



General Assembly

Substitute Bill No. 5709

February Session, 2006

* HB05709PD 031706 *

**AN ACT AUTHORIZING THE CITY OF DERBY TO ESTABLISH A
SPECIAL TAXING DISTRICT.**

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

- 1 Section 1. (*Effective from passage*) (a) For purposes of this section:
- 2 (1) "District" means that certain real property situated within the
3 city of Derby, the county of New Haven and the state of Connecticut,
4 the Downtown Derby Revitalization Infrastructure Improvement
5 District, a body politic and corporate, consisting of the area bounded
6 and described as follows: Beginning at a point on the southwesterly
7 streetline of Main Street (Route 34) at the easterly streetline of Bridge
8 Street; thence running southeasterly and easterly along the
9 southwesterly and southerly streetline of Main Street (Route 34) to a
10 point which is the division line between land now or formerly of
11 Alphonse Ippolito and land now or formerly of Maria Santangelo;
12 thence running southerly and thence running easterly along the
13 division line between land now or formerly of Alphonse Ippolito and
14 land now or formerly of Maria Santangelo to a point; thence running
15 southerly along the division line between land now or formerly of
16 Alphonse Ippolito and land now or formerly of Robert J. Vontell, Jr.
17 and land now or formerly of Grotto Properties, LLC, each in part, to a
18 point; thence running westerly and thence running southerly along the
19 division line between land now or formerly of Alphonse Ippolito and

20 land now or formerly of Grotto Properties, LLC to a point; thence
21 running easterly along the northerly streetline of Hallock Court to a
22 point; thence running southerly along the westerly streetline of Factory
23 Street to a point; thence running northwesterly along the northerly
24 right-of-way line of land now or formerly of the New York, New
25 Haven and Hartford Railroad Co. to a point; thence running
26 southwesterly along land now or formerly of the New York, New
27 Haven and Hartford Railroad Co. to a point; thence running
28 northwesterly along the southerly right-of-way line of land now or
29 formerly of the New York, New Haven and Hartford Railroad Co. to a
30 point; thence running southerly along the easterly streetline of
31 Caroline Street to a point; thence running westerly along the northerly
32 right-of-way line of land now or formerly of the New York, New
33 Haven and Hartford Railroad Co. to a point; thence running
34 northwesterly along the northeasterly edge of the Housatonic River to
35 a point; thence running northwesterly along the easterly streetline of
36 Bridge Street to the point of beginning.

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

46 (b) (1) Upon the petition of fifteen or more persons eligible to vote in
47 the city of Derby, specifying the district for any or all of the purposes
48 set forth in this section, the mayor of such city shall call a meeting of
49 the voters to act upon such petition, which meeting shall be held at
50 such place within such city and such hour as the mayor designates
51 after such petition has been received by the mayor. Such meeting shall
52 be called by publication of a written notice of the same, signed by the
53 mayor, at least fourteen days before the time fixed for such meeting in

54 two successive issues of some newspaper published or circulated in
55 such city. Not later than twenty-four hours before such meeting (A)
56 two hundred or more voters or ten per cent of the total number of
57 voters, whichever is less, may petition the mayor, in writing, for a
58 referendum, or (B) the mayor in his or her discretion may order a
59 referendum of the voters, on the sole question of whether the proposed
60 district should be established. Any such referendum shall be held not
61 less than seven or more than fourteen days after the receipt of such
62 petition or the date of such order, on a day to be set by the mayor for a
63 vote by paper ballots or by a "yes" or "no" vote on the voting machines,
64 during the hours between twelve o'clock noon and eight o'clock p.m.;
65 except that such city may, by vote of its board of aldermen, provide for
66 an earlier hour for opening the polls but not earlier than six o'clock
67 a.m., notwithstanding the provisions of any special act. If two-thirds of
68 the voters casting votes in such referendum vote in favor of
69 establishing the proposed district, the mayor shall reconvene such
70 meeting not later than seven days after the day on which the
71 referendum is held. Upon approval of the petition for the proposed
72 district by two-thirds of the voters present at such meeting, or if a
73 referendum is held, upon the reconvening of such meeting after the
74 referendum, the voters may name the district and, upon the vote of a
75 majority of such voters, choose necessary officers therefor to hold
76 office until the first annual meeting thereof; and the district shall, upon
77 the filing of the first report in the manner required pursuant to
78 subsection (c) of section 7-325 of the general statutes, thereupon be a
79 body corporate and politic and have the powers provided in sections
80 7-324 to 7-329, inclusive, of the general statutes, not inconsistent with
81 the general statutes or this section, in relation to the objects for which it
82 was established, that are necessary for the accomplishment of such
83 objects, including the power to lay and collect taxes. The clerk of such
84 district shall cause its name and a description of its territorial limits
85 and of any additions that may be made thereto to be recorded in, and a
86 caveat be placed upon, the land records of the city of Derby.

