged revenues or the receipts,  
291 funds or moneys pledged therefor as provided in said sections 22a-475  
292 to 22a-483, inclusive. The issuance of revenue bonds, revenue state  
293 bond anticipation notes and revenue state grant anticipation notes  
294 under the provisions of said sections 22a-475 to 22a-483, inclusive,  
295 shall not directly or indirectly or contingently obligate the state or any  
296 political subdivision thereof to levy or to pledge any form of taxation  
297 whatever therefor or to make any appropriation for their payment. The  
298 revenue bonds, revenue state bond anticipation notes and revenue  
299 state grant anticipation notes shall not constitute a charge, lien or  
300 encumbrance, legal or equitable, upon any property of the state or of  
301 any political subdivision thereof, except the property mortgaged or  
302 otherwise encumbered under the provisions and for the purposes of  
303 said sections 22a-475 to 22a-483, inclusive. The substance of such  
304 limitation shall be plainly stated on the face of each revenue bond,  
305 revenue state bond anticipation note and revenue state grant  
306 anticipation note issued pursuant to said sections 22a-475 to 22a-483,

307 inclusive, shall not be subject to any statutory limitation on the  
308 indebtedness of the state and such revenue bonds, revenue state bond  
309 anticipation notes and revenue state grant anticipation notes, when  
310 issued, shall not be included in computing the aggregate indebtedness  
311 of the state in respect to and to the extent of any such limitation. As  
312 part of the contract of the state with the owners of such revenue bonds,  
313 revenue state bond anticipation notes and revenue state grant  
314 anticipation notes, all amounts necessary for the punctual payment of  
315 the debt service requirements with respect to such revenue bonds,  
316 revenue state bond anticipation notes and revenue state grant  
317 anticipation notes shall be deemed appropriated, but only from the  
318 sources pledged pursuant to said sections 22a-475 to 22a-483, inclusive.  
319 The proceeds of such revenue bonds or notes may be deposited in the  
320 Clean Water Fund for use in accordance with the permitted uses of  
321 such fund. Any expense incurred in connection with the carrying out  
322 of the provisions of this section, including the costs of issuance of  
323 revenue bonds, revenue state bond anticipation notes and revenue  
324 state grant anticipation notes may be paid from the accrued interest  
325 and premiums or from any other proceeds of the sale of such revenue  
326 bonds, revenue state bond anticipation notes or revenue state grant  
327 anticipation notes and in the same manner as other obligations of the  
328 state. All provisions of subsections (g), (k), (l), (s) and (u) of section  
329 3-20 or the exercise of any right or power granted thereby which are  
330 not inconsistent with the provisions of said sections 22a-475 to 22a-483,  
331 inclusive, are hereby adopted and shall apply to all revenue bonds,  
332 state revenue bond anticipation notes and state revenue grant  
333 anticipation notes authorized by the State Bond Commission pursuant  
334 to said sections 22a-475 to 22a-483, inclusive. For the purposes of  
335 subsection (o) of section 3-20, "bond act" shall be construed to include  
336 said sections 22a-475 to 22a-483, inclusive.

337 Sec. 12. Subsection (a) of section 32-235 of the general statutes is  
338 repealed and the following is substituted in lieu thereof (*Effective July*  
339 *1, 2005*):

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

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

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

356 Sec. 14. (*Effective from passage*) Notwithstanding the provisions of  
357 sections 22a-475 to 22a-483, inclusive, of the general statutes, as  
358 amended by this act, the town of Enfield shall be eligible for a grant-in-  
359 aid of not more than two million eight hundred thousand dollars for  
360 additional funding of eligible costs under said sections to assist the  
361 town in its upgrade of a wastewater treatment plant.

362 Sec. 15. Subdivision (1) of subsection (b) of section 45a-107 of the  
363 general statutes, as amended by section 56 of house bill 7502 of the  
364 June special session, is repealed and the following is substituted in lieu  
365 thereof (*Effective from passage and applicable to estates of decedents dying on*  
366 *or after January 1, 2005*):

367 (1) The basis for costs shall be (A) the gross estate for succession tax  
368 purposes, as provided in section 12-349, the inventory, including all  
369 supplements thereto, [or] the Connecticut taxable estate, as defined in  
370 section 12-391, as amended by section 69 of public act 05-251, or the

371 gross estate for estate tax purposes, as provided in chapters 217 and  
372 218, whichever is greater, plus (B) all damages recovered for injuries  
373 resulting in death minus any hospital and medical expenses for  
374 treatment of such injuries resulting in death minus any hospital and  
375 medical expenses for treatment of such injuries that are not  
376 reimbursable by medical insurance and minus the attorney's fees and  
377 other costs and expenses of recovering such damages. Any portion of  
378 the basis for costs that is determined by property passing to the  
379 surviving spouse shall be reduced by fifty per cent. Except as provided  
380 in subdivision (3) of this subsection, in no case shall the minimum cost  
381 be less than twenty-five dollars.

