



Substitute House Bill No. 5814

Public Act No. 06-194

AN ACT CONCERNING THE BONDING PROCESS, CONFIDENTIALITY OF TAX RETURN INFORMATION, LOANS FOR MOBILE MANUFACTURED HOMES, VARIOUS TAXES ADMINISTERED BY THE DEPARTMENT OF REVENUE SERVICES, CREATION OF A SPECIAL DISTRICT IN DERBY, TAXATION OF LAND PURCHASED FROM THE STATE BY A TOWN AND CONSTRUCTION OF A HIGHWAY RAILROAD CROSSING.

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

Section 1. Subsection (g) of section 3-20 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(g) (1) With the exception of refunding bonds, whenever a bond act empowers the State Bond Commission to authorize bonds for any project or purpose or projects or purposes, and whenever the State Bond Commission finds that the authorization of such bonds will be in the best interests of the state, it shall authorize such bonds by resolution adopted by the approving vote of at least a majority of said commission. No such resolution shall be so adopted by the State Bond Commission unless it finds that there has been filed with it (A) any human services facility colocation statement to be filed with the Secretary of the Office of Policy and Management, if so requested by the secretary, pursuant to section 4b-23, as amended; (B) a statement

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from the Commissioner of Agriculture pursuant to section 22-6, for projects which would convert twenty-five or more acres of prime farmland to a nonagricultural use; (C) prior to the meeting at which such resolution is to be considered, any capital development impact statement required to be filed with the Secretary of the Office of Policy and Management; [and] (D) a statement as to the full cost of the project or purpose when completed and the estimated operating cost for any structure, equipment or facility to be constructed or acquired; and (E) such requests and such other documents as it or said bond act require, provided no resolution with respect to any school building project financed pursuant to section 10-287d, as amended, or any interest subsidy financed pursuant to section 10-292k, as amended, shall require the filing of any statements pursuant to subparagraph (A), (B), (C), [or] (D) or (E) of this subdivision and provided further any resolution requiring a capital impact statement shall be deemed not properly before the State Bond Commission until such capital development impact statement is filed. Any such resolution so adopted by the State Bond Commission shall recite the bond act under which said commission is empowered to authorize such bonds and the filing of all requests and other documents, if any, required by it or such bond act, and shall state the principal amount of the bonds authorized and a description of the purpose or project for which such bonds are authorized. Such description shall be sufficient if made merely by reference to a numbered subsection, subdivision or other applicable section of such bond act.

(2) The agenda of each meeting shall be made available to the members of the commission not later than [four] five business days prior to the meeting at which such agenda is to be considered. The day of the meeting shall count as one of the business days. The agenda of each meeting, or any supporting documents included with such agenda, shall include a reference to the statute or public or special act which is the source of any funds to be used for any project on such

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agenda, including any contingency funds and any reuse or reallocation of funds previously approved for any other use or project, and a notation of the outside source from which any funds for any such project were received, if any.

(3) Upon adoption of a resolution, the principal amount of the bonds authorized therein for such purpose or project shall be deemed to be an appropriation and allocation of such amount for such purpose or project, respectively, and subject to approval by the Governor of allotment thereof and to any authorization for such project or purpose that may otherwise be required, contracts may be awarded and obligations incurred with respect to any such project or purpose in amounts not in the aggregate exceeding such authorized principal amount, notwithstanding that such contracts and obligations may at a particular time exceed the amount of the proceeds from the sale of such bonds theretofore received by the state. In any such resolution so adopted, the State Bond Commission may include provision for the date or dates of such bonds, the maturity of such bonds and, notwithstanding the provisions of any bond act taking effect prior to July 1, 1973, provision for either serial or term, sinking fund or other reserve fund requirements, if any, due dates of the interest thereon, the form of such bonds, the denominations and designation of such bonds, registration, conversion and transfer privileges and the terms of redemption with or without premium and the date and manner of sale of such bonds, provisions for the consolidation of such bonds with other bonds including refunding bonds for the purpose of sale as provided in subsection (h) of this section, limitations with respect to the interest rate or rates on such bonds, provisions for receipt and deposit or investment of the good faith deposit pending delivery of such bonds and such other terms and conditions of such bonds and of the issuance and sale thereof as the State Bond Commission may determine to be in the best interest of the state, provided the State Bond Commission may delegate to the Treasurer all or any part of the

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foregoing powers in which event the Treasurer shall exercise such powers until the State Bond Commission, by adoption of a resolution prior to exercise of such powers by the Treasurer shall elect to reassume the same. Such powers shall be exercised from time to time in such manner as the Treasurer shall determine to be in the best interests of the state and the Treasurer shall file a certificate of determination setting forth the details thereof with the secretary of the State Bond Commission on or before the date of delivery of such bonds, the details of which were determined by the Treasurer in accordance with such delegation.

(4) On or before January 1, 2007, and annually thereafter, the Secretary of the Office of Policy and Management shall submit a report to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, which report shall update, for all outstanding bond allocations, the statement required under subparagraph (D) of subdivision (1) of this subsection.

[(4)] (5) The State Bond Commission may authorize the Commissioner of Economic and Community Development to defer payments of interest or principal, or a portion thereof, in the case of a troubled loan, as defined in subdivision (1) of subsection (e) of section 8-37x, made by the commissioner under any provision of the general statutes.

Sec. 2. Subsection (a) of section 32-383 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) All provisions of section 3-20, as amended by this act, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of sections 32-382 to 32-385, inclusive, are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to said sections, and temporary or

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interim 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 provided no filings required by [subdivisions (1) and (2)] subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said section 3-20 shall be required. Such bonds shall mature at such time or times not exceeding thirty years from either their respective dates or the estimated completion date of the stadium facility as referred to in subdivision (5) of section 32-397, 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 the secretary stating such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to section 32-382 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, including temporary or interim notes, 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 including with respect to interest on temporary or interim notes and principal thereof to the extent not funded with renewals thereof or bonds, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 3. Subsection (c) of section 32-614 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) All provisions of section 3-20, as amended by this act, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and

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shall apply to all bonds authorized by the State Bond Commission pursuant to said section 3-20, and temporary or interim 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 provided no filings required by [subdivisions (1) and (2)] subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said section 3-20 shall be required. Such bonds shall mature at such time or times not exceeding twenty years from either their respective dates. 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 the Secretary of the Office of Policy and Management stating such terms and conditions as said commission, in its discretion, may require. Such 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 such bonds, including temporary or interim notes, 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 including with respect to interest on temporary or interim notes and principal thereof to the extent not funded with renewals thereof or bonds, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 4. Subsection (c) of section 32-616 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) All provisions of section 3-20, as amended by this act, 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

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pursuant to said section 3-20, and temporary or interim 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 provided no filings required by [subdivisions (1) and (2)] subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said section 3-20 shall be required. Such bonds shall mature at such time or times not exceeding twenty years from either their respective dates. 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 the Secretary of the Office of Policy and Management stating such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to section 32-614, as amended by this act, 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, including temporary or interim notes, 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 including with respect to interest on temporary or interim notes and principal thereof to the extent not funded with renewals thereof or bonds, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 5. Subsection (d) of section 32-652 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) All provisions of section 3-20, as amended by this act, and the exercise of any right or power granted thereby which is not inconsistent with the provisions of this section, are hereby adopted and shall apply to all bonds authorized pursuant to this section, and temporary or interim notes in anticipation of the money to be derived

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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 provided no filings required by [subdivisions (1) and (2)] subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said section 3-20 shall be required.