87 (2) At the meeting called for the purpose of establishing the district

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

105 (3) At the meeting called for the purpose of establishing the district
106 as provided in subdivision (1) of this subsection, the voters shall fix the
107 date of the annual meeting of the voters for the election of district
108 officers and the transaction of such other business as may properly
109 come before such annual meeting. At such organizational meeting of
110 the district, the voters shall elect a president, vice-president, five
111 directors, a clerk and a treasurer to serve until the first annual meeting
112 for the election of officers and thereafter such officers shall be elected
113 annually, provided, upon its organization and at all times thereafter,
114 one director may be appointed by the mayor of the city of Derby. Not
115 less than three members of the board of directors shall be residents of
116 the state of Connecticut. Subject to the provisions of subdivision (4) of
117 this subsection, not fewer than fifteen voters of the district shall
118 constitute a quorum for the transaction of business at such
119 organizational meeting of the district; and if fifteen voters are not
120 present at such meeting, the mayor may adjourn such meeting, from
121 time to time, until at least fifteen voters are present. Special meetings

122 of the district may be called on the application of ten per cent of the
123 total number of voters of such district or twenty of the voters of such
124 district, whichever is less, or by the president or any three directors
125 upon giving notice as hereinafter provided. Any special meeting called
126 on the application of the voters shall be held not later than twenty-one
127 days after receiving such application. Notice of the holding of the
128 annual meeting and all special meetings shall be given by publication
129 of a notice of such meetings in a newspaper having a general
130 circulation in such district at least ten days before the day of such
131 meetings, signed by the president or any three directors, which notice
132 shall designate the time and place of such meetings and the business to
133 be transacted thereat. Two hundred or more persons or ten per cent of
134 the total number of voters of such district, whichever is less, may
135 petition the clerk of such district, in writing, at least twenty-four hours
136 prior to any such meeting, requesting that any item or items on the call
137 of such meeting be submitted to the voters not less than seven or more
138 than fourteen days thereafter, on a day to be set by the district meeting
139 or, if the district meeting does not set a date, by the board of directors,
140 or a vote by paper ballots or by a "yes" or "no" vote on the voting
141 machines, during the hours between twelve o'clock noon and eight
142 o'clock p.m., except that any district may, by vote of its board of
143 directors, provide for an earlier hour for opening the polls but not
144 earlier than six o'clock a.m. The paper ballots or voting machine ballot
145 labels, as the case may be, shall be provided by the clerk. When such a
146 petition has been filed with the clerk, the president, after completion of
147 other business and after reasonable discussion shall adjourn such
148 meeting and order such vote on such item or items in accordance with
149 the petition; and any item so voted may be rescinded in the same
150 manner. The clerk shall phrase such item or items in a form suitable for
151 printing on such paper ballots or ballot labels. Subject to the provisions
152 of subdivision (4) of this subsection, not fewer than fifteen voters of the
153 district shall constitute a quorum for the transaction of business at any
154 meeting of the district; and if fifteen voters are not present at such
155 meeting, the president of the district or, in such president's absence,
156 the vice-president, may adjourn such meeting, from time to time, until

157 at least fifteen voters are present; and all meetings of the district where
158 a quorum is present may be adjourned from time to time by a vote of a
159 majority of the voters voting on the question. At any annual or special
160 meeting, the voters may, by a majority vote of those present,
161 discontinue any purposes for which the district is established or
162 undertake any additional purpose or purposes enumerated in
163 subdivision (2) of this subsection.