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

385 (1) "Authority" means the Connecticut Housing Finance Authority.

386 (2) "Commissioner" means the Commissioner of Economic and  
387 Community Development.

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

390 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a  
391 municipality; (C) a housing authority; (D) a business corporation  
392 incorporated pursuant to chapter 601 of the general statutes or any  
393 predecessor statutes thereto or authorized to do business pursuant to  
394 said chapter 601 having as one of its purposes the construction,  
395 financing, acquisition, rehabilitation or operation of affordable  
396 housing, and having a certificate or articles of incorporation approved  
397 by the commissioner; (E) any partnership, limited partnership, limited  
398 liability company, joint venture, sole proprietorship, trust or  
399 association having as one of its purposes the construction, financing,  
400 acquisition, rehabilitation or operation of affordable housing; (F) the  
401 Connecticut Housing Finance Authority; (G) a municipal developer;

402 (H) any community development financial institution; or (I) any  
403 combination thereof.

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

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

414 (7) "Housing Trust Fund Program" or "program" means the housing  
415 trust fund program developed and administered under section 21 of  
416 this act.

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

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

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

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

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

436 Sec. 17. (NEW) (*Effective July 1, 2005*) For the purpose of capitalizing  
437 the Housing Trust Fund created by section 20 of this act, the State  
438 Bond Commission shall have power, in accordance with the provisions  
439 of sections 17 to 19, inclusive, of this act, from time to time to authorize  
440 the issuance of bonds of the state in one or more series and in principal  
441 amounts in the aggregate, not exceeding one hundred million dollars,  
442 provided (1) twenty million dollars shall be effective July 1, 2005, (2)  
443 twenty million dollars shall be effective July 1, 2006, (3) twenty million  
444 dollars shall be effective July 1, 2007, (4) twenty million dollars shall be  
445 effective July 1, 2008, and (5) twenty million dollars shall be effective  
446 July 1, 2009. The proceeds of the sale of bonds pursuant to said sections  
447 17 to 19, inclusive, of this act shall be deposited in the Housing Trust  
448 Fund.

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

455 Sec. 19. (NEW) (*Effective July 1, 2005*) All provisions of section 3-20  
456 of the general statutes, or the exercise of any right or power granted  
457 thereby which are not inconsistent with the provisions of sections 17 to  
458 19, inclusive, of this act, are hereby adopted and shall apply to all  
459 bonds authorized by the State Bond Commission pursuant to said  
460 sections 17 to 19, inclusive, and temporary notes in anticipation of the  
461 money to be derived from the sale of any such bonds so authorized  
462 may be issued in accordance with said section 3-20 and from time to  
463 time renewed. Such bonds shall mature at such time or times not

464 exceeding twenty years from their respective dates as may be provided  
465 in or pursuant to the resolution or resolutions of the State Bond  
466 Commission authorizing such bonds. Such bonds shall be general  
467 obligations of the state and the full faith and credit of the state of  
468 Connecticut are pledged for the payment of the principal of and  
469 interest on such bonds as the same become due, and accordingly and  
470 as part of the contract of the state with the holders of such bonds,  
471 appropriation of all amounts necessary for punctual payment of such  
472 principal and interest is hereby made, and the State Treasurer shall pay  
473 such principal and interest as the same become due.

474 Sec. 20. (NEW) (*Effective July 1, 2005*) (a) There is established the  
475 "Housing Trust Fund" which shall be a nonlapsing fund held by the  
476 Treasurer separate and apart from all other moneys, funds and  
477 accounts. The following funds shall be deposited in the fund: (1)  
478 Proceeds of bonds authorized by sections 17 to 19, inclusive, of this act;  
479 (2) all moneys received in return for financial assistance awarded from  
480 the Housing Trust Fund pursuant to the Housing Trust Fund Program  
481 established under section 21 of this act; and (3) all private  
482 contributions received pursuant to section 21 of this act. Investment  
483 earnings credited to the assets of said fund shall become part of the  
484 assets of said fund. The Treasurer shall invest the moneys held by the  
485 Housing Trust Fund subject to use for financial assistance under the  
486 Housing Trust Fund Program.