Sec. 6. Subsection (e) of section 32-653 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(e) All provisions of section 3-20, as amended by this act, and the exercise of any right or power granted thereby which is not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized pursuant to this section and temporary or interim 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 provided no filings required by [subdivisions (1) and (2)] subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said section 3-20 shall be required.

Sec. 7. Subsection (f) of section 12-7b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(f) (1) The Office of Fiscal Analysis shall not make known in any manner any information obtained from any such report or inventory, or any information obtained pursuant to subdivision (2) of this subsection which would allow the identification of any taxpayer or of the amount or source of income, profits, losses, expenditures or any particulars thereof set forth or disclosed in any return, statement or report required to be filed with or submitted to the commissioner which is discernible from such report or inventory, or from such information obtained pursuant to subdivision (d) of this subsection,

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except as provided in this subsection. The Office of Fiscal Analysis may disclose such information to other state officers and employees when required in the course of duty. No such officer or employee shall make known any such information to any other person except as provided in this subsection. Any person who violates any provision of this subsection shall be fined not more than one thousand dollars or imprisoned not more than one year or both.

(2) (A) For purposes of revenue estimating and forecasting only, the Office of Fiscal Analysis may disclose information to any person under a contractual obligation to provide services for purposes of revenue estimating and forecasting to said office, but only to the extent necessary in connection with the providing of such services for purposes of revenue estimating and forecasting. No such person under a contractual obligation to provide such services to said office shall make known any such information to any other person, except as provided in this subsection.

(B) For purposes of revenue estimating and forecasting only, the Office of Fiscal Analysis may request, and the Commissioner of Revenue Services shall provide, for each type of tax levied by the state, all available return information, as defined in subdivision (2) of subsection (h) of section 12-15, pertaining to such type of tax levied by the state, to said office, provided names, addresses, account and registration numbers, and, to the extent in excess of four digits, Standard Industrial Classification Manual codes and North American Industrial Classification System United States Manual codes shall first have been redacted from such return information by said commissioner.

Sec. 8. Section 8-251 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) In order to provide additional construction and permanent

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financing for housing in this state, the authority is authorized to make commitments to purchase, and to purchase, service and sell mortgages and to make loans directly upon the security of any mortgage, and to make commitments to purchase, and to purchase and sell participation sale certificates representing interests in mortgages, provided the underlying mortgage loans shall have been made and shall be used solely to finance or refinance the construction, rehabilitation, purchase or leasing of housing in this state, and provided further the aggregate amount of permanent mortgages, mortgage-backed securities and participation sale certificates representing interests in mortgages purchased, and permanent loans made by the authority which are not directly or indirectly insured or guaranteed by any department, agency, instrumentality of the United States of America, or public corporation chartered by the Congress of the United States, including but not limited to the Federal Home Loan Mortgage Corporation, or which are not insured or guaranteed by any department, agency or instrumentality of the state, any insurance company licensed to do business in the state and authorized to underwrite mortgage insurance or by the authority shall not at any one time exceed seven hundred fifty million dollars.

(b) For the purpose of encouraging balanced community development in urban areas and increasing the supply and availability of mortgage financing for the residents of urban areas, the authority is authorized to make commitments to purchase, and to purchase, urban area mortgages or to make loans directly upon the security of urban area mortgages or to make loans for, or to purchase, urban area mortgages under terms and conditions requiring the proceeds thereof to be used for the making of additional urban area mortgages, subject to the provisions of section 8-250.

(c) For the purpose of assisting Connecticut residents to purchase mobile manufactured homes to be located in a manufactured housing

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community, the authority shall set aside not less than two million dollars to be used to provide loans directly to such residents. Such loans shall not require the purchase of private mortgage insurance, and shall accept an annual renewable lease for the lot on which such home is located.

Sec. 9. Section 12-35b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For the purposes of sections 12-204, 12-212, 12-235, [12-263b, 12-263m,] 12-268h, 12-309, 12-330i, 12-366, as amended, 12-398, [12-405d,] 12-420, 12-441, 12-475, 12-488, [12-512,] 12-555a, 12-594, 12-638j, 12-655 and 12-734; [22a-256j and 51-81b:]

[(a)] (1) "Bona fide purchaser" means a person who takes a conveyance of real estate in good faith from the holder of legal title, and pays valuable consideration, without actual, implied, or constructive notice of any tax delinquency.

[(b)] (2) "Qualified encumbrancer" means a person who places a burden, charge or lien on real estate, in good faith, without actual, implied, or constructive notice of any tax delinquency.

[(c)] (3) "Commissioner" means the Commissioner of Revenue Services or his or her authorized agent.

(b) For purposes of the sections enumerated in subsection (a) of this section, the commissioner may use an electronic signature, as defined in section 1-267, on any certificate of lien or certificate discharging such lien. No town clerk shall refuse to record any such certificate because the commissioner has used an electronic signature thereon.

(c) All certificates of lien or certificates discharging a lien using an electronic signature of the commissioner and filed with a town clerk by the commissioner before the effective date of this section, when

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otherwise valid, are validated and effective as of the date originally filed with such town clerk.

Sec. 10. Subdivision (5) of subsection (a) of section 12-285 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(5) "Dealer" means any person other than a distributor who is engaged in this state in the business of selling cigarettes, including any person operating and servicing fewer than twenty-five cigarette vending machines, and any person who is engaged in the business of selling taxed tobacco products, as defined in section 12-330a, as amended by this act, at retail.

Sec. 11. Subsections (d) and (e) of section 12-286 of the 2006 supplement to the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(d) The commissioner may, in the commissioner's discretion, refuse to issue a license if there is reasonable ground to believe (1) that the applicant has wilfully made any false statement of substance with respect to such application for license, (2) that the applicant has neglected to pay any taxes due to this state, or (3) that the applicant has been convicted of violating any of the cigarette or other tobacco products tax laws of this or any other state or the cigarette tax laws of the United States or has such a criminal record that the commissioner reasonably believes that such applicant is not a suitable person to be issued a license, provided no refusal shall be rendered under this subdivision except in accordance with the provisions of sections 46a-80 and 46a-81.

(e) (1) Any person who knowingly sells, offers for sale or possesses with intent to sell any cigarettes, without a license as provided in this chapter, shall be fined not more than five hundred dollars or

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imprisoned for not more than three months, or both, for each offense. Each day of such unauthorized operation may be deemed a separate offense.

(2) Any person who knowingly sells at retail, offers for sale at retail or possesses with intent to sell at retail any taxed tobacco products, without a dealer's license as provided in this chapter, shall be fined not more than five hundred dollars or imprisoned for not more than three months, or both, for each offense. Each day of such unauthorized operation may be deemed a separate offense.

