



Substitute House Bill No. 6856

Public Act No. 07-154

AN ACT CONCERNING A MUNICIPAL STORMWATER AUTHORITY PILOT PROGRAM, SPECIAL SERVICES DISTRICTS, CLEAN WATER FUND DISBURSEMENTS AND THE DEFINITION OF UNIMPROVED LAND FOR TAX PURPOSES.

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

Section 1. (NEW) (*Effective from passage*) (a) Not later than September 1, 2007, the Commissioner of Environmental Protection shall establish a municipal stormwater authority pilot program to provide grants to not more than four municipalities that border Long Island Sound to enable such municipalities to establish stormwater authorities. Municipalities satisfying the following criteria shall be given priority to participate in the pilot program: A municipality that has a population of more than eighteen thousand and less than eighteen thousand five hundred; a municipality that has a population of more than twenty-six thousand and less than twenty-six thousand five hundred; a municipality that has a population of more than eighty-four thousand and less than eighty-four thousand five hundred, and one municipality that has a population of more than one hundred twenty-five thousand and less than one hundred twenty-five thousand five hundred. For the purposes of this section, "population" means the number of people according to the most recent version of the Connecticut Register and Manual.

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(b) In order to be considered for such a grant, each eligible municipality shall submit a grant application on forms prescribed by the commissioner not later than September 15, 2007. The commissioner may reject any grant application that the commissioner determines to be incomplete. The municipality that submitted such rejected application shall be given not more than fifteen days to correct the defects in such application. In the event that a municipality given priority in accordance with subsection (a) of this section is unable to correct such defects to the commissioner's satisfaction, the commissioner shall consider such municipality a non-priority municipality, as described in subsection (c) of this section. Any municipality that fails to submit a timely application for the grant shall be deemed to have waived such municipality's right to apply for the grant.

(c) In the event that one or more of the municipalities given priority in accordance with subsection (a) of this section waives its right to participate in such pilot program, any municipality required to comply with the requirements of a permit issued pursuant to section 22a-430 or 22a-430b of the general statutes for the discharge of stormwater from, or associated with, a separate storm sewer system owned or operated by such municipality may apply to the commissioner to participate in the pilot program in accordance with procedures prescribed by the commissioner. Timely applications for such grants will be reviewed in the order in which they were received to determine if such municipality meets the selection criteria for non-priority municipalities. Such selection criteria shall include, but not be limited to: (1) The proximity of the municipality to Long Island Sound or other major river or water body, and (2) whether the inclusion of such municipality will result, in the aggregate of all participating municipalities, in a diverse representation of urban and suburban areas. For the purpose of this section, "separate storm sewer system" means a conveyance for stormwater, including, but not limited to,

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roads with drainage systems, streets, catch basins, curbs, gutters, ditches, man-made channels or storm drains that discharge into the waters of the state.

(d) Each municipality selected by the commissioner to participate in such pilot program shall submit a stormwater management program for the commissioner's approval. Such program shall include an estimate of the operational and capital expenses and income required to financially support implementation of the plan over a five-year period, and other such elements as the commissioner may prescribe in accordance with the purposes specified in section 2 of this act.

(e) Notwithstanding the provisions of sections 22a-475 to 22a-483, inclusive, of the general statutes, the Commissioner of Environmental Protection may provide grants that in the aggregate do not exceed one million dollars, from any account in the Clean Water Fund established under section 22a-477 of the general statutes, to the extent that bond funds are available, to municipalities participating in the pilot program established pursuant to sections 1 to 3, inclusive, of this act, for reimbursement of not more than eighty per cent of the costs incurred by said municipalities related to the planning, engineering and legal costs associated with the establishment of an approved stormwater authority and the development of a stormwater program pursuant to sections 1 to 3, inclusive, of this act. Any costs associated with the application for participation in the pilot program shall not be eligible for reimbursement. The commissioner shall be reimbursed from the Clean Water Fund for the reasonable costs of administering such grant program.

Sec. 2. (NEW) (*Effective from passage*) (a) Any municipality selected by the commissioner to participate in the pilot program established pursuant to section 1 of this act may, by ordinance adopted by its legislative body, designate any existing board or commission or establish a new board or commission as the stormwater authority for

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such municipality. If a new board or commission is created, such municipality shall, by ordinance, determine the number of members thereof, their compensation, if any, whether such members shall be elected or appointed, the method of their appointment, if appointed, and removal and their terms of office, which shall be so arranged that not more than one-half of such terms shall expire within any one year.

(b) The purposes of the stormwater authority shall be to: (1) Develop a stormwater management program, including, but not limited to, (A) a program for construction and post-construction site stormwater runoff control, including control detention and prevention of stormwater runoff from development sites; or (B) a program for control and abatement of stormwater pollution from existing land uses, and the detection and elimination of connections to the stormwater system that threaten the public health, welfare or the environment; (2) provide public education and outreach in the municipality relating to stormwater management activities and to establish procedures for public participation; (3) provide for the administration of the stormwater management program; (4) establish geographic boundaries of the stormwater authority district; and (5) recommend to the legislative body of the municipality in which such district is located the imposition of a levy upon the taxable interests in real property within such district, the revenues from which may be used in carrying out any of the powers of such district. In accomplishing the purposes of this section, the stormwater authority may plan, layout, acquire, construct, reconstruct, repair, maintain, supervise and manage stormwater control systems.