487 (b) Any moneys held in the Housing Trust Fund may, pending the  
488 use or application of the proceeds thereof for an authorized purpose,  
489 be (1) invested and reinvested in such obligations, securities and  
490 investments as are set forth in subsection (f) of section 3-20 of the  
491 general statutes, in participation certificates in the Short Term  
492 Investment Fund created under sections 3-27a and 3-27f of the general  
493 statutes and in participation certificates or securities of the Tax-Exempt  
494 Proceeds Fund created under section 3-24a of the general statutes, (2)  
495 deposited or redeposited in such bank or banks at the direction of the  
496 Treasurer, or (3) invested in participation units in the combined

497 investment funds, as defined in section 3-31b of the general statutes.  
498 Unless otherwise provided pursuant to subsection (c) of this section,  
499 proceeds from investments authorized by this subsection shall be  
500 credited to the Housing Trust Fund.

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

506 Sec. 21. (NEW) (*Effective July 1, 2005*) (a) There is established the  
507 Housing Trust Fund Program which shall be developed and  
508 administered by the Department of Economic and Community  
509 Development. The purpose of the program is to: (1) Encourage the  
510 creation of housing for homeownership at a cost that will enable low  
511 and moderate income families to afford quality housing while paying  
512 no more than thirty per cent of gross household income on housing, (2)  
513 promote the rehabilitation, preservation and production of quality,  
514 well-designed rental and homeownership housing affordable to low  
515 and moderate income families or persons, (3) maximize the leveraging  
516 of state and federal funds by encouraging private sector investment in  
517 housing developments receiving assistance, (4) encourage housing that  
518 maximizes housing choices of residents, (5) enhance economic  
519 opportunity for low and moderate income individuals and their  
520 families, (6) promote the application of efficient land use that utilizes  
521 existing infrastructure and the conservation of open spaces, and (7)  
522 encourage the development of housing which aids the revitalization of  
523 communities.

524 (b) Financial assistance shall be provided under subsection (a) of  
525 this section to eligible applicants, as defined in section 16 of this act, for  
526 development of quality rental housing and homeownership for low  
527 and moderate income families or persons. The financial assistance  
528 made under the Housing Trust Fund Program shall be paid from the

529 Housing Trust Fund established under section 20 of this act, and may  
530 be in the form of no interest and low interest loans, loan guarantees,  
531 grants and appraisal gap financings and other similar financings  
532 necessary to make rents or home prices affordable. Financial assistance  
533 provided under this section shall supplement (1) existing loan and tax  
534 credits programs available under state and federal law, and (2) grants,  
535 loans or financial assistance from any nonprofit or for-profit entity.

536 (c) The resources of the program shall be made available, at least  
537 semiannually, on a competitive basis in accordance with the written  
538 program guidelines and criteria adopted pursuant to subsection (a) of  
539 section 22 of this act.

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

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

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

559 (3) Any unexpended or unallocated amounts in the Housing Trust

560 Fund for any fiscal year may be carried over to the succeeding fiscal  
561 year and adjustments may be made for short fiscal periods.

562 (f) The commissioner shall prepare and submit an annual report to  
563 the Governor, and the General Assembly concerning the activities for  
564 the prior fiscal year of the Housing Trust Fund and the Housing Trust  
565 Fund Program and the efforts of the department to obtain private  
566 support for the Housing Trust Fund and the Housing Trust Fund  
567 Program. A copy of such report shall be filed with the clerks of each  
568 house of the General Assembly and the chairpersons and ranking  
569 members of the select committee of the General Assembly having  
570 cognizance of matters relating to housing.

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

580 (b) There shall be a Housing Trust Fund Program Advisory  
581 Committee. Said committee shall meet at least semiannually and shall  
582 advise the commissioner on (1) the administration, management and  
583 objectives of the Housing Trust Fund Program; and (2) the  
584 development of regulations, procedures and rating criteria for the  
585 program. The committee shall be appointed by the commissioner, in  
586 consultation with the Treasurer and the secretary and shall include the  
587 chairpersons and ranking members of the joint standing committee of  
588 the General Assembly having cognizance of matters relating to  
589 planning and development, and the select committee of the General  
590 Assembly having cognizance of matters relating to housing and  
591 representatives from each of the following: (A) The nonprofit housing

592 development community; (B) the for-profit housing development  
593 community; (C) a housing authority; (D) a community development  
594 financial institution; (E) the Connecticut Housing Finance Authority;  
595 (F) a state-wide housing organization; (G) an elected or appointed  
596 official of a municipality with a population of less than fifty thousand;  
597 (H) an elected or appointed official of a municipality with a population  
598 between fifty thousand and one hundred thousand; (I) an elected or  
599 appointed official of a municipality with a population in excess of one  
600 hundred thousand; and (J) the employers of the state, which may be  
601 satisfied by the appointment of a representative from a state business  
602 and industry association or regional chambers of commerce.