Sec. 12. Section 12-287 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

Each person engaging in, or intending to engage in, the business of selling cigarettes in this state as a dealer, and each person engaging in or intending to engage in, the business of selling taxed tobacco products at retail, shall secure a dealer's license from the Commissioner of Revenue Services before engaging in such business or continuing to engage therein. Subject to the provisions of section 12-286, as amended by this act, such license shall be renewable annually. The annual fee for a dealer's license shall be twenty-five dollars. Such license shall be valid for a period beginning with the date of license to the thirtieth day of September next succeeding the date of license unless sooner revoked as provided in section 12-295, as amended, or unless the person to whom it was issued discontinues business, in either of which cases the holder of the license shall immediately return it to the commissioner. In the event of mutilation or destruction of such license, a duplicate copy, marked as such, shall be issued by said commissioner upon application accompanied by a fee of five dollars.

Sec. 13. Section 12-330a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

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As used in this chapter:

(1) "Commissioner" means the Commissioner of Revenue Services;

(2) ["tobacco products"] "Tobacco products" means cigars, cheroots, stogies, periques, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco, snuff tobacco products, cavendish, plug and twist tobacco, fine cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco and all other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise or for both chewing and smoking, but shall not include any cigarette, as defined in section 12-285, as amended by this act;

(3) ["distributor"] "Distributor" means (A) any person in this state engaged in the business of manufacturing tobacco products, (B) any person who purchases untaxed tobacco products at wholesale from manufacturers or other distributors for sale, or (C) any person who imports into this state untaxed tobacco products, at least seventy-five per cent of which are to be sold;

(4) ["unclassified importer"] "Unclassified importer" means any person, other than a distributor, who imports, receives or acquires untaxed tobacco products from outside this state for his or her personal use or consumption in this state;

(5) ["sale"] "Sale" or "sell" includes or applies to gifts, exchanges and barter;

(6) ["wholesale sales price"] "Wholesale sales price" means, in the case of a manufacturer of tobacco products, the price set for such products or, if no price has been set, the wholesale value of such products, and, in the case of a distributor who is not a manufacturer of tobacco products, the price at which the distributor purchased such products, and, in the case of an unclassified importer of tobacco

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products, the price at which the unclassified importer purchased such products; [and]

(7) ["snuff tobacco products"] "Snuff tobacco products" means only those snuff tobacco products that have imprinted on the packages the designation "snuff" or "snuff flour", or the federal tax designation "Tax Class M", or both;

(8) "Untaxed tobacco products" means tobacco products upon which no tax has been paid in accordance with the provisions of this chapter; and

(9) "Taxed tobacco products" means tobacco products upon which tax has been paid in accordance with the provisions of this chapter.

Sec. 14. Section 12-330b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

Each distributor or unclassified importer shall obtain a license issued by the commissioner before manufacturing, purchasing, importing, receiving or acquiring any untaxed tobacco products in this state. The commissioner may, in his or her discretion, refuse to issue a license if [he] such commissioner has reasonable ground to believe (1) that the applicant has wilfully made any false statement of substance with respect to such application for license, (2) that the applicant has neglected to pay any taxes due to this state, or (3) that the applicant has been convicted of violating any of the cigarette or other tobacco product tax laws of this or any other state or the cigarette tax laws of the United States or has such a criminal record that the commissioner reasonably believes that such applicant is not a suitable person to be issued a license, provided no refusal shall be rendered under this subdivision except in accordance with the provisions of sections 46a-80 and 46a-81. The fee for a distributor's license shall be one hundred dollars a year. There shall be no fee for an unclassified importer's

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license. Each distributor's license [so issued] shall be [properly] conspicuously displayed on the premises covered by the license. Notwithstanding the provisions of section 12-15, as amended, the commissioner shall publish on the Internet web site of the Department of Revenue Services a list of every distributor licensed under this chapter. The commissioner shall prescribe the form of application for a distributor's license and for an unclassified importer's license.

Sec. 15. Subsection (a) of section 12-330c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) (1) A tax is imposed on all untaxed tobacco products held in this state by any person. Except as otherwise provided in subdivision (2) of this subsection with respect to the rate of tax on snuff tobacco products, the tax shall be imposed at the rate of twenty per cent of the wholesale sales price of such products.

(2) The tax shall be imposed on snuff tobacco products, on the net weight as listed by the manufacturer, as follows: Forty cents per ounce of snuff and a proportionate tax at the like rate on all fractional parts of an ounce of snuff.

Sec. 16. Subdivision (1) of subsection (b) of section 12-330d of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(b) (1) [Each licensed distributor who does not acquire untaxed tobacco products shall file with the commissioner, on or before the twenty-fifth day of each July, a report for the twelve-month period ending the June thirtieth immediately preceding, in such form and containing such information as the commissioner may prescribe, and bearing notice to the effect that false statements made in such report are punishable. As used in this section, "untaxed tobacco products"

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means tobacco products other than taxed tobacco products; and "taxed tobacco products" means tobacco products which are acquired from a licensed distributor who does acquire untaxed tobacco products and who is subject to and required to pay the tax imposed under this chapter on such tobacco products. Each distributor required to file an annual report] Any person who does not acquire untaxed tobacco products, but acquires taxed tobacco products for sale at retail shall not be licensed as a distributor under this chapter, and shall be required, during the period that such person is a retailer of taxed tobacco products, to apply for and retain a dealer's license under chapter 214. Each such retailer shall maintain records that detail (A) the persons from whom, the quantities in which and the dates on which tobacco products were acquired by [the distributor; (B) the persons to whom, the quantities in which and the dates on which such tobacco products were sold by the distributor; and (C)] such retailer, and (B) any other information deemed necessary by the commissioner.

Sec. 17. Subdivision (1) of subsection (a) of section 12-392 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to taxes payable on or after said date*):

(a) (1) The tax imposed by this chapter shall become due at the date of the taxable transfer and shall become payable, and shall be paid, without assessment, notice or demand, to the Commissioner of Revenue Services at the expiration of nine months from the date of death, and executors, administrators, trustees, grantees, donees, beneficiaries and surviving joint owners shall be liable for the tax and for any interest or penalty thereon until it is paid, except that no executor, administrator, trustee, grantee, donee, beneficiary or surviving joint owner shall be liable for a greater sum than the value of the property actually received by him or her. If the amount of tax reported to be due on the return is not paid within such nine months,

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there shall be imposed a penalty equal to ten per cent of such amount due and unpaid, or fifty dollars, whichever is greater. Such amount shall bear interest at the rate of one per cent per month or fraction thereof, from the due date of such tax until the date of payment. Subject to the provisions of section 12-3a, the commissioner may waive all or part of the penalties provided under this chapter when it is proven to his satisfaction that the failure to pay any tax was due to reasonable cause and was not intentional or due to neglect.