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

180 (B) For the transaction of business at any other meeting of the
181 district, a quorum shall be either fifteen voters of the district or a
182 majority of the holders of record of interests in real property within
183 such district, as long as the assessments for such holders of record
184 constitute more than one-half of the total of assessments for all
185 interests in real property within such district. If fifteen voters or a
186 majority of the holders of record of interests in real property within
187 such district are not present at such meeting or the assessments of such
188 holders of record constitute less than one-half of the total assessments
189 for all interests in real property within such district, the president of
190 the district, or in such president's absence, the vice-president, may

191 adjourn such meeting, from time to time, until at least fifteen voters or
192 a majority of the holders of record of interests in real property within
193 such district are present and the assessments of such holders of record
194 constitute more than one-half of the total of assessments for all
195 interests in real property within such district.

196 (5) In any case in which an action for a vote by the voters of the
197 district is to be initiated by the petition of such voters, in addition to
198 such other requirements as the general statutes or any special act may
199 impose, such petition shall be on a form prescribed or approved by the
200 clerk of such district, and each page of such petition shall contain a
201 statement, signed under penalties of false statement, by the person
202 who circulated the same, setting forth such circulator's name and
203 address, and stating that each person whose name appears on said
204 page signed the same in person in the presence of such circulator, that
205 the circulator either knows each such signer or that the signer
206 satisfactorily identified himself to the circulator and that all the
207 signatures on said page were obtained not earlier than six months
208 prior to the filing of said petition. Any page of a petition which does
209 not contain such a statement by the circulator shall be invalid. Any
210 circulator who makes a false statement in the statement hereinbefore
211 provided shall be subject to the penalty provided for false statement.
212 No petition shall be valid for any action for a vote by the voters at any
213 regular or special district meeting unless such petition shall be
214 circulated by a voter eligible to vote in such district.

215 (c) Whenever the officers of such district vote to terminate its
216 corporate existence and whenever a petition signed by ten per cent of
217 the total voters of such district or twenty of the voters of such district,
218 whichever is less, applying for a special meeting to vote on the
219 termination of the district is received by the clerk, the clerk shall call a
220 special meeting of the voters of such district, the notice of which shall
221 be signed by the officers thereof, by advertising the same in the same
222 manner as is provided in section 7-325 of the general statutes. Not later
223 than twenty-four hours before any such meeting, two hundred or more
224 voters or ten per cent of the total number of voters, whichever is less,

225 may petition the clerk of the district, in writing, that a referendum on
226 the question of whether the district should be terminated be held in the
227 manner provided in section 7-327 of the general statutes. If, at such
228 meeting, a two-thirds majority of the voters present vote to terminate
229 the corporate existence of the district, or, if a referendum is held, two-
230 thirds of the voters casting votes in such referendum vote to terminate
231 the corporate existence of the district, the officers shall proceed to
232 terminate the affairs of such district. The district shall pay all
233 outstanding indebtedness and turn over the balance of the assets of
234 such district to the city in which the district is located, if the legislative
235 body of the city authorizes such action. No district shall be terminated
236 under this section until all of its outstanding indebtedness is paid
237 unless the legislative body of the city in which the district is located
238 agrees, in writing, to assume such indebtedness. On completion of the
239 duties of the officers of such district, the clerk shall cause a certificate
240 of the vote of such meeting to be recorded in the land records of the
241 city in which the district is located and the clerk shall notify the
242 Secretary of the Office of Policy and Management.

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

252 (2) No holder of record of an interest in real property shall be
253 precluded from participating in any district meeting or referendum
254 because of the form of entity that holds such interest, whether such
255 holder of record is (A) a corporation, partnership, unincorporated
256 association, trustee, fiduciary, guardian, conservator or other form of
257 entity, or any combination thereof, or (B) an individual who holds
258 interests jointly or in common with another individual or individuals,

259 or with any one or more of the entities listed in subparagraph (A) of
260 this subdivision.

