



General Assembly

Amendment

February Session, 2006

LCO No. 5308

HB0581405308HDO

Offered by:

REP. STAPLES, 96th Dist.
REP. GENTILE, 104th Dist.
REP. JUTILA, 37th Dist.
REP. REYNOLDS, 42nd Dist.
REP. BELDEN, 113th Dist.

REP. KLARIDES, 114th Dist.
SEN. DAILY, 33rd Dist.
SEN. CRISCO, 17th Dist.
SEN. STILLMAN, 20th Dist.

To: Subst. House Bill No. 5814

File No. 545

Cal. No. 366

"AN ACT CONCERNING THE BONDING PROCESS."

1 In line 50, strike "The secretary of the commission shall"

2 Strike lines 51 to 57, inclusive, in their entirety

3 After the last section, add the following and renumber sections and
4 internal references accordingly:

5 "Sec. 501. Subsection (f) of section 12-7b of the general statutes is
6 repealed and the following is substituted in lieu thereof (*Effective July*
7 *1, 2006*):

8 (f) (1) The Office of Fiscal Analysis shall not make known in any
9 manner any information obtained from any such report or inventory,
10 or any information obtained pursuant to subdivision (2) of this
11 subsection which would allow the identification of any taxpayer or of

12 the amount or source of income, profits, losses, expenditures or any
13 particulars thereof set forth or disclosed in any return, statement or
14 report required to be filed with or submitted to the commissioner
15 which is discernible from such report or inventory, or from such
16 information obtained pursuant to subdivision (d) of this subsection,
17 except as provided in this subsection. The Office of Fiscal Analysis
18 may disclose such information to other state officers and employees
19 when required in the course of duty. No such officer or employee shall
20 make known any such information to any other person except as
21 provided in this subsection. Any person who violates any provision of
22 this subsection shall be fined not more than one thousand dollars or
23 imprisoned not more than one year or both.

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

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

44 Sec. 502. Section 8-251 of the general statutes is repealed and the

45 following is substituted in lieu thereof (*Effective July 1, 2006*):

46 (a) In order to provide additional construction and permanent
47 financing for housing in this state, the authority is authorized to make
48 commitments to purchase, and to purchase, service and sell mortgages
49 and to make loans directly upon the security of any mortgage, and to
50 make commitments to purchase, and to purchase and sell participation
51 sale certificates representing interests in mortgages, provided the
52 underlying mortgage loans shall have been made and shall be used
53 solely to finance or refinance the construction, rehabilitation, purchase
54 or leasing of housing in this state, and provided further the aggregate
55 amount of permanent mortgages, mortgage-backed securities and
56 participation sale certificates representing interests in mortgages
57 purchased, and permanent loans made by the authority which are not
58 directly or indirectly insured or guaranteed by any department,
59 agency, instrumentality of the United States of America, or public
60 corporation chartered by the Congress of the United States, including
61 but not limited to the Federal Home Loan Mortgage Corporation, or
62 which are not insured or guaranteed by any department, agency or
63 instrumentality of the state, any insurance company licensed to do
64 business in the state and authorized to underwrite mortgage insurance
65 or by the authority shall not at any one time exceed seven hundred
66 fifty million dollars.

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

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

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

83 Sec. 503. Section 12-35b of the general statutes is repealed and the
84 following is substituted in lieu thereof (*Effective from passage*):

85 (a) For the purposes of sections 12-204, 12-212, 12-235, [12-263b, 12-
86 263m,] 12-268h, 12-309, 12-330i, 12-366, as amended, 12-398, [12-405d,]
87 12-420, 12-441, 12-475, 12-488, [12-512,] 12-555a, 12-594, 12-638j, 12-655
88 and 12-734; [22a-256j and 51-81b:]

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

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

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

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

103 (c) All certificates of lien or certificates discharging a lien using an
104 electronic signature of the commissioner and filed with a town clerk by
105 the commissioner before the effective date of this section, when
106 otherwise valid, are validated and effective as of the date originally
107 filed with such town clerk.

108 Sec. 504. Subdivision (5) of subsection (a) of section 12-285 of the
109 general statutes is repealed and the following is substituted in lieu
110 thereof (*Effective July 1, 2006*):

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

117 Sec. 505. Subsections (d) and (e) of section 12-286 of the 2006
118 supplement to the general statutes are repealed and the following is
119 substituted in lieu thereof (*Effective July 1, 2006*):

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

132 (e) (1) Any person who knowingly sells, offers for sale or possesses
133 with intent to sell any cigarettes, without a license as provided in this
134 chapter, shall be fined not more than five hundred dollars or
135 imprisoned for not more than three months, or both, for each offense.
136 Each day of such unauthorized operation may be deemed a separate
137 offense.

138 (2) Any person who knowingly sells at retail, offers for sale at retail
139 or possesses with intent to sell at retail any taxed tobacco products,

140 without a dealer's license as provided in this chapter, shall be fined not
141 more than five hundred dollars or imprisoned for not more than three
142 months, or both, for each offense. Each day of such unauthorized
143 operation may be deemed a separate offense.