Sec. 18. Section 12-395 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) The provisions of sections 12-548 and 12-550 to [12-553] 12-554, inclusive, shall apply to the provisions of this chapter in the same manner and with the same force and effect as if the language of said sections 12-548 and 12-550 to [12-553] 12-554, inclusive, had been incorporated in full into this chapter and had expressly referred to the tax imposed under this chapter, except to the extent that any such provision is inconsistent with a provision of this chapter.

(2) A finding of domicile by a court of probate in accordance with subsection (b) of section 45a-309 shall not affect the determination, for purposes of this chapter of whether a decedent died a resident of this state, [or of the amount of estate tax due this state,] except in accordance with the provisions of subsection (b) of this section.

(b) Any person aggrieved by any [order, decision, determination or disallowance of] determination of domicile by the Commissioner of Revenue Services under the provisions of [this chapter] subdivision (5) of subsection (h) of section 12-391 of the 2006 supplement to the general statutes, may, not later than one month after service upon the person of notice of such [order, decision,] determination, [or disallowance,] make a written application for a hearing to the court of probate for the district within which the decedent resided at the date

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of his death, or within which the commissioner contends that the decedent resided at the date of his death or, if the decedent died a nonresident of this state, in the court of probate for the district within which real estate or tangible personal property of the decedent is situated, or within which the commissioner contends that real estate or tangible personal property of the decedent is situated. Such application shall set forth in detail the objection to the [order, decision,] determination [or disallowance] of said commissioner and a copy of same shall be mailed to said commissioner at the time of filing. The court of probate shall assign a time and place for a hearing upon such application not less than two nor more than four weeks after receipt thereof and shall cause a copy of the order of hearing to be sent to said commissioner and to the person aggrieved by said [order, decision,] determination [or disallowance] at least ten days before the time of such hearing. The commissioner or any person interested may appear before the court at such hearing and be heard on any matter involved in the determination. [of the tax.] At such hearing, the court shall determine all matters properly before it, [including the amount of such tax] and shall enter upon its records a decree [for such amount] of domicile. A copy of the decree of the court of probate shall be forwarded by the judge or clerk of such court to the commissioner and to the person aggrieved because of such [order, decision,] determination [or disallowance] of the commissioner. The determination [of the tax] by the Commissioner of Revenue Services shall be conclusive upon the state and any person aggrieved by any [order, decision,] determination [or disallowance] of the commissioner unless a hearing is held as provided in this subsection, in which case the decree of the court of probate shall be conclusive upon the state and any person aggrieved by such [order, decision,] determination [or disallowance] of the commissioner unless an appeal is taken as provided for appeals from other decrees and orders of such court.

Sec. 19. Section 12-644 of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective from passage and applicable to gifts made during calendar years commencing on or after January 1, 2006*):

(a) Any individual, whether resident or nonresident, liable for a return under this chapter, who in the calendar year makes any transfer by gift not excluded in this chapter shall make a return with respect to the gift tax imposed by this chapter.

(b) If the donor dies before filing his return, the executor of his will or the administrator of his estate shall file the return. If the donor becomes legally incompetent before filing his return, his guardian or conservator shall file the return.

(c) The return shall set forth:

(1) Each gift made during the calendar year which is to be included in computing the taxable gifts.

(2) The deductions claimed and allowable under section 12-643, as amended.

(3) A description of the gift, and the donee's name, address and social security account number.

(4) The fair market value of gifts not made in money.

(5) Such further information as the Commissioner of Revenue Services may find necessary to administer properly the provisions of this chapter.

(d) (1) If any gift which is required to be shown on a return under this chapter is not shown on such return, or if the information set forth in such return fails to meet the requirements of subsection (c) of this section, any tax imposed by this chapter on such undisclosed gift may be assessed at any time with respect to that gift, even if the

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commissioner has filed a return on behalf of the taxpayer in accordance with section 12-649.

(2) In the case of any item adequately disclosed in such return in accordance with subsection (c) of this section, the provisions of subdivision (1) of this subsection shall not apply.

Sec. 20. Section 12-645 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to gifts made during calendar years commencing on or after January 1, 2006*):

Returns required under this chapter shall be filed on or before the fifteenth day of April following the close of the calendar year except where a gift is made during the calendar year in which the donor dies, the return with respect to such donor shall be filed on or before the last date, including extensions, for filing the [gift] estate tax return [for federal gift tax purposes] under chapter 217 with respect to such donor.

Sec. 21. Section 12-647 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to taxes due for calendar years commencing on or after January 1, 2005*):

(a) The tax imposed under this chapter shall be due and payable by the donor no later than April fifteenth following the close of the calendar year during which the gift was made and shall be payable to the Commissioner of Revenue Services. The return required under section 12-644, as amended by this act, shall accompany such payment. Where a gift is made during the calendar year in which the donor dies, the last date for paying the tax required under this chapter shall be the last date, including extensions, for filing the [gift tax return for federal gift tax purposes] estate tax return under chapter 217 with respect to

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such donor. If any person fails to pay the amount of tax reported to be due on such return within the time specified under the provisions of this section, there shall be imposed a penalty equal to ten per cent of such amount due and unpaid or fifty dollars, whichever is greater. Such amount shall bear interest at the rate of one per cent per month or fraction thereof, from the due date of such return.

(b) The commissioner for good cause may extend the time for making any return and paying any amount required to be paid under this chapter if a written request therefor is filed with the commissioner together with a tentative return which must be accompanied by a payment of the tax, which shall be estimated in such tentative return, on or before the last day for filing the return. Any person to whom an extension is granted shall pay, in addition to the tax, interest at the rate of one per cent per month or fraction thereof from the date on which the tax would have been due without the extension until the date of payment.

(c) If the amount of a taxpayer's taxable gifts, for federal gift tax purposes, reported on such taxpayer's federal gift tax return for any calendar year, is changed or corrected by the United States Internal Revenue Service or other competent authority, the taxpayer shall report such change or correction in federal taxable gifts within ninety days after the final determination of such change or correction, and shall concede the accuracy of such determination or state wherein it is erroneous. Any taxpayer filing an amended federal gift tax return shall also file within ninety days thereafter an amended return under this chapter and shall give such information as the commissioner may require. The time for filing such report or amended return may be extended by the commissioner upon due cause shown. Notwithstanding any limitation of time in this chapter, if, upon examination, the commissioner finds that such taxpayer is liable for the payment of an additional tax, he shall, within a reasonable time

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from the receipt of such report or amended return, notify such taxpayer of the amount of such additional tax, together with interest thereon computed at the rate of one per cent per month or fraction thereof from the date when the original tax became due and payable. Within thirty days of the mailing of such notice, the taxpayer shall pay the commissioner the amount of such additional tax and interest. If, upon examination of such report or amended return and related information, the commissioner finds that the taxpayer has overpaid the tax due the state, the commissioner shall certify the amount of such overpayment, together with interest as provided in subsection (d) of this section, to the Comptroller, and such amount shall be paid to the taxpayer by the State Treasurer upon order of the Comptroller.