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

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

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

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

626 (1) "Authority" means a municipal water authority created under  
627 the provisions of sections 23 to 35, inclusive, of this act;

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

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

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

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

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

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

654 flowage or diversion and other plants, structures, conveyances,  
655 property, real or personal, tangible or intangible, or rights therein and  
656 appurtenances necessary or useful and convenient for the  
657 accumulation, supply or distribution of water.

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

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

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

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

719 (e) Notwithstanding the provisions of any general statute, special

720 act, charter or ordinance, the amount of consideration to be paid by an  
721 authority to its constituent municipality for the sale or lease of a  
722 system shall equal the fair market value determined pursuant to a  
723 valuation analysis based upon an income approach to value and  
724 accepted by ordinance of the constituent municipality's legislative  
725 body.

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

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

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

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

744 (2) Such authority shall directly or indirectly assume and observe all  
745 accrued pension, retirement and other employee benefit obligations of  
746 the constituent municipality to current and former employees of the  
747 constituent municipality whose employment related or relates to the  
748 transferred system, and members and beneficiaries of any such  
749 pension, retirement or other employee benefit system established by  
750 the constituent municipality shall continue to have such rights,

751 privileges, benefits, obligations and status with respect to such  
752 established systems as have accrued as of the date of transfer of any  
753 system from a constituent municipality to such authority. Such  
754 authority may enter into agreements with representatives of its  
755 employees relative to the inclusion of its employees in any applicable  
756 state or municipal employees' retirement plan or plans, and such  
757 authority shall constitute a municipality eligible to participate in such  
758 retirement plans. Such authority may enter into agreements with  
759 representatives of its employees relative to the transfer to or the  
760 establishment of pension trust funds under the joint control of such  
761 authority and representatives of its employees and shall have all  
762 powers necessary to maintain and administer such trust funds jointly  
763 with representatives of its employees.

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

772 (4) Such authority shall directly or indirectly assume and observe  
773 personnel policies of the constituent municipality pertaining to current  
774 employees whose employment relates to the transferred system in  
775 existence at the time of transfer and is not covered by collective  
776 bargaining agreements, and all obligations incurred through such  
777 personnel policies regarding wages, salaries, hours, sick leave,  
778 vacation, pension and retirement, subject to such modifications therein  
779 as such authority may subsequently adopt for such employees who  
780 become employees of such authority, provided any such modification  
781 shall not affect any rights of such employees that have vested prior to  
782 such modification.

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

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

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

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

810 (k) Notwithstanding any provision of the general statutes, special  
811 act or municipal charter or ordinance, the approvals required under  
812 sections 23 to 35, inclusive, of this act shall be the only state and local  
813 approvals required in connection with the creation of an authority, the  
814 transfer, by sale, lease, gift or otherwise, of a system by a constituent

815 municipality to an authority and the initial ownership, lease or  
816 operation of a system by an authority. Nothing in sections 23 to 35,  
817 inclusive, of this act shall relieve an authority from thereafter  
818 complying with applicable laws and regulations related to ownership,  
819 lease or operation of a system, except as provided otherwise in sections  
820 23 to 35, inclusive, of this act. Any transfer of a system, by sale, lease,  
821 gift or otherwise, by a constituent municipality to an authority shall be  
822 subject to any and all contractual obligations of the constituent  
823 municipality related to the system.