144 Sec. 506. Section 12-287 of the general statutes is repealed and the
145 following is substituted in lieu thereof (*Effective July 1, 2006*):

146 Each person engaging in, or intending to engage in, the business of
147 selling cigarettes in this state as a dealer, and each person engaging in
148 or intending to engage in, the business of selling taxed tobacco
149 products at retail, shall secure a dealer's license from the
150 Commissioner of Revenue Services before engaging in such business
151 or continuing to engage therein. Subject to the provisions of section 12-
152 286, as amended by this act, such license shall be renewable annually.
153 The annual fee for a dealer's license shall be twenty-five dollars. Such
154 license shall be valid for a period beginning with the date of license to
155 the thirtieth day of September next succeeding the date of license
156 unless sooner revoked as provided in section 12-295, as amended, or
157 unless the person to whom it was issued discontinues business, in
158 either of which cases the holder of the license shall immediately return
159 it to the commissioner. In the event of mutilation or destruction of such
160 license, a duplicate copy, marked as such, shall be issued by said
161 commissioner upon application accompanied by a fee of five dollars.

162 Sec. 507. Section 12-330a of the general statutes is repealed and the
163 following is substituted in lieu thereof (*Effective July 1, 2006*):

164 As used in this chapter:

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

166 (2) ["tobacco products"] "Tobacco products" means cigars, cheroots,
167 stogies, periques, granulated, plug cut, crimp cut, ready rubbed and
168 other smoking tobacco, snuff tobacco products, cavendish, plug and
169 twist tobacco, fine cut and other chewing tobaccos, shorts, refuse
170 scraps, clippings, cuttings and sweepings of tobacco and all other

171 kinds and forms of tobacco, prepared in such manner as to be suitable
172 for chewing or smoking in a pipe or otherwise or for both chewing and
173 smoking, but shall not include any cigarette, as defined in section 12-
174 285, as amended by this act;

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

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

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

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

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

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

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

204 Sec. 508. Section 12-330b of the general statutes is repealed and the
205 following is substituted in lieu thereof (*Effective July 1, 2006*):

206 Each distributor or unclassified importer shall obtain a license
207 issued by the commissioner before manufacturing, purchasing,
208 importing, receiving or acquiring any untaxed tobacco products in this
209 state. The commissioner may, in his or her discretion, refuse to issue a
210 license if [he] such commissioner has reasonable ground to believe (1)
211 that the applicant has wilfully made any false statement of substance
212 with respect to such application for license, (2) that the applicant has
213 neglected to pay any taxes due to this state, or (3) that the applicant
214 has been convicted of violating any of the cigarette or other tobacco
215 product tax laws of this or any other state or the cigarette tax laws of
216 the United States or has such a criminal record that the commissioner
217 reasonably believes that such applicant is not a suitable person to be
218 issued a license, provided no refusal shall be rendered under this
219 subdivision except in accordance with the provisions of sections 46a-80
220 and 46a-81. The fee for a distributor's license shall be one hundred
221 dollars a year. There shall be no fee for an unclassified importer's
222 license. Each distributor's license [so issued] shall be [properly]
223 conspicuously displayed on the premises covered by the license.
224 Notwithstanding the provisions of section 12-15, as amended, the
225 commissioner shall publish on the Internet web site of the Department
226 of Revenue Services a list of every distributor licensed under this
227 chapter. The commissioner shall prescribe the form of application for a
228 distributor's license and for an unclassified importer's license.

229 Sec. 509. Subsection (a) of section 12-330c of the general statutes is
230 repealed and the following is substituted in lieu thereof (*Effective July*
231 1, 2006):

232 (a) (1) A tax is imposed on all untaxed tobacco products held in this
233 state by any person. Except as otherwise provided in subdivision (2) of

234 this subsection with respect to the rate of tax on snuff tobacco
235 products, the tax shall be imposed at the rate of twenty per cent of the
236 wholesale sales price of such products.

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

241 Sec. 510. Subdivision (1) of subsection (b) of section 12-330d of the
242 2006 supplement to the general statutes is repealed and the following
243 is substituted in lieu thereof (*Effective July 1, 2006*):

244 (b) (1) [Each licensed distributor who does not acquire untaxed
245 tobacco products shall file with the commissioner, on or before the
246 twenty-fifth day of each July, a report for the twelve-month period
247 ending the June thirtieth immediately preceding, in such form and
248 containing such information as the commissioner may prescribe, and
249 bearing notice to the effect that false statements made in such report
250 are punishable. As used in this section, "untaxed tobacco products"
251 means tobacco products other than taxed tobacco products; and "taxed
252 tobacco products" means tobacco products which are acquired from a
253 licensed distributor who does acquire untaxed tobacco products and
254 who is subject to and required to pay the tax imposed under this
255 chapter on such tobacco products. Each distributor required to file an
256 annual report] Any person who does not acquire untaxed tobacco
257 products, but acquires taxed tobacco products for sale at retail shall not
258 be licensed as a distributor under this chapter, and shall be required,
259 during the period that such person is a retailer of taxed tobacco
260 products, to apply for and retain a dealer's license under chapter 214.
261 Each such retailer shall maintain records that detail (A) the persons
262 from whom, the quantities in which and the dates on which tobacco
263 products were acquired by [the distributor; (B) the persons to whom,
264 the quantities in which and the dates on which such tobacco products
265 were sold by the distributor; and (C)] such retailer, and (B) any other
266 information deemed necessary by the commissioner.