(d) Whenever there is an overpayment of the tax imposed by this chapter, the commissioner shall return to the taxpayer the overpayment, which shall bear interest at the rate of two-thirds of one per cent per month or fraction thereof, said interest commencing from the due date of the return required under this chapter, or the date of payment, whichever is later.

Sec. 22. Subsection (g) of section 3 of public act 05-289 is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(g) (1) Notwithstanding any provision of the general statutes, including sections 7-324 to 7-329, inclusive, whenever the district has authorized the acquisition or construction of the improvements or has made an appropriation therefor, the district may authorize the issuance of up to thirty million dollars of bonds, notes or other obligations to finance the cost of the improvements, the creation and maintenance of reserves required to sell the bonds, notes or obligations and the cost of issuance of the bonds, notes or obligations provided no bonds shall be issued prior to the district entering into an interlocal agreement with the town of East Lyme, in accordance with the procedures provided by section 7-339c of the general statutes,

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including at least one public hearing on the proposed agreement and ratification [by the legislative body of the town] at a town meeting called for such purpose. The bonds, notes or other obligations may be secured as to both principal or interest by (A) the full faith and credit of the district, (B) fees, revenues or benefit assessments, or (C) a combination of subparagraphs (A) and (B) of this subdivision. Such bonds, notes or obligations shall be authorized by resolution of the board. The district is authorized to secure such bonds by the full faith and credit of the district or by a pledge of or lien on all or part of its revenues, fees or benefit assessments. The bonds of each issue shall be dated, shall bear interest at the rates and shall mature at the time or times not exceeding thirty years from their date or dates, as determined by the board, and may be redeemable before maturity, at the option of the board, at the price or prices and under the terms and conditions fixed by the board before the issuance of the bonds. The board shall determine the form of the bonds, and the manner of execution of the bonds, and shall fix the denomination of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within the state of Connecticut and other locations as designated by the board. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be an officer before the delivery of the bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

(2) While any bonds or notes issued by the district remain outstanding, the powers, duties or existence of the district shall not be diminished or impaired in any way that will affect adversely the interests and rights of the holders of the bonds or notes. Bonds or notes issued under this section, unless otherwise authorized by law, shall not be considered to constitute a debt of the state of Connecticut or the town of East Lyme, or a pledge of the full faith and credit of the state

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of Connecticut or of the town of East Lyme, but the bonds or notes shall be payable solely by the district or as special obligations payable from particular district revenues. Any bonds or notes issued by the district shall contain on their face a statement to the effect that neither the state of Connecticut or the town of East Lyme shall be obliged to pay the principal of or the interest thereon, and that neither the full faith and credit or taxing power of the state of Connecticut or of the town of East Lyme is pledged to the payment of the bonds or notes. All bonds or notes issued under this section shall have and are hereby declared to have all the qualities and incidents of negotiable instruments, as provided in title 42a of the general statutes.

Sec. 23. (*Effective from passage*) (a) For purposes of this section:

(1) "District" means that certain real property situated within the city of Derby, the county of New Haven and the state of Connecticut, the Downtown Derby Revitalization Infrastructure Improvement District, a body politic and corporate, consisting of the area bounded and described as follows: Beginning at a point on the southwesterly streetline of Main Street (Route 34) at the easterly streetline of Bridge Street; thence running southeasterly and easterly along the southwesterly and southerly streetline of Main Street (Route 34) to a point which is the division line between land now or formerly of Alphonse Ippolito and land now or formerly of Maria Santangelo; thence running southerly and thence running easterly along the division line between land now or formerly of Alphonse Ippolito and land now or formerly of Maria Santangelo to a point; thence running southerly along the division line between land now or formerly of Alphonse Ippolito and land now or formerly of Robert J. Vontell, Jr. and land now or formerly of Grotto Properties, LLC, each in part, to a point; thence running westerly and thence running southerly along the division line between land now or formerly of Alphonse Ippolito and land now or formerly of Grotto Properties, LLC to a point; thence

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running easterly along the northerly streetline of Hallock Court to a point; thence running southerly along the westerly streetline of Factory Street to a point; thence running northwesterly along the northerly right-of-way line of land now or formerly of the New York, New Haven and Hartford Railroad Co. to a point; thence running southwesterly along land now or formerly of the New York, New Haven and Hartford Railroad Co. to a point; thence running northwesterly along the southerly right-of-way line of land now or formerly of the New York, New Haven and Hartford Railroad Co. to a point; thence running southerly along the easterly streetline of Caroline Street to a point; thence running westerly along the northerly right-of-way line of land now or formerly of the New York, New Haven and Hartford Railroad Co. to a point; thence running northwesterly along the northeasterly edge of the Housatonic River to a point; thence running northwesterly along the easterly streetline of Bridge Street to the point of beginning.

(2) "Voter" means (A) any person who is an elector of the district, (B) any citizen of the United States eighteen years of age or more who, jointly or severally, is liable to the district for taxes assessed against such citizen on an assessment of not less than one thousand dollars on the last-completed grand list of such district, as the case may be, or who would be so liable if not entitled to an exemption under subdivision (17), (19), (22), (23) or (26) of section 12-81 of the 2006 supplement to the general statutes, or (C) holders of record of an interest in real property within the district.

(b) (1) Upon the petition of fifteen or more persons eligible to vote in the city of Derby, specifying the district for any or all of the purposes set forth in this section, the mayor of such city shall call a meeting of the voters to act upon such petition, which meeting shall be held at such place within such city and such hour as the mayor designates after such petition has been received by the mayor. Such meeting shall

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be called by publication of a written notice of the same, signed by the mayor, at least fourteen days before the time fixed for such meeting in two successive issues of some newspaper published or circulated in such city. Not later than twenty-four hours before such meeting (A) two hundred or more voters or ten per cent of the total number of voters, whichever is less, may petition the mayor, in writing, for a referendum, or (B) the mayor in his or her discretion may order a referendum of the voters, on the sole question of whether the proposed district should be established. Any such referendum shall be held not less than seven or more than fourteen days after the receipt of such petition or the date of such order, on a day to be set by the mayor for a vote by paper ballots or by a "yes" or "no" vote on the voting machines, during the hours between twelve o'clock noon and eight o'clock p.m.; except that such city may, by vote of its board of aldermen, provide for an earlier hour for opening the polls but not earlier than six o'clock a.m., notwithstanding the provisions of any special act. If two-thirds of the voters casting votes in such referendum vote in favor of establishing the proposed district, the mayor shall reconvene such meeting not later than seven days after the day on which the referendum is held. Upon approval of the petition for the proposed district by two-thirds of the voters present at such meeting, or if a referendum is held, upon the reconvening of such meeting after the referendum, the voters may name the district and, upon the vote of a majority of such voters, choose necessary officers therefor to hold office until the first annual meeting thereof; and the district shall, upon the filing of the first report in the manner required pursuant to subsection (c) of section 7-325 of the general statutes, thereupon be a body corporate and politic and have the powers provided in sections 7-324 to 7-329, inclusive, of the general statutes, not inconsistent with the general statutes or this section, in relation to the objects for which it was established, that are necessary for the accomplishment of such objects, including the power to lay and collect taxes. The clerk of such district shall cause its name and a description of its territorial limits

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and of any additions that may be made thereto to be recorded in, and a caveat be placed upon, the land records of the city of Derby.