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

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

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

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

835       (4) Sell, lease, grant options to purchase or to renew a lease for any  
836 interest in all or any portion of property of such authority, real or  
837 personal, tangible or intangible, determined by such authority to be no  
838 longer used by or useful to such authority, on such terms as such  
839 authority may determine to be necessary, desirable or convenient,  
840 subject to the provisions of applicable law concerning such sale, lease  
841 or options, except that such authority may not sell, lease or otherwise  
842 convey any interest in land classified under subsection (c) of section  
843 25-37 of the general statutes as class I or class II water-company owned  
844 land unless specifically authorized in subdivision (5) or (17) of this  
845 subsection;

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

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

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

864 (8) Contract for architectural, engineering and design, and  
865 construction supervision, system management and facility  
866 management services, and for such other professional or technical  
867 services as may require either the prequalification of a contractor or the  
868 submission by any person or consortium or association of persons of a  
869 proposal in response to an official request for proposal or similar  
870 written communication of such authority, deemed necessary, desirable  
871 or convenient in carrying out the purposes of such authority;

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

876 (10) Contract with special districts, municipalities, municipal, state

877 or regional water authorities, municipal, state, regional or federal  
878 agencies or private persons to provide water and related services, and  
879 to plan, design, construct, manage, operate and maintain systems and  
880 facilities on their behalf;

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

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

896 (13) Make investments and contracts and execute all necessary or  
897 convenient instruments, including evidences of indebtedness,  
898 negotiable or nonnegotiable;

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

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

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

907 subdivision (4) of this subsection;

908 (17) Make a loan of the proceeds of its bonds or other funds to any  
909 special district, any municipality, including any constituent  
910 municipality, or any municipal, state or regional authority or any  
911 private person for the planning, design, acquisition, construction,  
912 reconstruction, improvement, equipping and furnishing of a system of  
913 such authority, which loans may be evidenced and secured by loan  
914 agreements, contracts or any other instruments or agreements  
915 containing such terms and conditions as such authority shall  
916 determine necessary, desirable or convenient, including provisions for  
917 the establishment and maintenance of reserve funds, and for the  
918 construction, use, operation and maintenance and the payment of  
919 operating and other costs of a system. In connection with the making  
920 of any such loan, such authority may: (A) Purchase, acquire and take  
921 assignments of any note or bond of any special district municipality,  
922 including any constituent municipality, any municipal, state or  
923 regional authority and any private person, and (B) receive other forms  
924 of security and evidence of indebtedness, and, in furtherance of the  
925 purposes of sections 23 to 35, inclusive, of this act, and in order to  
926 assure the payment of the principal of and interest on bonds of such  
927 authority issued to provide funding for such loans, may attach, seize,  
928 purchase, acquire, accept or take title to any system, and may sell,  
929 lease, rent or otherwise dispose of any interest in any system in  
930 accordance with the powers provided in sections 23 to 35, inclusive, of  
931 this act;

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

937 (19) Apply for and accept grants, loans or contributions from the  
938 United States, the state of Connecticut or any agency, instrumentality

939 or subdivision of either of them or from any person, and expend the  
940 proceeds for any of its purposes;

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

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

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

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

969 (24) Conduct such hearings, examinations and investigations as may

970 be necessary or convenient to the conduct of its operations and the  
971 fulfillment of its responsibilities;

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

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

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

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

981 (29) Otherwise do any and all things necessary or convenient for the  
982 exercise of its rights, the performance of its duties, the fulfillment of its  
983 obligations, the conduct of its operations and the maintenance of its  
984 relationships with the state, municipalities, including, its constituent  
985 municipality, regions and other persons.

986 Sec. 25. (*Effective from passage*) (a) The exercise by an authority of the  
987 powers granted by sections 23 to 35, inclusive, of this act shall  
988 constitute the performance of an essential governmental function and  
989 an authority shall not be required to pay any taxes or assessments  
990 upon or in respect of a system, or any property of an authority, real or  
991 personal, tangible or intangible, levied by any municipality or other  
992 political subdivision of the state, or special district having taxing  
993 powers of the state, nor shall an authority be required to pay state  
994 taxes of any kind, and an authority, its system, property and the  
995 principal and interest of any bonds, notes and other agreements,  
996 instruments and documents evidencing indebtedness of an authority  
997 issued under the provisions of sections 23 to 35, inclusive, of this act,  
998 their transfer and the income therefrom, including revenues derived  
999 from the sale thereof, shall at all times be free from taxation of every

1000 kind by the State of Connecticut under its authority, except for estate  
1001 and gift taxes imposed by the state or any political subdivision thereof,  
1002 but the interest on such bonds and other indebtedness of an authority  
1003 shall be included in the computation of any excise or franchise tax. In  
1004 lieu of such taxes or assessments, with respect to its property, real or  
1005 personal, tangible or intangible, an authority shall make annual  
1006 payments to each municipality in which it owns such property equal  
1007 to taxes that would otherwise be due for such property.