267 Sec. 511. Subdivision (1) of subsection (a) of section 12-392 of the
268 2006 supplement to the general statutes is repealed and the following
269 is substituted in lieu thereof (*Effective from passage and applicable to taxes*
270 *payable on or after said date*):

271 (a) (1) The tax imposed by this chapter shall become due at the date
272 of the taxable transfer and shall become payable, and shall be paid,
273 without assessment, notice or demand, to the Commissioner of
274 Revenue Services at the expiration of nine months from the date of
275 death, and executors, administrators, trustees, grantees, donees,
276 beneficiaries and surviving joint owners shall be liable for the tax and
277 for any interest or penalty thereon until it is paid, except that no
278 executor, administrator, trustee, grantee, donee, beneficiary or
279 surviving joint owner shall be liable for a greater sum than the value of
280 the property actually received by him or her. If the amount of tax
281 reported to be due on the return is not paid within such nine months,
282 there shall be imposed a penalty equal to ten per cent of such amount
283 due and unpaid, or fifty dollars, whichever is greater. Such amount
284 shall bear interest at the rate of one per cent per month or fraction
285 thereof, from the due date of such tax until the date of payment.
286 Subject to the provisions of section 12-3a, the commissioner may waive
287 all or part of the penalties provided under this chapter when it is
288 proven to his satisfaction that the failure to pay any tax was due to
289 reasonable cause and was not intentional or due to neglect.

290 Sec. 512. Section 12-395 of the general statutes is repealed and the
291 following is substituted in lieu thereof (*Effective from passage*):

292 (a) (1) The provisions of sections 12-548 and 12-550 to [12-553] 12-
293 554, inclusive, shall apply to the provisions of this chapter in the same
294 manner and with the same force and effect as if the language of said
295 sections 12-548 and 12-550 to [12-553] 12-554, inclusive, had been
296 incorporated in full into this chapter and had expressly referred to the
297 tax imposed under this chapter, except to the extent that any such
298 provision is inconsistent with a provision of this chapter.

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

304 (b) Any person aggrieved by any [order, decision, determination or
305 disallowance of] determination of domicile by the Commissioner of
306 Revenue Services under the provisions of [this chapter] subdivision (5)
307 of subsection (h) of section 12-391 of the 2006 supplement to the
308 general statutes, may, not later than one month after service upon the
309 person of notice of such [order, decision,] determination, [or
310 disallowance,] make a written application for a hearing to the court of
311 probate for the district within which the decedent resided at the date
312 of his death, or within which the commissioner contends that the
313 decedent resided at the date of his death or, if the decedent died a
314 nonresident of this state, in the court of probate for the district within
315 which real estate or tangible personal property of the decedent is
316 situated, or within which the commissioner contends that real estate or
317 tangible personal property of the decedent is situated. Such application
318 shall set forth in detail the objection to the [order, decision,]
319 determination [or disallowance] of said commissioner and a copy of
320 same shall be mailed to said commissioner at the time of filing. The
321 court of probate shall assign a time and place for a hearing upon such
322 application not less than two nor more than four weeks after receipt
323 thereof and shall cause a copy of the order of hearing to be sent to said
324 commissioner and to the person aggrieved by said [order, decision,]
325 determination [or disallowance] at least ten days before the time of
326 such hearing. The commissioner or any person interested may appear
327 before the court at such hearing and be heard on any matter involved
328 in the determination. [of the tax.] At such hearing, the court shall
329 determine all matters properly before it, [including the amount of such
330 tax] and shall enter upon its records a decree [for such amount] of
331 domicile. A copy of the decree of the court of probate shall be
332 forwarded by the judge or clerk of such court to the commissioner and

333 to the person aggrieved because of such [order, decision,]
334 determination [or disallowance] of the commissioner. The
335 determination [of the tax] by the Commissioner of Revenue Services
336 shall be conclusive upon the state and any person aggrieved by any
337 [order, decision,] determination [or disallowance] of the commissioner
338 unless a hearing is held as provided in this subsection, in which case
339 the decree of the court of probate shall be conclusive upon the state
340 and any person aggrieved by such [order, decision,] determination [or
341 disallowance] of the commissioner unless an appeal is taken as
342 provided for appeals from other decrees and orders of such court.

343 Sec. 513. Section 12-644 of the general statutes is repealed and the
344 following is substituted in lieu thereof (*Effective from passage and*
345 *applicable to gifts made during calendar years commencing on or after*
346 *January 1, 2006*):

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

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

355 (c) The return shall set forth:

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

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

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

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

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

366 (d) (1) If any gift which is required to be shown on a return under
367 this chapter is not shown on such return, or if the information set forth
368 in such return fails to meet the requirements of subsection (c) of this
369 section, any tax imposed by this chapter on such undisclosed gift may
370 be assessed at any time with respect to that gift, even if the
371 commissioner has filed a return on behalf of the taxpayer in
372 accordance with section 12-649.