(2) At the meeting called for the purpose of establishing the district as provided in subdivision (1) of this subsection, the voters may establish the district for any or all of the following purposes: To extinguish fires; to light streets; to plant and care for shade and ornamental trees; to plan, lay out, acquire, construct, finance and maintain roads, including the shoring up of roads, foundations and retaining walls, pilings, footings and pressure slabs and sidewalks, crosswalks, curbs, drains, sewers and sewage treatment facilities, parking facilities, open space, river walks, parks, floating docks and other infrastructure improvements; to acquire, construct, maintain and regulate the use of recreational facilities; to plan, lay out, acquire, construct, reconstruct, repair, maintain, supervise and manage a flood or erosion control system, to plan, lay out, acquire, construct, maintain, operate, finance and regulate the use of a community water system, all as hereinafter referred to as "improvements". The district may contract with a town, city, borough or other district for carrying out any of the purposes or the purchase or sale of any of the improvements for which such district was established.

(3) At the meeting called for the purpose of establishing the district as provided in subdivision (1) of this subsection, the voters shall fix the date of the annual meeting of the voters for the election of district officers and the transaction of such other business as may properly come before such annual meeting. At such organizational meeting of the district, the voters shall elect a president, vice-president, five directors, a clerk and a treasurer to serve until the first annual meeting for the election of officers and thereafter such officers shall be elected annually, provided, upon its organization and at all times thereafter, one director may be appointed by the mayor of the city of Derby. Not less than three members of the board of directors shall be residents of

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the state of Connecticut. Subject to the provisions of subdivision (4) of this subsection, not fewer than fifteen voters of the district shall constitute a quorum for the transaction of business at such organizational meeting of the district; and if fifteen voters are not present at such meeting, the mayor may adjourn such meeting, from time to time, until at least fifteen voters are present. Special meetings of the district may be called on the application of ten per cent of the total number of voters of such district or twenty of the voters of such district, whichever is less, or by the president or any three directors upon giving notice as hereinafter provided. Any special meeting called on the application of the voters shall be held not later than twenty-one days after receiving such application. Notice of the holding of the annual meeting and all special meetings shall be given by publication of a notice of such meetings in a newspaper having a general circulation in such district at least ten days before the day of such meetings, signed by the president or any three directors, which notice shall designate the time and place of such meetings and the business to be transacted thereat. Two hundred or more persons or ten per cent of the total number of voters of such district, whichever is less, may petition the clerk of such district, in writing, at least twenty-four hours prior to any such meeting, requesting that any item or items on the call of such meeting be submitted to the voters not less than seven or more than fourteen days thereafter, on a day to be set by the district meeting or, if the district meeting does not set a date, by the board of directors, or a vote by paper ballots or by a "yes" or "no" vote on the voting machines, during the hours between twelve o'clock noon and eight o'clock p.m., except that any district may, by vote of its board of directors, provide for an earlier hour for opening the polls but not earlier than six o'clock a.m. The paper ballots or voting machine ballot labels, as the case may be, shall be provided by the clerk. When such a petition has been filed with the clerk, the president, after completion of other business and after reasonable discussion shall adjourn such meeting and order such vote on such item or items in accordance with

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the petition; and any item so voted may be rescinded in the same manner. The clerk shall phrase such item or items in a form suitable for printing on such paper ballots or ballot labels. Subject to the provisions of subdivision (4) of this subsection, not fewer than fifteen voters of the district shall constitute a quorum for the transaction of business at any meeting of the district; and if fifteen voters are not present at such meeting, the president of the district or, in such president's absence, the vice-president, may adjourn such meeting, from time to time, until at least fifteen voters are present; and all meetings of the district where a quorum is present may be adjourned from time to time by a vote of a majority of the voters voting on the question. At any annual or special meeting, the voters may, by a majority vote of those present, discontinue any purposes for which the district is established or undertake any additional purpose or purposes enumerated in subdivision (2) of this subsection.

(4) (A) A quorum for the transaction of business at the meeting called for the purpose of establishing the district, as provided in subdivision (1) of this subsection, shall be either fifteen voters of such district or a majority of the holders of record of interests in real property within such district, as long as the assessments of such holders of record constitute more than one-half of the total of assessments for all interests in real property within such district. If fifteen voters or a majority of the holders of record of interests in real property within such district are not present at such meeting or the assessments of such holders of record constitute less than one-half of the total of assessments for all interests in real property within such district, the mayor may adjourn such meeting, from time to time, until at least fifteen voters or a majority of the holders of record of interests in real property within such district are present and the assessments of such holders of record constitute more than one-half of the total of assessments for all interests in real property within such district.

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(B) For the transaction of business at any other meeting of the district, a quorum shall be either fifteen voters of the district or a majority of the holders of record of interests in real property within such district, as long as the assessments for such holders of record constitute more than one-half of the total of assessments for all interests in real property within such district. If fifteen voters or a majority of the holders of record of interests in real property within such district are not present at such meeting or the assessments of such holders of record constitute less than one-half of the total assessments for all interests in real property within such district, the president of the district, or in such president's absence, the vice-president, may adjourn such meeting, from time to time, until at least fifteen voters or a majority of the holders of record of interests in real property within such district are present and the assessments of such holders of record constitute more than one-half of the total of assessments for all interests in real property within such district.

(5) In any case in which an action for a vote by the voters of the district is to be initiated by the petition of such voters, in addition to such other requirements as the general statutes or any special act may impose, such petition shall be on a form prescribed or approved by the clerk of such district, and each page of such petition shall contain a statement, signed under penalties of false statement, by the person who circulated the same, setting forth such circulator's name and address, and stating that each person whose name appears on said page signed the same in person in the presence of such circulator, that the circulator either knows each such signer or that the signer satisfactorily identified himself to the circulator and that all the signatures on said page were obtained not earlier than six months prior to the filing of said petition. Any page of a petition which does not contain such a statement by the circulator shall be invalid. Any circulator who makes a false statement in the statement hereinbefore provided shall be subject to the penalty provided for false statement.

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No petition shall be valid for any action for a vote by the voters at any regular or special district meeting unless such petition shall be circulated by a voter eligible to vote in such district.

(c) Whenever the officers of such district vote to terminate its corporate existence and whenever a petition signed by ten per cent of the total voters of such district or twenty of the voters of such district, whichever is less, applying for a special meeting to vote on the termination of the district is received by the clerk, the clerk shall call a special meeting of the voters of such district, the notice of which shall be signed by the officers thereof, by advertising the same in the same manner as is provided in section 7-325 of the general statutes. Not later than twenty-four hours before any such meeting, two hundred or more voters or ten per cent of the total number of voters, whichever is less, may petition the clerk of the district, in writing, that a referendum on the question of whether the district should be terminated be held in the manner provided in section 7-327 of the general statutes. If, at such meeting, a two-thirds majority of the voters present vote to terminate the corporate existence of the district, or, if a referendum is held, two-thirds of the voters casting votes in such referendum vote to terminate the corporate existence of the district, the officers shall proceed to terminate the affairs of such district. The district shall pay all outstanding indebtedness and turn over the balance of the assets of such district to the city in which the district is located, if the legislative body of the city authorizes such action. No district shall be terminated under this section until all of its outstanding indebtedness is paid unless the legislative body of the city in which the district is located agrees, in writing, to assume such indebtedness. On completion of the duties of the officers of such district, the clerk shall cause a certificate of the vote of such meeting to be recorded in the land records of the city in which the district is located and the clerk shall notify the Secretary of the Office of Policy and Management.