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

266 (f) (1) Notwithstanding any provision of the general statutes,
267 including sections 7-324 to 7-329, inclusive, of the general statutes, the
268 district shall have the power to fix, revise, charge, collect, abate and
269 forgive reasonable taxes, fees, rents and benefit assessments, and other
270 charges for the cost of the improvements, financing costs, operating
271 expenses and other services and commodities furnished or supplied to
272 the real property in the district in accordance with the applicable
273 provisions of the general statutes which apply to districts established
274 under section 7-325 of the general statutes, and this section and in the
275 manner prescribed by the district. Notwithstanding any provision of
276 the general statutes, the district may pay the entire cost of any
277 improvements, including the costs of financing such improvements,
278 capitalized interest and the funding of any reserve funds necessary to
279 secure such financing or the debt service of bonds or notes issued to
280 finance such costs, from taxes, fees, rents, benefit assessments or other
281 revenues and may assess, levy and collect said taxes, fees, rents or
282 benefit assessments concurrently with the issuance of bonds, notes or
283 other obligations to finance such improvements based on the estimated
284 cost of the improvements prior to the construction or acquisition of the
285 improvements or upon the completion or acquisition of the
286 improvements.

287 (2) Notwithstanding any provision of the general statutes, whenever
288 the district constructs, improves, extends, equips, rehabilitates, repairs,
289 acquires or provides a grant for any improvements or finances the cost
290 of such improvements, such proportion of the cost or estimated cost of
291 the improvements and financing thereof as determined by the district,

292 may be assessed by the district, herein referred to as "benefit
293 assessments", in the manner prescribed by such district, upon the
294 property benefited by such improvements and the balance of such
295 costs shall be paid from the general funds of the district. The district
296 may provide for the payment of such benefit assessments in annual
297 installments, not exceeding thirty, and may forgive such benefit
298 assessments in any single year without causing the remainder of
299 installments of benefit assessments to be forgiven. Benefit assessments
300 to buildings or structures constructed or expanded after the initial
301 benefit assessment may be assessed as if the new or expanded
302 buildings or structures had existed at the time of the original benefit
303 assessment. It is hereby determined that the provision of open space
304 whether within the district or in the city of Derby is a benefit to all the
305 property in the district.

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

320 (4) The budget, taxes, fees, rents, benefit assessments and any other
321 charges of the district of general application shall be adopted and
322 revised by the board at least annually no more than thirty days before
323 the beginning of the fiscal year in accordance with the procedures to be
324 established by the board and at a meeting called by the board assuring
325 that interested persons are afforded notice and an opportunity to be

326 heard. The board shall hold at least one public hearing on its schedule
327 of fees, rates, rents, benefit assessments and other charges or any
328 revision thereof before adoption, notice of which shall be delivered to
329 the mayor of the city of Derby and be published in a newspaper of
330 general circulation in the city of Derby at least ten days in advance of
331 the hearing. No later than the date of the publication, the board shall
332 make available to the public and deliver to the mayor of the city of
333 Derby the proposed schedule of fees, rates, rents, benefit assessments
334 and other charges. The procedures regarding public hearing and
335 appeal provided by section 7-250 of the general statutes, shall apply for
336 all benefit assessments made by the district except that the board shall
337 be substituted for the water pollution control authority. Should the
338 benefit assessments be assessed and levied prior to the acquisition or
339 construction of the improvements, then the amount of the benefit
340 assessments shall be adjusted to reflect the actual cost of the
341 improvements including all financing costs once the improvements
342 have been completed should the actual cost be greater than or less than
343 the estimated costs. Benefit assessments shall be due and payable at
344 such times as are fixed by the board, provided the district shall give
345 notice of such due date not less than thirty days prior to such due date
346 by publication in a newspaper of general circulation in the city of
347 Derby and by mailing such notice to the owners of the property
348 assessed at their last-known address.