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

376 Sec. 514. Section 12-645 of the general statutes is repealed and the
377 following is substituted in lieu thereof (*Effective from passage and*
378 *applicable to gifts made during calendar years commencing on or after*
379 *January 1, 2006*):

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

387 Sec. 515. Section 12-647 of the general statutes is repealed and the
388 following is substituted in lieu thereof (*Effective from passage and*
389 *applicable to taxes due for calendar years commencing on or after January 1,*
390 *2005*):

391 (a) The tax imposed under this chapter shall be due and payable by
392 the donor no later than April fifteenth following the close of the
393 calendar year during which the gift was made and shall be payable to

394 the Commissioner of Revenue Services. The return required under
395 section 12-644, as amended by this act, shall accompany such payment.
396 Where a gift is made during the calendar year in which the donor dies,
397 the last date for paying the tax required under this chapter shall be the
398 last date, including extensions, for filing the [gift tax return for federal
399 gift tax purposes] estate tax return under chapter 217 with respect to
400 such donor. If any person fails to pay the amount of tax reported to be
401 due on such return within the time specified under the provisions of
402 this section, there shall be imposed a penalty equal to ten per cent of
403 such amount due and unpaid or fifty dollars, whichever is greater.
404 Such amount shall bear interest at the rate of one per cent per month or
405 fraction thereof, from the due date of such return.

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

416 (c) If the amount of a taxpayer's taxable gifts, for federal gift tax
417 purposes, reported on such taxpayer's federal gift tax return for any
418 calendar year, is changed or corrected by the United States Internal
419 Revenue Service or other competent authority, the taxpayer shall
420 report such change or correction in federal taxable gifts within ninety
421 days after the final determination of such change or correction, and
422 shall concede the accuracy of such determination or state wherein it is
423 erroneous. Any taxpayer filing an amended federal gift tax return shall
424 also file within ninety days thereafter an amended return under this
425 chapter and shall give such information as the commissioner may
426 require. The time for filing such report or amended return may be
427 extended by the commissioner upon due cause shown.

428 Notwithstanding any limitation of time in this chapter, if, upon
429 examination, the commissioner finds that such taxpayer is liable for
430 the payment of an additional tax, he shall, within a reasonable time
431 from the receipt of such report or amended return, notify such
432 taxpayer of the amount of such additional tax, together with interest
433 thereon computed at the rate of one per cent per month or fraction
434 thereof from the date when the original tax became due and payable.
435 Within thirty days of the mailing of such notice, the taxpayer shall pay
436 the commissioner the amount of such additional tax and interest. If,
437 upon examination of such report or amended return and related
438 information, the commissioner finds that the taxpayer has overpaid the
439 tax due the state, the commissioner shall certify the amount of such
440 overpayment, together with interest as provided in subsection (d) of
441 this section, to the Comptroller, and such amount shall be paid to the
442 taxpayer by the State Treasurer upon order of the Comptroller.

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

449 Sec. 516. Subsection (g) of section 3 of public act 05-289 is repealed
450 and the following is substituted in lieu thereof (*Effective July 1, 2006*):

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

461 procedures provided by section 7-339c of the general statutes,
462 including at least one public hearing on the proposed agreement and
463 ratification [by the legislative body of the town] at a town meeting
464 called for such purpose. The bonds, notes or other obligations may be
465 secured as to both principal or interest by (A) the full faith and credit
466 of the district, (B) fees, revenues or benefit assessments, or (C) a
467 combination of subparagraphs (A) and (B) of this subdivision. Such
468 bonds, notes or obligations shall be authorized by resolution of the
469 board. The district is authorized to secure such bonds by the full faith
470 and credit of the district or by a pledge of or lien on all or part of its
471 revenues, fees or benefit assessments. The bonds of each issue shall be
472 dated, shall bear interest at the rates and shall mature at the time or
473 times not exceeding thirty years from their date or dates, as
474 determined by the board, and may be redeemable before maturity, at
475 the option of the board, at the price or prices and under the terms and
476 conditions fixed by the board before the issuance of the bonds. The
477 board shall determine the form of the bonds, and the manner of
478 execution of the bonds, and shall fix the denomination of the bonds
479 and the place or places of payment of principal and interest, which
480 may be at any bank or trust company within the state of Connecticut
481 and other locations as designated by the board. In case any officer
482 whose signature or a facsimile of whose signature shall appear on any
483 bonds or coupons shall cease to be an officer before the delivery of the
484 bonds, the signature or facsimile shall nevertheless be valid and
485 sufficient for all purposes the same as if the officer had remained in
486 office until the delivery.

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

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

505 Sec. 517. (*Effective from passage*) (a) For purposes of this section:

506 (1) "District" means that certain real property situated within the
507 city of Derby, the county of New Haven and the state of Connecticut,
508 the Downtown Derby Revitalization Infrastructure Improvement
509 District, a body politic and corporate, consisting of the area bounded
510 and described as follows: Beginning at a point on the southwesterly
511 streetline of Main Street (Route 34) at the easterly streetline of Bridge
512 Street; thence running southeasterly and easterly along the
513 southwesterly and southerly streetline of Main Street (Route 34) to a
514 point which is the division line between land now or formerly of
515 Alphonse Ippolito and land now or formerly of Maria Santangelo;
516 thence running southerly and thence running easterly along the
517 division line between land now or formerly of Alphonse Ippolito and
518 land now or formerly of Maria Santangelo to a point; thence running
519 southerly along the division line between land now or formerly of
520 Alphonse Ippolito and land now or formerly of Robert J. Vontell, Jr.
521 and land now or formerly of Grotto Properties, LLC, each in part, to a
522 point; thence running westerly and thence running southerly along the
523 division line between land now or formerly of Alphonse Ippolito and
524 land now or formerly of Grotto Properties, LLC to a point; thence
525 running easterly along the northerly streetline of Hallock Court to a
526 point; thence running southerly along the westerly streetline of Factory
527 Street to a point; thence running northwesterly along the northerly
528 right-of-way line of land now or formerly of the New York, New