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(d) (1) For purposes of voting at meetings held by such district, any tenant in common of any interest in real property shall have a vote equal to the fraction of such tenant in common's ownership of such interest. Any joint tenant of any interest in real property shall vote as if each such tenant owned an equal fractional share of such real property. A corporation shall have its vote cast by the chief executive officer of such corporation or such officer's designee. Any entity that is not a corporation shall have its vote cast by a person authorized by such entity to cast its vote. No owner shall have more than one vote.

(2) No holder of record of an interest in real property shall be precluded from participating in any district meeting or referendum because of the form of entity that holds such interest, whether such holder of record is (A) a corporation, partnership, unincorporated association, trustee, fiduciary, guardian, conservator or other form of entity, or any combination thereof, or (B) an individual who holds interests jointly or in common with another individual or individuals, or with any one or more of the entities listed in subparagraph (A) of this subdivision.

(e) Notwithstanding any provision of the general statutes, including sections 7-324 to 7-329, inclusive, of the general statutes, the district shall have the power to assess, levy and collect benefit assessments upon the land and buildings in the district which, in its judgment, is benefited by the improvements.

(f) (1) Notwithstanding any provision of the general statutes, including sections 7-324 to 7-329, inclusive, of the general statutes, the district shall have the power to fix, revise, charge, collect, abate and forgive reasonable taxes, fees, rents and benefit assessments, and other charges for the cost of the improvements, financing costs, operating expenses and other services and commodities furnished or supplied to the real property in the district in accordance with the applicable provisions of the general statutes which apply to districts established

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under section 7-325 of the general statutes, and this section and in the manner prescribed by the district. Notwithstanding any provision of the general statutes, the district may pay the entire cost of any improvements, including the costs of financing such improvements, capitalized interest and the funding of any reserve funds necessary to secure such financing or the debt service of bonds or notes issued to finance such costs, from taxes, fees, rents, benefit assessments or other revenues and may assess, levy and collect said taxes, fees, rents or benefit assessments concurrently with the issuance of bonds, notes or other obligations to finance such improvements based on the estimated cost of the improvements prior to the construction or acquisition of the improvements or upon the completion or acquisition of the improvements.

(2) Notwithstanding any provision of the general statutes, whenever the district constructs, improves, extends, equips, rehabilitates, repairs, acquires or provides a grant for any improvements or finances the cost of such improvements, such proportion of the cost or estimated cost of the improvements and financing thereof as determined by the district, may be assessed by the district, herein referred to as "benefit assessments", in the manner prescribed by such district, upon the property benefited by such improvements and the balance of such costs shall be paid from the general funds of the district. The district may provide for the payment of such benefit assessments in annual installments, not exceeding thirty, and may forgive such benefit assessments in any single year without causing the remainder of installments of benefit assessments to be forgiven. Benefit assessments to buildings or structures constructed or expanded after the initial benefit assessment may be assessed as if the new or expanded buildings or structures had existed at the time of the original benefit assessment. It is hereby determined that the provision of open space whether within the district or in the city of Derby is a benefit to all the property in the district.

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(3) In order to provide for the collection and enforcement of its taxes, fees, rents, benefit assessments and other charges, the district is hereby granted all the powers and privileges with respect thereto as districts organized pursuant to section 7-325 of the general statutes, and as held by municipal corporations or as otherwise provided in this section. Such taxes, fees, rents or benefit assessments, if not paid when due, shall constitute a lien upon the premises served and a charge against the owners thereof, which lien and charge shall bear interest at the same rate as delinquent property taxes. Each such lien may be continued, recorded and released in the manner provided for property tax liens and shall take precedence over all other liens or encumbrances except a lien for taxes of the city of Derby. Each such lien may be continued, recorded and released in the manner provided for property tax liens.

(4) The budget, taxes, fees, rents, benefit assessments and any other charges of the district of general application shall be adopted and revised by the board at least annually no more than thirty days before the beginning of the fiscal year in accordance with the procedures to be established by the board and at a meeting called by the board assuring that interested persons are afforded notice and an opportunity to be heard. The board shall hold at least one public hearing on its schedule of fees, rates, rents, benefit assessments and other charges or any revision thereof before adoption, notice of which shall be delivered to the mayor of the city of Derby and be published in a newspaper of general circulation in the city of Derby at least ten days in advance of the hearing. No later than the date of the publication, the board shall make available to the public and deliver to the mayor of the city of Derby the proposed schedule of fees, rates, rents, benefit assessments and other charges. The procedures regarding public hearing and appeal provided by section 7-250 of the general statutes, shall apply for all benefit assessments made by the district except that the board shall be substituted for the water pollution control authority. Should the

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benefit assessments be assessed and levied prior to the acquisition or construction of the improvements, then the amount of the benefit assessments shall be adjusted to reflect the actual cost of the improvements including all financing costs once the improvements have been completed should the actual cost be greater than or less than the estimated costs. Benefit assessments shall be due and payable at such times as are fixed by the board, provided the district shall give notice of such due date not less than thirty days prior to such due date by publication in a newspaper of general circulation in the city of Derby and by mailing such notice to the owners of the property assessed at their last-known address.

(g) (1) Notwithstanding any provision of the general statutes, including sections 7-324 to 7-329, inclusive, of the general statutes, whenever the district has authorized the acquisition or construction of the improvements or has made an appropriation therefor, the district may authorize the issuance of up to forty-five million dollars of bonds, notes or other obligations to finance the cost of the improvements, the creation and maintenance of reserves required to sell the bonds, notes or obligations and the cost of issuance of the bonds, notes or obligations provided no bonds shall be issued prior to the district entering into an interlocal agreement with the city of Derby, in accordance with the procedures provided by section 7-339c of the general statutes, including at least one public hearing on the proposed agreement and ratification by the legislative body of the city of Derby. The bonds, notes or other obligations may be secured as to both principal or interest by (A) the full faith and credit of the district, (B) fees, revenues or benefit assessments, or (C) a combination of subparagraphs (A) and (B) of this subdivision. Such bonds, notes or obligations shall be authorized by resolution of the board. The district is authorized to secure such bonds by the full faith and credit of the district or by a pledge of or lien on all or part of its revenues, fees or benefit assessments. The bonds of each issue shall be dated, shall bear