1008 (b) To establish the amount of any such payments in lieu of taxes,  
1009 property owned by an authority shall be assessed in accordance with  
1010 section 12-63 of the general statutes. Payments in lieu of taxes for  
1011 property acquired by the authority during any tax year shall be  
1012 adjusted for such fractional year in accordance with the customary  
1013 practice in such municipality for adjusting taxes between the buyer  
1014 and seller of real property. In addition, an authority shall reimburse  
1015 each such municipality for such municipality's expenses in providing  
1016 municipal services to any improvements made to or constructed on  
1017 any real property by such authority, or by any person leasing or  
1018 operating a system on behalf of such authority, within such  
1019 municipality. As used in this section, "improvements" does not include  
1020 water pipes or improvements to water pipes.

1021 (c) An authority may contest the assessed valuation of any  
1022 properties owned by such authority with respect to which any  
1023 payment in lieu of taxes is determined in the same manner as any  
1024 owner of property in such municipality. Payments in lieu of taxes  
1025 payable to any municipality shall be paid by an authority to the  
1026 municipality upon the date and in the manner provided for the  
1027 payment of property taxes of the municipality.

1028 (d) In the event an authority in any year does not have sufficient  
1029 funds to make such payments in lieu of taxes, or any portion of them,  
1030 as the same become due and payable, such authority shall adjust its  
1031 rates and charges, so as to provide funds to make such payment. Any

1032 municipality aggrieved by the failure of an authority to make any  
1033 payment in lieu of taxes or portion thereof as the same becomes due  
1034 and payable may apply to the superior court for the judicial district in  
1035 which such municipality is situated for an order directing such  
1036 authority to appropriately increase its rates and charges.

1037       Sec. 26. (*Effective from passage*) An authority shall have an annual  
1038 audit of its accounts, books and records by a certified public  
1039 accountant selected by such authority. A copy of the audit shall be  
1040 filed in the office of the city clerk of the constituent municipality and  
1041 with the Public Utilities Control Authority, and shall be available for  
1042 public inspection during the ordinary business hours of such authority  
1043 at the principal office of such authority.

1044       Sec. 27. (*Effective from passage*) Neither the Public Utilities Control  
1045 Authority nor any successor board or commissioner shall have  
1046 jurisdiction of any kind over an authority, or the rates fixed or charges  
1047 collected by the authority.

1048       Sec. 28. (*Effective from passage*) An authority shall have all rights,  
1049 including the right to take and use lands, springs, streams or ponds, or  
1050 any rights or interests therein, granted to a town, city, borough,  
1051 municipal corporation or corporation authorized by law to supply the  
1052 inhabitants of any town, city or borough with pure water for public or  
1053 domestic use. The procedure for condemning land or any rights or  
1054 interests therein shall be as provided in section 48-12 of the general  
1055 statutes.

1056       Sec. 29. (*Effective from passage*) An authority may assign, for  
1057 consideration, any and all liens filed by such authority to secure  
1058 unpaid assessments or connection or use charges of such authority.  
1059 The consideration received by such authority shall be negotiated  
1060 between the authority and the assignee. The assignee or assignees of  
1061 such liens shall have and possess the same powers and rights at law or  
1062 in equity as such authority would have had if the lien had not been  
1063 assigned, with regard to the precedence and priority of such lien, the

1064 accrual of interest and the fees and expenses of collection. The assignee  
1065 shall have the same rights to enforce such liens as any private party  
1066 holding a lien on real property, including, but not limited to,  
1067 foreclosure and a suit on the debt. Costs and reasonable attorneys' fees  
1068 incurred by the assignee as a result of any foreclosure action or other  
1069 legal proceeding brought pursuant to this section and directly related  
1070 to the proceeding shall be taxed in any such proceeding against each  
1071 person having title to any property subject to the proceedings. Such  
1072 costs and fees may be collected by the assignee at any time after  
1073 demand for payment has been made by the assignee.

1074       Sec. 30. (*Effective from passage*) Neither an authority while acting in  
1075 accordance with sections 23 to 35, inclusive, of this act, nor any person  
1076 acting on its behalf while acting within the scope of his or her  
1077 authority shall be subject to any personal liabilities resulting from the  
1078 erection, construction, reconstruction, maintenance or operation of any  
1079 system, or resulting from carrying out any of the powers given in  
1080 sections 23 to 35, inclusive, of this act.