529 Haven and Hartford Railroad Co. to a point; thence running
530 southwesterly along land now or formerly of the New York, New
531 Haven and Hartford Railroad Co. to a point; thence running
532 northwesterly along the southerly right-of-way line of land now or
533 formerly of the New York, New Haven and Hartford Railroad Co. to a
534 point; thence running southerly along the easterly streetline of
535 Caroline Street to a point; thence running westerly along the northerly
536 right-of-way line of land now or formerly of the New York, New
537 Haven and Hartford Railroad Co. to a point; thence running
538 northwesterly along the northeasterly edge of the Housatonic River to
539 a point; thence running northwesterly along the easterly streetline of
540 Bridge Street to the point of beginning.

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

550 (b) (1) Upon the petition of fifteen or more persons eligible to vote in
551 the city of Derby, specifying the district for any or all of the purposes
552 set forth in this section, the mayor of such city shall call a meeting of
553 the voters to act upon such petition, which meeting shall be held at
554 such place within such city and such hour as the mayor designates
555 after such petition has been received by the mayor. Such meeting shall
556 be called by publication of a written notice of the same, signed by the
557 mayor, at least fourteen days before the time fixed for such meeting in
558 two successive issues of some newspaper published or circulated in
559 such city. Not later than twenty-four hours before such meeting (A)
560 two hundred or more voters or ten per cent of the total number of
561 voters, whichever is less, may petition the mayor, in writing, for a
562 referendum, or (B) the mayor in his or her discretion may order a

563 referendum of the voters, on the sole question of whether the proposed
564 district should be established. Any such referendum shall be held not
565 less than seven or more than fourteen days after the receipt of such
566 petition or the date of such order, on a day to be set by the mayor for a
567 vote by paper ballots or by a "yes" or "no" vote on the voting machines,
568 during the hours between twelve o'clock noon and eight o'clock p.m.;
569 except that such city may, by vote of its board of aldermen, provide for
570 an earlier hour for opening the polls but not earlier than six o'clock
571 a.m., notwithstanding the provisions of any special act. If two-thirds of
572 the voters casting votes in such referendum vote in favor of
573 establishing the proposed district, the mayor shall reconvene such
574 meeting not later than seven days after the day on which the
575 referendum is held. Upon approval of the petition for the proposed
576 district by two-thirds of the voters present at such meeting, or if a
577 referendum is held, upon the reconvening of such meeting after the
578 referendum, the voters may name the district and, upon the vote of a
579 majority of such voters, choose necessary officers therefor to hold
580 office until the first annual meeting thereof; and the district shall, upon
581 the filing of the first report in the manner required pursuant to
582 subsection (c) of section 7-325 of the general statutes, thereupon be a
583 body corporate and politic and have the powers provided in sections
584 7-324 to 7-329, inclusive, of the general statutes, not inconsistent with
585 the general statutes or this section, in relation to the objects for which it
586 was established, that are necessary for the accomplishment of such
587 objects, including the power to lay and collect taxes. The clerk of such
588 district shall cause its name and a description of its territorial limits
589 and of any additions that may be made thereto to be recorded in, and a
590 caveat be placed upon, the land records of the city of Derby.

591 (2) At the meeting called for the purpose of establishing the district
592 as provided in subdivision (1) of this subsection, the voters may
593 establish the district for any or all of the following purposes: To
594 extinguish fires; to light streets; to plant and care for shade and
595 ornamental trees; to plan, lay out, acquire, construct, finance and
596 maintain roads, including the shoring up of roads, foundations and

597 retaining walls, pilings, footings and pressure slabs and sidewalks,
598 crosswalks, curbs, drains, sewers and sewage treatment facilities,
599 parking facilities, open space, river walks, parks, floating docks and
600 other infrastructure improvements; to acquire, construct, maintain and
601 regulate the use of recreational facilities; to plan, lay out, acquire,
602 construct, reconstruct, repair, maintain, supervise and manage a flood
603 or erosion control system, to plan, lay out, acquire, construct, maintain,
604 operate, finance and regulate the use of a community water system, all
605 as hereinafter referred to as "improvements". The district may contract
606 with a town, city, borough or other district for carrying out any of the
607 purposes or the purchase or sale of any of the improvements for which
608 such district was established.

609 (3) At the meeting called for the purpose of establishing the district
610 as provided in subdivision (1) of this subsection, the voters shall fix the
611 date of the annual meeting of the voters for the election of district
612 officers and the transaction of such other business as may properly
613 come before such annual meeting. At such organizational meeting of
614 the district, the voters shall elect a president, vice-president, five
615 directors, a clerk and a treasurer to serve until the first annual meeting
616 for the election of officers and thereafter such officers shall be elected
617 annually, provided, upon its organization and at all times thereafter,
618 one director may be appointed by the mayor of the city of Derby. Not
619 less than three members of the board of directors shall be residents of
620 the state of Connecticut. Subject to the provisions of subdivision (4) of
621 this subsection, not fewer than fifteen voters of the district shall
622 constitute a quorum for the transaction of business at such
623 organizational meeting of the district; and if fifteen voters are not
624 present at such meeting, the mayor may adjourn such meeting, from
625 time to time, until at least fifteen voters are present. Special meetings
626 of the district may be called on the application of ten per cent of the
627 total number of voters of such district or twenty of the voters of such
628 district, whichever is less, or by the president or any three directors
629 upon giving notice as hereinafter provided. Any special meeting called
630 on the application of the voters shall be held not later than twenty-one