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interest at the rates and shall mature at the time or times not exceeding thirty years from their date or dates, as determined by the board, and may be redeemable before maturity, at the option of the board, at the price or prices and under the terms and conditions fixed by the board before the issuance of the bonds. The board shall determine the form of the bonds, and the manner of execution of the bonds, and shall fix the denomination of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within the state of Connecticut and other locations as designated by the board. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be an officer before the delivery of the bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

(2) While any bonds or notes issued by the district remain outstanding, the powers, duties or existence of the district shall not be diminished or impaired in any way that will affect adversely the interests and rights of the holders of the bonds or notes. Bonds or notes issued under this section, unless otherwise authorized by law, shall not be considered to constitute a debt of the state of Connecticut or the city of Derby, or a pledge of the full faith and credit of the state of Connecticut or of the city of Derby, but the bonds or notes shall be payable solely by the district or as special obligations payable from particular district revenues. Any bonds or notes issued by the district shall contain on their face a statement to the effect that neither the state of Connecticut or the city of Derby shall be obliged to pay the principal of or the interest thereon, and that neither the full faith and credit or taxing power of the state of Connecticut or of the city of Derby is pledged to the payment of the bonds or notes. All bonds or notes issued under this section shall have and are hereby declared to have all the qualities and incidents of negotiable instruments, as provided in title 42a of the general statutes.

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(h) (1) The board may authorize that the bonds be secured by a trust agreement by and between the district and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the state of Connecticut. The trust agreement may pledge or assign the revenues. Either the resolution providing for the issuance of bonds or the trust agreement may contain covenants or provisions for protecting and enforcing the rights and remedies of the bondholders as may be necessary, reasonable or appropriate and not in violation of law.

(2) All expenses incurred in carrying out the trust agreement may be treated as a part of the cost of the operation of the district. The pledge by any trust agreement or resolution shall be valid and binding from time to time when the pledge is made; the revenues or other moneys so pledged and then held or thereafter received by the board shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act; and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the board, irrespective of whether the parties have notice thereof. Notwithstanding any provision of the Uniform Commercial Code, neither this subsection, the resolution or any trust agreement by which a pledge is created need be filed or recorded except in the records of the board, and no filing need be made under title 42a of the general statutes.

(i) Bonds or notes issued under this section are hereby made securities in which all public officers and public bodies of the state of Connecticut and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control and belonging to them; and such bonds shall be securities which may properly and legally be deposited with and received by any state or

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municipal officer or any agency or political subdivision of the state of Connecticut for any purpose for which the deposit of bonds or notes of the state of Connecticut is now or may hereafter be authorized by law.

(j) Bonds may be issued under this section without obtaining the consent of the state of Connecticut or the city of Derby, and without any proceedings or the happening of any other conditions or things other than those proceedings, conditions or things that are specifically required thereof by this section, and the validity of and security for any bonds issued by the district shall not be affected by the existence or nonexistence of the consent or other proceeding conditions, or things.

(k) The district and all its receipts, revenues, income and real and personal property shall be exempt from taxation and benefit assessments and the district shall not be required to pay any tax, excise or assessment to or from the state of Connecticut or any of its political subdivisions. The principal and interest on bonds or notes issued by the district shall be free from taxation at all times, except for estate and gift, franchise and excise taxes, imposed by the state of Connecticut or any political subdivision thereof, provided nothing in this section shall act to limit or restrict the ability of the state of Connecticut or the city of Derby to tax the individuals and entities, or their real or personal property or any person living or business operating within the boundaries of the district.

(l) The board shall at all times keep accounts of its receipts, expenditures, disbursements, assets and liabilities, which shall be open to inspection by a duly appointed officer or duly appointed agent of the state of Connecticut or the city of Derby. The fiscal year of the district shall begin on July first and end on the following June thirtieth or as otherwise established by section 7-327 of the general statutes. The district shall be subject to an audit of its accounts in the manner provided in the general statutes.

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(m) (1) The clerk of the district shall submit project activity reports quarterly to the Secretary of the Office of Policy and Management and to the chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding. Such reports shall provide information and updates on the projects undertaken by the district, including the status of the design, financing, construction, sales and such other items as the secretary or chairpersons may request.

(2) The district shall take affirmative steps to provide for the full disclosure of information relating to the public financing and maintenance of improvements to real property undertaken by the district. Such information shall be provided to any existing residents and to all prospective residents of the district. The district shall furnish each developer of a residential development within the district with sufficient copies of such information to provide each prospective initial purchaser of property in such district with a copy, and any developer of a residential development within the district, when required by law to provide a public offering statement, shall include a copy of such information relating to the public financing and maintenance of improvements in the public offering statement.

(n) (1) This section shall be deemed to provide an additional, alternative and complete method of accomplishing the purposes of this section and exercising the powers authorized hereby and shall be deemed and construed to be supplemental and additional to, and not in derogation of, powers conferred upon the district by law and particularly by sections 7-324 to 7-329, inclusive, of the general statutes, provided insofar as the proceedings of this section are inconsistent with any general statutes or special act or any resolution or ordinance of the city of Derby, this section shall be controlling.

(2) Except as specifically provided in this section, all other statutes, ordinances, resolutions, rules and regulations of the state of

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Connecticut and the city of Derby shall be applicable to the property, residents and businesses located in the district. Nothing in this section shall in any way obligate the city of Derby to pay any costs for the acquisition, construction, equipping or operation and administration of the improvements located within the district except as may be agreed to in any interlocal agreements executed by the city of Derby and the district.

(o) At the option of the city of Derby, by vote of the board of aldermen of the city of Derby, the district shall be merged into the city of Derby if no bonds are issued by the district within four years of the creation of the district or after the bonds authorized by this section are no longer outstanding and any property which is owned by the district shall be distributed to the city of Derby.

(p) This section, being necessary for the public interest, shall be liberally construed to affect the purposes hereof.

Sec. 24. (NEW) (*Effective July 1, 2006*) Any municipality that purchases a parcel of land, or a portion thereof owned by the state may enter into an agreement (1) exempting such parcel or portion thereof from any property tax imposed by the municipality, or providing that such parcel or portion thereof is subject to all or any portion of such property tax, and (2) providing for payments in lieu of, or fixing, property taxes with respect to such parcel or portion thereof. Such agreement shall be for such amounts, duration and on such terms as may be approved by the legislative body of such municipality. Any payments in lieu of, or fixing, such taxes, together with interest thereon as provided in any such agreement, shall constitute a lien upon such property, taking precedence over all other liens and encumbrances. Such lien may be foreclosed in the same manner as a lien for property taxes.

Sec. 25. (*Effective from passage*) Notwithstanding the provisions of

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section 13b-268 of the general statutes or any other provision of the general statutes, special act or regulation that prohibits the construction of any new highway railroad crossing at grade, the Department of Transportation shall allow the city of Shelton or its authority or agent to construct an at grade pedestrian crossing on the Housatonic Railroad's Maybrook Line between Canal Street and Bridge Street. The project shall first be approved by the legislative body of the city of Shelton and the Housatonic Railroad Company and constructed in accordance with the department's recommendations.

Approved June 9, 2006