349 (g) (1) Notwithstanding any provision of the general statutes,
350 including sections 7-324 to 7-329, inclusive, of the general statutes,
351 whenever the district has authorized the acquisition or construction of
352 the improvements or has made an appropriation therefor, the district
353 may authorize the issuance of up to seventy-five million dollars of
354 bonds, notes or other obligations to finance the cost of the
355 improvements, the creation and maintenance of reserves required to
356 sell the bonds, notes or obligations and the cost of issuance of the
357 bonds, notes or obligations provided no bonds shall be issued prior to
358 the district entering into an interlocal agreement with the city of
359 Derby, in accordance with the procedures provided by section 7-339c

360 of the general statutes, including at least one public hearing on the
361 proposed agreement and ratification by the legislative body of the city
362 of Derby. The bonds, notes or other obligations may be secured as to
363 both principal or interest by (A) the full faith and credit of the district,
364 (B) fees, revenues or benefit assessments, or (C) a combination of
365 subparagraphs (A) and (B) of this subdivision. Such bonds, notes or
366 obligations shall be authorized by resolution of the board. The district
367 is authorized to secure such bonds by the full faith and credit of the
368 district or by a pledge of or lien on all or part of its revenues, fees or
369 benefit assessments. The bonds of each issue shall be dated, shall bear
370 interest at the rates and shall mature at the time or times not exceeding
371 thirty years from their date or dates, as determined by the board, and
372 may be redeemable before maturity, at the option of the board, at the
373 price or prices and under the terms and conditions fixed by the board
374 before the issuance of the bonds. The board shall determine the form of
375 the bonds, and the manner of execution of the bonds, and shall fix the
376 denomination of the bonds and the place or places of payment of
377 principal and interest, which may be at any bank or trust company
378 within the state of Connecticut and other locations as designated by
379 the board. In case any officer whose signature or a facsimile of whose
380 signature shall appear on any bonds or coupons shall cease to be an
381 officer before the delivery of the bonds, the signature or facsimile shall
382 nevertheless be valid and sufficient for all purposes the same as if the
383 officer had remained in office until the delivery.

384 (2) While any bonds or notes issued by the district remain
385 outstanding, the powers, duties or existence of the district shall not be
386 diminished or impaired in any way that will affect adversely the
387 interests and rights of the holders of the bonds or notes. Bonds or notes
388 issued under this section, unless otherwise authorized by law, shall not
389 be considered to constitute a debt of the state of Connecticut or the city
390 of Derby, or a pledge of the full faith and credit of the state of
391 Connecticut or of the city of Derby, but the bonds or notes shall be
392 payable solely by the district or as special obligations payable from
393 particular district revenues. Any bonds or notes issued by the district

394 shall contain on their face a statement to the effect that neither the state
395 of Connecticut or the city of Derby shall be obliged to pay the principal
396 of or the interest thereon, and that neither the full faith and credit or
397 taxing power of the state of Connecticut or of the city of Derby is
398 pledged to the payment of the bonds or notes. All bonds or notes
399 issued under this section shall have and are hereby declared to have all
400 the qualities and incidents of negotiable instruments, as provided in
401 title 42a of the general statutes.

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

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

425 (i) Bonds or notes issued under this section are hereby made
426 securities in which all public officers and public bodies of the state of

427 Connecticut and its political subdivisions, all insurance companies,
428 trust companies, banking associations, investment companies,
429 executors, administrators, trustees and other fiduciaries may properly
430 and legally invest funds, including capital in their control and
431 belonging to them; and such bonds shall be securities which may
432 properly and legally be deposited with and received by any state or
433 municipal officer or any agency or political subdivision of the state of
434 Connecticut for any purpose for which the deposit of bonds or notes of
435 the state of Connecticut is now or may hereafter be authorized by law.

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

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

456 (l) The board shall at all times keep accounts of its receipts,
457 expenditures, disbursements, assets and liabilities, which shall be open
458 to inspection by a duly appointed officer or duly appointed agent of
459 the state of Connecticut or the city of Derby. The fiscal year of the

460 district shall begin on July first and end on the following June thirtieth
461 or as otherwise established by section 7-327 of the general statutes. The
462 district shall be subject to an audit of its accounts in the manner
463 provided in the general statutes.

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

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

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

493 (2) Except as specifically provided in this section, all other statutes,
494 ordinances, resolutions, rules and regulations of the state of
495 Connecticut and the city of Derby shall be applicable to the property,
496 residents and businesses located in the district. Nothing in this section
497 shall in any way obligate the city of Derby to pay any costs for the
498 acquisition, construction, equipping or operation and administration
499 of the improvements located within the district except as may be
500 agreed to in any interlocal agreements executed by the city of Derby
501 and the district.

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

PD Joint Favorable Subst.