631 days after receiving such application. Notice of the holding of the
632 annual meeting and all special meetings shall be given by publication
633 of a notice of such meetings in a newspaper having a general
634 circulation in such district at least ten days before the day of such
635 meetings, signed by the president or any three directors, which notice
636 shall designate the time and place of such meetings and the business to
637 be transacted thereat. Two hundred or more persons or ten per cent of
638 the total number of voters of such district, whichever is less, may
639 petition the clerk of such district, in writing, at least twenty-four hours
640 prior to any such meeting, requesting that any item or items on the call
641 of such meeting be submitted to the voters not less than seven or more
642 than fourteen days thereafter, on a day to be set by the district meeting
643 or, if the district meeting does not set a date, by the board of directors,
644 or a vote by paper ballots or by a "yes" or "no" vote on the voting
645 machines, during the hours between twelve o'clock noon and eight
646 o'clock p.m., except that any district may, by vote of its board of
647 directors, provide for an earlier hour for opening the polls but not
648 earlier than six o'clock a.m. The paper ballots or voting machine ballot
649 labels, as the case may be, shall be provided by the clerk. When such a
650 petition has been filed with the clerk, the president, after completion of
651 other business and after reasonable discussion shall adjourn such
652 meeting and order such vote on such item or items in accordance with
653 the petition; and any item so voted may be rescinded in the same
654 manner. The clerk shall phrase such item or items in a form suitable for
655 printing on such paper ballots or ballot labels. Subject to the provisions
656 of subdivision (4) of this subsection, not fewer than fifteen voters of the
657 district shall constitute a quorum for the transaction of business at any
658 meeting of the district; and if fifteen voters are not present at such
659 meeting, the president of the district or, in such president's absence,
660 the vice-president, may adjourn such meeting, from time to time, until
661 at least fifteen voters are present; and all meetings of the district where
662 a quorum is present may be adjourned from time to time by a vote of a
663 majority of the voters voting on the question. At any annual or special
664 meeting, the voters may, by a majority vote of those present,
665 discontinue any purposes for which the district is established or

666 undertake any additional purpose or purposes enumerated in
667 subdivision (2) of this subsection.

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

684 (B) For the transaction of business at any other meeting of the
685 district, a quorum shall be either fifteen voters of the district or a
686 majority of the holders of record of interests in real property within
687 such district, as long as the assessments for such holders of record
688 constitute more than one-half of the total of assessments for all
689 interests in real property within such district. If fifteen voters or a
690 majority of the holders of record of interests in real property within
691 such district are not present at such meeting or the assessments of such
692 holders of record constitute less than one-half of the total assessments
693 for all interests in real property within such district, the president of
694 the district, or in such president's absence, the vice-president, may
695 adjourn such meeting, from time to time, until at least fifteen voters or
696 a majority of the holders of record of interests in real property within
697 such district are present and the assessments of such holders of record
698 constitute more than one-half of the total of assessments for all
699 interests in real property within such district.

700 (5) In a case in which an action for a vote by the voters of the
701 district is to be initiated by the petition of such voters, in addition to
702 such other requirements as the general statutes or any special act may
703 impose, such petition shall be on a form prescribed or approved by the
704 clerk of such district, and each page of such petition shall contain a
705 statement, signed under penalties of false statement, by the person
706 who circulated the same, setting forth such circulator's name and
707 address, and stating that each person whose name appears on said
708 page signed the same in person in the presence of such circulator, that
709 the circulator either knows each such signer or that the signer
710 satisfactorily identified himself to the circulator and that all the
711 signatures on said page were obtained not earlier than six months
712 prior to the filing of said petition. Any page of a petition which does
713 not contain such a statement by the circulator shall be invalid. Any
714 circulator who makes a false statement in the statement hereinbefore
715 provided shall be subject to the penalty provided for false statement.
716 No petition shall be valid for any action for a vote by the voters at any
717 regular or special district meeting unless such petition shall be
718 circulated by a voter eligible to vote in such district.

719 (c) Whenever the officers of such district vote to terminate its
720 corporate existence and whenever a petition signed by ten per cent of
721 the total voters of such district or twenty of the voters of such district,
722 whichever is less, applying for a special meeting to vote on the
723 termination of the district is received by the clerk, the clerk shall call a
724 special meeting of the voters of such district, the notice of which shall
725 be signed by the officers thereof, by advertising the same in the same
726 manner as is provided in section 7-325 of the general statutes. Not later
727 than twenty-four hours before any such meeting, two hundred or more
728 voters or ten per cent of the total number of voters, whichever is less,
729 may petition the clerk of the district, in writing, that a referendum on
730 the question of whether the district should be terminated be held in the
731 manner provided in section 7-327 of the general statutes. If, at such
732 meeting, a two-thirds majority of the voters present vote to terminate
733 the corporate existence of the district, or, if a referendum is held, two-

734 thirds of the voters casting votes in such referendum vote to terminate
735 the corporate existence of the district, the officers shall proceed to
736 terminate the affairs of such district. The district shall pay all
737 outstanding indebtedness and turn over the balance of the assets of
738 such district to the city in which the district is located, if the legislative
739 body of the city authorizes such action. No district shall be terminated
740 under this section until all of its outstanding indebtedness is paid
741 unless the legislative body of the city in which the district is located
742 agrees, in writing, to assume such indebtedness. On completion of the
743 duties of the officers of such district, the clerk shall cause a certificate
744 of the vote of such meeting to be recorded in the land records of the
745 city in which the district is located and the clerk shall notify the
746 Secretary of the Office of Policy and Management.