(c) Any stormwater authority created by a municipality pursuant to subsection (a) of this section may levy fees from property owners of the municipality for the purposes described in subsection (b) of this section. In establishing fees for any property in its district, the stormwater authority may consider criteria, including, but not limited

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to, the following: The area of the property containing impervious surfaces from which stormwater runoff is generated, land use types that result in higher concentrations of stormwater pollution and the grand list valuation of the property. The stormwater authority may reduce or defer such fees for land classified as, or consisting of, farm, forest or open space land.

(d) The authority may adopt municipal regulations to implement the stormwater management program.

(e) The authority may, subject to the commissioner's approval, enter into contracts with any municipal or regional entity to accomplish the purposes of this section.

Sec. 3. (NEW) (*Effective September 1, 2007*) On or before February 11, 2008, the municipalities participating in the pilot program established in section 1 of this act shall submit a joint report in accordance with the provisions of section 11-4a of the general statutes to the joint standing committee of the General Assembly having cognizance of matters relating to the environment on the status of the pilot program. Said report shall include, but not be limited to: (1) The recommendation on municipalities' whether further legislation is necessary to grant stormwater authorities the additional powers to issue bonds, notes or other evidences of debt, (2) a map showing the geographic boundaries of the stormwater authority district, (3) information concerning the purpose and amount of any assessments recommended to fund the municipal stormwater authority, and (4) any other information that the commissioner requests pursuant to the grant agreement entered into between the commissioner and the municipality in accordance with section 2 of this act.

Sec. 4. Section 7-339n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective September 1, 2007*):

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A special services district shall constitute a body politic and corporate and the ordinance establishing such a district shall confer upon such district such of the following powers as are provided in the ordinance: [(a)] (1) To sue and be sued; [(b)] (2) to acquire, hold and convey any estate, real or personal; [(c)] (3) to contract; [(d)] (4) to borrow money, provided any obligation incurred for this purpose shall be discharged not more than [one year] seven years after it was incurred, and such district may pledge any revenues to be received pursuant to section 7-339r against any such obligation; [(e)] (5) to recommend to the legislative body of the municipality in which such district is located the imposition of a levy upon the taxable interests in real property within such district, the revenues from which may be used in carrying out any of the powers of such district; [(f)] (6) to construct, own, operate and maintain public improvements; and [(g)] (7) to provide, within such district, some or all of the other services which such municipality is authorized to provide therein, except that no such ordinance may confer upon any such district the power to provide elementary or secondary public education services, and provided further no such ordinance may confer upon any such district the power to provide services which are then being provided within any portion of the area included in such district by any multitown body or authority.

Sec. 5. Subsection (b) of section 22a-517 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The initial project undertaken by a new authority shall receive (1) a grant of twenty-five per cent of the cost of the project, unless such project is a combined sewer project, in which case a new authority shall receive a grant of fifty-five per cent of the cost of the project. In either case such cost shall be the cost the United States Environmental Protection Agency uses in making grants pursuant to Part 35 of the

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federal Construction Grant Regulations Act and Titles II and VI of the federal Water Pollution Control Act, as amended; and (2) a loan for the remainder of the costs of the project, not exceeding one hundred per cent of the eligible water quality project costs. [On or after fiscal year 2007, all projects eligible for funding shall receive a loan of one hundred per cent of the eligible costs and shall not receive a project grant.] All loans made in accordance with the provisions of this section shall bear an interest rate of two per cent per annum. The Commissioner of Environmental Protection may allow any project fund obligation to be repaid by a borrowing authority prior to maturity without penalty.

Sec. 6. Subsection (b) of section 12-494 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(b) The rate of tax imposed under subdivision (1) of subsection (a) of this section shall, in lieu of the rate under said subdivision (1), be imposed on certain conveyances as follows: (1) In the case of any conveyance of real property which at the time of such conveyance is used for any purpose other than residential use, except unimproved land, the tax under said subdivision (1) shall be imposed at the rate of one per cent of the consideration for the interest in real property conveyed; (2) in the case of any conveyance in which the real property conveyed is a residential estate, including a primary dwelling and any auxiliary housing or structures, regardless of the number of deeds, instruments or writings used to convey such residential real estate, for which the consideration or aggregate consideration, as the case may be, in such conveyance is eight hundred thousand dollars or more, the tax under said subdivision (1) shall be imposed (A) at the rate of one-half of one per cent on that portion of such consideration up to and including the amount of eight hundred thousand dollars, and (B) at the rate of one per cent on that portion of such consideration in excess of

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eight hundred thousand dollars; and (3) in the case of any conveyance in which real property on which mortgage payments have been delinquent for not less than six months is conveyed to a financial institution or its subsidiary which holds such a delinquent mortgage on such property, the tax under said subdivision (1) shall be imposed at the rate of one-half of one per cent of the consideration for the interest in real property conveyed. For the purposes of subdivision (1) of this subsection, "unimproved land" includes land designated as farm, forest or open space land.

Approved June 25, 2007