1081       Sec. 31. (*Effective from passage*) The state of Connecticut pledges to  
1082 and agrees with the holders of the bonds of an authority not to (1) limit  
1083 or alter the rights vested in such authority to (A) acquire, construct,  
1084 maintain, operate, reconstruct, alter, improve, enlarge and extend any  
1085 system of the authority, (B) establish and collect the fees, rates, charges  
1086 and penalties referred to in section 24 of this act, and (C) fulfill the  
1087 terms of any agreements made with the holders of the bonds, or (2) in  
1088 any way impair the rights and remedies of the bondholders until the  
1089 bonds together with interest thereon, interest on any unpaid  
1090 installments of interest and all costs and expenses in connection with  
1091 any action or proceeding by or on behalf of the bondholders are fully  
1092 met and discharged.

1093       Sec. 32. (*Effective from passage*) The bonds of an authority shall be  
1094 securities in which all public officers and bodies of this state and all  
1095 municipalities, all insurance companies and associations and other

1096 persons carrying on an insurance business, all banks, bankers, trust  
1097 companies, savings banks, savings and loan associations, investment  
1098 companies and other persons carrying on a banking business and all  
1099 other persons who are now authorized or may be authorized in the  
1100 future to invest in bonds or other obligations of the state, may properly  
1101 and legally invest funds, including capital in their control or belonging  
1102 to them. The bonds shall also be securities that may be deposited with  
1103 and may be received by all public officers and bodies of this state and  
1104 all municipalities and municipal subdivisions for any purpose for  
1105 which the deposit of bonds or other obligations of this state is now  
1106 authorized or may be authorized in the future.

1107       Sec. 33. (*Effective from passage*) Without limiting the generality of any  
1108 and all rights, privileges and powers granted to an authority under the  
1109 provisions of sections 23 to 35, inclusive, of this act, and subject to the  
1110 provision of said sections 23 to 35, inclusive, an authority shall have  
1111 the same rights, privileges and powers related to the issuance of bonds  
1112 as are granted to a municipality or town, as such terms are defined in  
1113 chapter 109 of the general statutes. Where said chapter 109 authorizes  
1114 or requests action by a municipal or town official, officer or body, the  
1115 board of directors of an authority shall designate an official, officer or  
1116 body of such authority to take such action on behalf of such authority,  
1117 except that the provisions of sections 7-373 to 7-374a, inclusive, 7-347c,  
1118 7-378b, 7-378d and 7-378f of the general statutes do not apply to such  
1119 authority. For purposes of this section, references in said chapter 109  
1120 to "taxes" or "taxation" means charges or assessments by an authority.

1121       Sec. 34. (*Effective from passage*) Insofar as the provisions of sections 23  
1122 to 35, inclusive, of this act are inconsistent with the provisions of any  
1123 other general statute or special act or any municipal charter or  
1124 ordinance, the provisions of sections 23 to 35, inclusive, of this act shall  
1125 be controlling.

1126       Sec. 35. (*Effective from passage*) (a) A person who is aggrieved by a  
1127 decision of an authority with respect to the establishment of fees, rates,

1128 charges or penalties, the sale, lease or other transfer or change of use of  
1129 real property, the location of purification or filtration plants, the  
1130 commencement of any project costing more than five million dollars to  
1131 repair, improve, construct, reconstruct, enlarge or extend any system  
1132 of such authority or the acquisition by purchase, lease or otherwise of  
1133 any existing system or part thereof, is entitled to judicial review under  
1134 this section.

1135 (b) Proceedings for review shall be instituted by filing a petition in  
1136 the superior court for the judicial district in which the constituent  
1137 municipality is located not later than thirty days after publication of  
1138 the decision of such authority or, if a rehearing is requested, not later  
1139 than thirty days after the decision thereon. Copies of the petition shall  
1140 be served upon such authority and published in a newspaper or  
1141 newspapers having a general circulation in the constituent  
1142 municipality.

1143 (c) The filing of the petition shall not of itself stay enforcement of the  
1144 decision of an authority. Such authority may grant, or the reviewing  
1145 court may order, a stay upon appropriate terms, provided enforcement  
1146 of a decision respecting the establishment of fees, rates, charges or  
1147 penalties may be stayed only after issuance of a judgment for the  
1148 appellant by the reviewing court.

1149 (d) Not later than thirty days after service of the petition, or such  
1150 further time as may be allowed by the court, such authority shall  
1151 transmit to the reviewing court the original or a certified copy of the  
1152 entire record of the proceeding under review, which shall include the  
1153 authority's findings of fact and conclusions of law, separately stated.  
1154 By stipulation of all parties to the review proceedings, the record may  
1155 be shortened. A party unreasonably refusing to stipulate to limit the  
1156 record may be taxed by the court for the additional costs. The court  
1157 may require or permit subsequent corrections or additions to the  
1158 record.