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

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

765 (e) Notwithstanding any provision of the general statutes, including
766 sections 7-324 to 7-329, inclusive, of the general statutes the district

767 shall have the power to assess, levy and collect benefit assessments
768 upon the land and buildings in the district which, in its judgment, is
769 benefited by the improvements.

770 (f) (1) Notwithstanding any provision of the general statutes,
771 including sections 7-324 to 7-329, inclusive, of the general statutes, the
772 district shall have the power to fix, revise, charge, collect, abate and
773 forgive reasonable taxes, fees, rents and benefit assessments, and other
774 charges for the cost of the improvements, financing costs, operating
775 expenses and other services and commodities furnished or supplied to
776 the real property in the district in accordance with the applicable
777 provisions of the general statutes which apply to districts established
778 under section 7-325 of the general statutes, and this section and in the
779 manner prescribed by the district. Notwithstanding any provision of
780 the general statutes, the district may pay the entire cost of any
781 improvements, including the costs of financing such improvements,
782 capitalized interest and the funding of any reserve funds necessary to
783 secure such financing or the debt service of bonds or notes issued to
784 finance such costs, from taxes, fees, rents, benefit assessments or other
785 revenues and may assess, levy and collect said taxes, fees, rents or
786 benefit assessments concurrently with the issuance of bonds, notes or
787 other obligations to finance such improvements based on the estimated
788 cost of the improvements prior to the construction or acquisition of the
789 improvements or upon the completion or acquisition of the
790 improvements.

791 (2) Notwithstanding any provision of the general statutes, whenever
792 the district constructs, improves, extends, equips, rehabilitates, repairs,
793 acquires or provides a grant for any improvements or finances the cost
794 of such improvements, such proportion of the cost or estimated cost of
795 the improvements and financing thereof as determined by the district,
796 may be assessed by the district, herein referred to as "benefit
797 assessments", in the manner prescribed by such district, upon the
798 property benefited by such improvements and the balance of such
799 costs shall be paid from the general funds of the district. The district
800 may provide for the payment of such benefit assessments in annual

801 installments, not exceeding thirty, and may forgive such benefit
802 assessments in any single year without causing the remainder of
803 installments of benefit assessments to be forgiven. Benefit assessments
804 to buildings or structures constructed or expanded after the initial
805 benefit assessment may be assessed as if the new or expanded
806 buildings or structures had existed at the time of the original benefit
807 assessment. It is hereby determined that the provision of open space
808 whether within the district or in the city of Derby is a benefit to all the
809 property in the district.

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

824 (4) The budget, taxes, fees, rents, benefit assessments and any other
825 charges of the district of general application shall be adopted and
826 revised by the board at least annually no more than thirty days before
827 the beginning of the fiscal year in accordance with the procedures to be
828 established by the board and at a meeting called by the board assuring
829 that interested persons are afforded notice and an opportunity to be
830 heard. The board shall hold at least one public hearing on its schedule
831 of fees, rates, rents, benefit assessments and other charges or any
832 revision thereof before adoption, notice of which shall be delivered to
833 the mayor of the city of Derby and be published in a newspaper of
834 general circulation in the city of Derby at least ten days in advance of

835 the hearing. No later than the date of the publication, the board shall
836 make available to the public and deliver to the mayor of the city of
837 Derby the proposed schedule of fees, rates, rents, benefit assessments
838 and other charges. The procedures regarding public hearing and
839 appeal provided by section 7-250 of the general statutes, shall apply for
840 all benefit assessments made by the district except that the board shall
841 be substituted for the water pollution control authority. Should the
842 benefit assessments be assessed and levied prior to the acquisition or
843 construction of the improvements, then the amount of the benefit
844 assessments shall be adjusted to reflect the actual cost of the
845 improvements including all financing costs once the improvements
846 have been completed should the actual cost be greater than or less than
847 the estimated costs. Benefit assessments shall be due and payable at
848 such times as are fixed by the board, provided the district shall give
849 notice of such due date not less than thirty days prior to such due date
850 by publication in a newspaper of general circulation in the city of
851 Derby and by mailing such notice to the owners of the property
852 assessed at their last-known address.

853 (g) (1) Notwithstanding any provision of the general statutes,
854 including sections 7-324 to 7-329, inclusive, of the general statutes,
855 whenever the district has authorized the acquisition or construction of
856 the improvements or has made an appropriation therefor, the district
857 may authorize the issuance of up to forty-five million dollars of bonds,
858 notes or other obligations to finance the cost of the improvements, the
859 creation and maintenance of reserves required to sell the bonds, notes
860 or obligations and the cost of issuance of the bonds, notes or
861 obligations provided no bonds shall be issued prior to the district
862 entering into an interlocal agreement with the city of Derby, in
863 accordance with the procedures provided by section 7-339c of the
864 general statutes, including at least one public hearing on the proposed
865 agreement and ratification by the legislative body of the city of Derby.
866 The bonds, notes or other obligations may be secured as to both
867 principal or interest by (A) the full faith and credit of the district, (B)
868 fees, revenues or benefit assessments, or (C) a combination of

869 subparagraphs (A) and (B) of this subdivision. Such bonds, notes or
870 obligations shall be authorized by resolution of the board. The district
871 is authorized to secure such bonds by the full faith and credit of the
872 district or by a pledge of or lien on all or part of its revenues, fees or
873 benefit assessments. The bonds of each issue shall be dated, shall bear
874 interest at the rates and shall mature at the time or times not exceeding
875 thirty years from their date or dates, as determined by the board, and
876 may be redeemable before maturity, at the option of the board, at the
877 price or prices and under the terms and conditions fixed by the board
878 before the issuance of the bonds. The board shall determine the form of
879 the bonds, and the manner of execution of the bonds, and shall fix the
880 denomination of the bonds and the place or places of payment of
881 principal and interest, which may be at any bank or trust company
882 within the state of Connecticut and other locations as designated by
883 the board. In case any officer whose signature or a facsimile of whose
884 signature shall appear on any bonds or coupons shall cease to be an
885 officer before the delivery of the bonds, the signature or facsimile shall
886 nevertheless be valid and sufficient for all purposes the same as if the
887 officer had remained in office until the delivery.

888 (2) While any bonds or notes issued by the district remain
889 outstanding, the powers, duties or existence of the district shall not be
890 diminished or impaired in any way that will affect adversely the
891 interests and rights of the holders of the bonds or notes. Bonds or notes
892 issued under this section, unless otherwise authorized by law, shall not
893 be considered to constitute a debt of the state of Connecticut or the city
894 of Derby, or a pledge of the full faith and credit of the state of
895 Connecticut or of the city of Derby, but the bonds or notes shall be
896 payable solely by the district or as special obligations payable from
897 particular district revenues. Any bonds or notes issued by the district
898 shall contain on their face a statement to the effect that neither the state
899 of Connecticut or the city of Derby shall be obliged to pay the principal
900 of or the interest thereon, and that neither the full faith and credit or
901 taxing power of the state of Connecticut or of the city of Derby is
902 pledged to the payment of the bonds or notes. All bonds or notes

903 issued under this section shall have and are hereby declared to have all
904 the qualities and incidents of negotiable instruments, as provided in
905 title 42a of the general statutes.

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

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

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

936 properly and legally be deposited with and received by any state or
937 municipal officer or any agency or political subdivision of the state of
938 Connecticut for any purpose for which the deposit of bonds or notes of
939 the state of Connecticut is now or may hereafter be authorized by law.

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

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

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

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

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

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

997 (2) Except as specifically provided in this section, all other statutes,
998 ordinances, resolutions, rules and regulations of the state of
999 Connecticut and the city of Derby shall be applicable to the property,
1000 residents and businesses located in the district. Nothing in this section

1001 shall in any way obligate the city of Derby to pay any costs for the
1002 acquisition, construction, equipping or operation and administration
1003 of the improvements located within the district except as may be
1004 agreed to in any interlocal agreements executed by the city of Derby
1005 and the district.

1006 (o) At the option of the city of Derby, by vote of the board of
1007 aldermen of the city of Derby, the district shall be merged into the city
1008 of Derby if no bonds are issued by the district within four years of the
1009 creation of the district or after the bonds authorized by this section are
1010 no longer outstanding and any property which is owned by the district
1011 shall be distributed to the city of Derby.

1012 (p) This section, being necessary for the public interest, shall be
1013 liberally construed to affect the purposes hereof.

1014 Sec. 518. (NEW) (*Effective July 1, 2006*) Any municipality that
1015 purchases a parcel of land, or a portion thereof owned by the state may
1016 enter into an agreement (1) exempting such parcel or portion thereof
1017 from any property tax imposed by the municipality, or providing that
1018 such parcel or portion thereof is subject to all or any portion of such
1019 property tax, and (2) providing for payments in lieu of, or fixing,
1020 property taxes with respect to such parcel or portion thereof. Such
1021 agreement shall be for such amounts, duration and on such terms as
1022 may be approved by the legislative body of such municipality. Any
1023 payments in lieu of, or fixing, such taxes, together with interest thereon
1024 as provided in any such agreement, shall constitute a lien upon such
1025 property, taking precedence over all other liens and encumbrances.
1026 Such lien may be foreclosed in the same manner as a lien for property
1027 taxes.

1028 Sec. 519. (*Effective from passage*) Notwithstanding the provisions of
1029 section 13b-268 of the general statutes or any other provision of the
1030 general statutes, special act or regulation that prohibits the
1031 construction of any new highway railroad crossing at grade, the
1032 Department of Transportation shall allow the city of Shelton or its

1033 authority or agent to construct an at grade pedestrian crossing on the
1034 Housatonic Railroad's Maybrook Line between Canal Street and
1035 Bridge Street. The project shall first be approved by the legislative
1036 body of the city of Shelton and the Housatonic Railroad Company and
1037 constructed in accordance with the department's recommendations."