1159 (e) If, before the date set for hearing, application is made to the court

1160 for leave to present additional evidence, and it is shown to the  
1161 satisfaction of the court that the additional evidence is material and  
1162 that there were good reasons for failure to present it in the proceeding  
1163 before such authority, the court may refer the case back to such  
1164 authority with instructions to take such evidence as the court directs.  
1165 Such authority may modify its findings and decision by reason of the  
1166 additional evidence and shall file that evidence and any modifications,  
1167 new findings, or decisions with the reviewing court.

1168 (f) The review shall be conducted by the court without a jury and  
1169 shall be confined to the record. In cases of alleged irregularities in  
1170 procedure before an authority, not shown in the record, proof thereon  
1171 may be taken in the court. The court, upon request, shall hear oral  
1172 argument and receive written briefs.

1173 (g) The court shall not substitute its judgment for that of an  
1174 authority as to the weight of the evidence on questions of fact. The  
1175 court may affirm the decision of an authority or remand the case for  
1176 further proceedings. The court may reverse or modify the decision if  
1177 substantial rights of the appellant have been prejudiced because the  
1178 findings, inferences, conclusions or decisions are: (1) In violation of  
1179 constitutional provisions, or in violation of any provision of the  
1180 general statutes or any special act; (2) in excess of the powers of an  
1181 authority; (3) made upon unlawful procedure; (4) affected by other  
1182 error of law; (5) clearly erroneous in view of the reliable probative and  
1183 substantial evidence on the whole record; or (6) arbitrary or capricious  
1184 or characterized by abuse of discretion or clearly constitute an  
1185 unwarranted exercise of discretion.

1186 (h) In any case in which an aggrieved party claims that he or she is  
1187 unable to pay the costs of an appeal under this section and will thereby  
1188 be deprived of a right to which the aggrieved party is entitled, he or  
1189 she shall, within the time permitted for filing the appeal, file with the  
1190 clerk of the court to which the appeal is to be taken an application for  
1191 waiver of payment of such fees, costs and necessary expenses,

1192 including the requirements of any bond, if any. The application shall  
 1193 conform to the requirements of section 8-2 of the Connecticut Practice  
 1194 Book. After such hearing as the court determines is necessary, the  
 1195 court shall enter its judgment on the application, which judgment shall  
 1196 contain a statement of facts the court has found, with its conclusions  
 1197 thereon. The filing of the application for the waiver shall toll the time  
 1198 limits for the filing of an appeal until such time as a judgment on such  
 1199 application is entered.

1200 (i) An authority shall not be construed to be an agency within the  
 1201 scope of chapter 54 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2005	4-66c(a) and (b)
Sec. 2	July 1, 2005	4-66g(a) and (b)
Sec. 3	July 1, 2005	4a-10(a)
Sec. 4	July 1, 2005	7-538(a)
Sec. 5	July 1, 2005	10-287d
Sec. 6	July 1, 2005	10-292k
Sec. 7	July 1, 2005	12-242uu(a)
Sec. 8	July 1, 2005	17b-735(a)
Sec. 9	July 1, 2005	22-26hh
Sec. 10	July 1, 2005	22a-483(a)
Sec. 11	July 1, 2005	22a-483(d)
Sec. 12	July 1, 2005	32-235(a)
Sec. 13	July 1, 2005	PA 96-250, Sec. 3(a)
Sec. 14	from passage	New section
Sec. 15	from passage and applicable to estates of decedents dying on or after January 1, 2005	45a-107(b)(1)
Sec. 16	July 1, 2005	New section
Sec. 17	July 1, 2005	New section
Sec. 18	July 1, 2005	New section
Sec. 19	July 1, 2005	New section
Sec. 20	July 1, 2005	New section
Sec. 21	July 1, 2005	New section

Sec. 22	<i>from passage</i>	New section
Sec. 23	<i>from passage</i>	New section
Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>from passage</i>	New section
Sec. 26	<i>from passage</i>	New section
Sec. 27	<i>from passage</i>	New section
Sec. 28	<i>from passage</i>	New section
Sec. 29	<i>from passage</i>	New section
Sec. 30	<i>from passage</i>	New section
Sec. 31	<i>from passage</i>	New section
Sec. 32	<i>from passage</i>	New section
Sec. 33	<i>from passage</i>	New section
Sec. 34	<i>from passage</i>	New section
Sec. 35	<i>from passage</i>	New section